
APPENDIX Q

**DOCUMENTS RELATING TO BRAZIL ATLANTIC
RAINFOREST RESTORATION PROJECT**

BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT

COMPREHENSIVE AGREEMENT



General Motors Corporation
Sociedade de Pesquisa em Vida Selvagem
The Nature Conservancy

COMPREHENSIVE AGREEMENT FOR THE GENERAL MOTORS ATLANTIC
RAINFOREST RESTORATION PROJECT

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**COMPREHENSIVE AGREEMENT FOR THE GENERAL MOTORS ATLANTIC
RAINFOREST RESTORATION PROJECT**

This COMPREHENSIVE AGREEMENT FOR THE GENERAL MOTORS ATLANTIC RAINFOREST RESTORATION PROJECT ("Agreement"), together with the Attachments hereto, is made and entered into by and between, General Motors Corporation, a corporation incorporated under the laws of the State of Delaware, U.S.A. (hereinafter "GM"), General Motors do Brasil Ltda., a limited liability company incorporated under the laws of Brazil (hereinafter "GMB"), The Nature Conservancy, a non-profit corporation incorporated under the laws of Washington D.C., U.S.A. (hereinafter "The Conservancy"), and Sociedade de Pesquisa e Vida Selvagem e Educacao Ambiental a not-for-profit conservation organization established under the laws of Brazil (hereinafter "SPVS") (each referred to separately as a Party and all of which are cumulatively referred to herein as "the Parties").

RECITALS

WHEREAS, GM, GMB, THE CONSERVANCY and SPVS have decided to undertake a climate action mitigation project in the municipality of Guaratuba on the coastal plain of Paraná State in southeastern Brazil;

WHEREAS, this Project has not been submitted to or accepted by the United States Initiative on Joint Implementation or to any other governmental or inter-governmental program or entity;

WHEREAS, on 4 June 1992, the Government of Brazil ratified and thereby became a party to the United Nations Framework Convention on Climate Change (hereinafter "UNFCCC");

WHEREAS, on 15 October 1992, the Government of the United States of America ratified and thereby became a party to the UNFCCC;

WHEREAS, on 29 April 1998, the Government of Brazil signed the Kyoto Protocol;

WHEREAS, on 12 November 1998, the Government of the United States signed the Kyoto Protocol under which it would be committed to reduce its level of greenhouse gas emissions by 7% below 1990 levels between the period 2008-2012;

WHEREAS, the text of the Kyoto Protocol includes the Clean Development Mechanism to assist developing countries achieve sustainable development while assisting industrialized countries to meet their emissions reductions obligations;

WHEREAS, neither the Government of the United States nor the Government of Brazil has ratified the Kyoto Protocol;

WHEREAS, the Parties have determined, after careful review, that the area selected for the Project Site is an optimal location for demonstrating greenhouse gas mitigation through the process of carbon sequestration, carbon storage and other strategies, and have thus undertaken various actions, set forth in this Agreement, to develop a pilot greenhouse gas mitigation project on the Project Site;

WHEREAS, the Parties intend that this climate action mitigation project shall promote the protection of plants and animals, sequester carbon from the atmosphere, otherwise reduce so-called greenhouse gases in the atmosphere and achieve sustainable development through community conservation; and

WHEREAS, GM, GMB, THE CONSERVANCY and SPVS wish to convey to GM any credits or benefits which may result from this endeavor to the extent related to efforts by any country to achieve sustainable development and to meet any net greenhouse gas emissions reduction goals either through the UNFCCC including any Protocols related thereto (including but not limited to the Kyoto Protocol) or otherwise;

NOW, THEREFORE, in consideration of the mutual promises, obligations and undertakings set forth herein, it is agreed by and among the Parties as follows:

ARTICLE I - DEFINITIONS

The terms used in this Agreement shall have the meanings set forth below.

1. "Annual Technical and Financial Report" has the meaning set forth in Article VII of this Agreement.
2. "Annual Workplan and Budget" means a plan for operations and activities under this Agreement for a given Project Year, including a work plan and operating budget.
3. "Business Day" means any day other than a Saturday, Sunday or a United States or Brazilian national holiday. If the last date for performing any act referred to in this Agreement is not a Business Day, the time for performance of such act shall be extended to the next succeeding Business Day. All other references to "days" shall mean calendar days.
4. "Carbon Monitoring Protocol" shall mean the Carbon Monitoring, Offset Creation, and Reporting Protocol prepared by the Project Site Manager and Project Funds Manager and reviewed and evaluated by the TAP, which protocol will provide the factual basis and procedures for documenting changes over time in the greenhouse gases emitted, reduced, avoided, or sequestered by the Project, including definition of the methods, procedures, and frequency of measurement of carbon pools in and around the Project Site; calculation of a Project reference case; calculation of Leakage; carbon emissions calculations and accounting procedures; and preparation and submission of Offset reports.
5. "Certified Offset" means an Offset that has been demonstrated to a Mechanism or Certifying Entity designated by GM pursuant to this Agreement and certified by such Mechanism or Certifying Entity.

6. "Certifying Entity" means (1) an agency, instrumentality, department or other entity established, accredited, or recognized by a Mechanism as having legal authority to certify Offsets that are entitled or may or will be entitled, currently or in the future, to recognition by a Mechanism for compliance determination purposes; (2) any other agency, instrumentality, department or other entity that undertakes to certify, on its own authority, Offsets that will or may be recognized by a Mechanism or that will or may have commercial value.

7. "Comprehensive Agreement" or "Agreement" means this Comprehensive Agreement, for the Brazil Atlantic Rainforest Restoration Project including all Attachments and amendments hereto.

8. "THE CONSERVANCY Long-Term Project Funds Account" has the meaning set forth in Article VII of this Agreement.

9. "THE CONSERVANCY Medium-Term Project Funds Account" has the meaning set forth in Article VII of this Agreement.

10. "Disbursement" means each transfer by the Project Funds Manager of Project Funds.

11. "Donation Agreement" means an agreement between THE CONSERVANCY and SPVS in the form found in Attachment 6 hereto and providing conditions and restrictions on the use of funds donated to SPVS for the purchase of lands pursuant to this Agreement.

12. "Executive Committee" has the meaning ascribed to it in Article IV of this Agreement.

13. "Financial Statement" means a balance sheet, statements of income and expenditures, and sources and application of funds for the fiscal period, with comparable figures for the corresponding periods of its previous fiscal year and prepared in accordance with generally accepted accounting principles in the United States, consistently applied.

14. "Law" means the applicable statutes, regulations, judicial decisions, directives, treaties, government policies and authorizations having the force of law, of all governmental authorities of Brazil, the United States, or any other nation with jurisdiction, and shall include without limitation all applicable environmental standards and programs, the Brazilian laws and regulations relating to forest management, genetic resources and biodiversity conservation, the United States Initiative on Joint Implementation ground rules and guidelines, the U.S. Department of Energy procedures established under Section 1605(b) of the Energy Policy Act of 1992 for the registration of Offsets, and the applicable ordinances and regulations of any state, federal, district or local governing authority within the United States or Brazil.

15. "Leakage" means a measurable positive or negative change in the metric tons of carbon-equivalent ("C-eq.") greenhouse gas emissions caused by activities occurring outside those lands acquired by the Project but occurring directly and solely as a result of the Project, calculated in accordance with standards and procedures established by the Intergovernmental Panel on Climate Change or a relevant Mechanism or Certifying Entity, and monitored using the measuring and modeling procedures established in the Project Plan. For purposes of this Agreement, Leakage shall not include any change in metric tons of C-eq. emissions caused by the continuation based on historical and projected future trends, of current or established activities outside the Project Site.

16. "Mechanism" means an agreement, arrangement, program, agency, instrumentality, department or other entity currently established or established in the future pursuant to international and/or domestic law, including the law of Brazil or the law of the United States, or other nation with legal authority to certify, recognize and/or grant credit for Offsets for purposes of determining compliance by the owner or holder of the credit or Offset with international or domestic greenhouse gas emissions limitations, obligations or commitments, voluntary or otherwise. "Mechanism" includes, without limitation, the Clean Development Mechanism defined by the Kyoto Protocol to the Framework Convention on Climate Change and the program established by Section 1605(b) of the United States Energy Policy Act of 1992.

17. "Offset" means one metric ton of Carbon equivalent ("C-eq.") demonstrated by the Project Site Manager to be mitigated, reduced, avoided, sequestered or fixed in any calendar year, in accordance with this Agreement and the Carbon Monitoring Protocol.

18. "Operating Protocols" means the Carbon Monitoring Protocol and the binding written procedures, authorizations, delegations and Project management systems that are developed by the Project Site Manager and the Project Funds Manager to manage and implement the Project in conformance with Law and this Agreement.

19. "Party" means the signatories hereto, or any Person that is hereafter assigned a Party's rights, duties and obligations, or portions thereof.

20. "Person" includes any natural or juridical person, any individual, corporation, partnership, association, or other private or commercial entity, and any sovereign state, district municipality, political subdivision, agency, department, or instrumentality of a sovereign state, and any officer, employee, representative or agent thereof.

21. "Principal Contact" has the meaning ascribed to it in Article IV of this Agreement.

22. "Project" shall mean the climate action mitigation project described in Section II hereof.

23. "Project Documents" means this Agreement, including all Attachments and amendments hereto, the Annual Workplan and Budget and any updates to the Project Plan, all Operating Protocols, the Financial Statement, the Annual Technical and Financial Report, and other documents that are established after the signing of this Agreement by agreement of the Parties for the management and implementation of the Project. The term "Project Documents" shall not include filings made by any Person under Section 1605(b) of the United States Energy Policy Act of 1992 or any other program for the purpose of registering Offsets of the Project that have been conveyed to GM as contemplated herein.

24. "Project Funds" means the total of funds deposited into THE CONSERVANCY Long-Term Project Funds Account, THE CONSERVANCY Medium-Term Project Funds Account or the SPVS Project Account, under this Agreement and all interest earned on such funds, during the Project Term.

25. "Project Funds Manager" has the meaning ascribed to it in Section V of this Agreement.

26. "Project Implementation Team" means SPVS and THE CONSERVANCY employees directly involved in the execution of activities contemplated in this Agreement and outside service providers necessary to implement the Project.
27. "Project Plan" means the General Motors Atlantic Rainforest Restoration Project Plan set forth in Attachment 3 to the Agreement and any revisions to it approved by the Parties.
28. "Project Site" means lands purchased for the express purpose of implementing the Project, exclusive of the lands that are outside of the boundaries of this purchased land on which activities related to the Project take place.
29. "Project Site Manager" shall have the meaning set forth in Section V of this Agreement.
30. "Project Term" shall have the meaning set forth in Article III of this Agreement.
31. "Project Year" shall be from July 1 through June 30.
32. "Registration Interest" means the right accorded to GM under the terms of this Agreement, Section 1605(b) of the United States Energy Policy Act of 1992, and any other relevant Mechanism to claim, to obtain certification to formally register or otherwise to obtain environmental or other credit for Offsets conveyed to GM in accordance with this Agreement.
33. "Restricted Information" means any non-public information regarding any Party, provided by such Party or by an agent, employee or representative of such Party and marked as "Restricted Information" to any other Party or to an agent, representative or employee of such other Party. "Restricted Information" does not include (1) Project-verified information that must be disclosed to obtain Offset Certification, or to register Offsets under the ground rules of the United States Department of Energy's Section 1605 (b) registration program or of any other relevant Mechanism, or to comply with an order of a federal, state or local court or governmental agency; (2) information which at the date of this Agreement is publicly available; (3) information which after the date of this Agreement becomes publicly available through no fault of a Party or its employees or agents; (4) information that a Party can show was in its possession before the date of this Agreement; or (5) information received by a Party without restriction as to disclosure from a third party who has the lawful right to disclose the same.
34. "SPVS Project Account" has the meaning set forth in Article VII of this Agreement.
35. "TAP" means the Technical Advisory Panel assembled by THE CONSERVANCY and composed of THE CONSERVANCY climate change experts and other outside specialists. The TAP will review and evaluate the Carbon Monitoring Protocol, other Project carbon monitoring procedures, Offset reports and any other items requiring TAP review and evaluation under the Carbon Monitoring Protocol.

ARTICLE II - OBJECTIVE

2.1 **Objective.** The Parties to this Agreement have as their objective the implementation of a climate action mitigation project (hereinafter "Project") for the following purposes:

1. to protect plants and animals
2. to protect biodiversity on the project site
3. to mitigate greenhouse gases in the Earth's atmosphere, principally through reforestation and the prevention of deforestation
4. to sequester carbon from the Earth's atmosphere as rapidly as possible without compromising the biodiversity of the Project
5. to promote sustainable development
6. to generate Certified Offsets for GM.

2.2 **Project Activities.** The specific detailed activities to be undertaken under this Agreement are set forth in the Project Plan contained in Attachment 3 of this Agreement. The Project Plan should be implemented so as to avoid, to the extent possible, the loss of jobs or homes and other events with negative social or environmental consequences.

ARTICLE III - TERM

3.1 **Project Term.** This Comprehensive Agreement shall enter into force upon its execution by the Parties hereto, and shall continue from the date of execution hereof through the date of June 30, 2040.

ARTICLE IV - PROJECT GOVERNANCE

4.1 **Legal Address, Address of the Project Site Manager.** The address of the Project and the Project Site Manager shall be the SPVS office in Curitiba, Brazil as listed in Attachment 4 of this Agreement; or at other places in Brazil as the Parties may from time-to-time designate in writing, should there be a change

4.2. **The Executive Committee.** The Executive Committee shall have four members and consist of the Principal Contacts for GM, GMB, SPVS and THE CONSERVANCY. It shall meet at least once per Project Year during the first five Project Years, and as the Parties deem necessary during the remaining Project Term. At least three-quarters of all Executive Committee members must be present for a quorum. In lieu of a meeting the Executive Committee may act by written resolution, signed by at least three-quarters of all Executive Committee members in the case of an advisory action and by all Executive Committee members in the case of a binding decision. All meetings shall be noticed in writing by the Project Site Manager at least forty-five (45) days prior to the date of the meeting. This notice is considered waived if all members of the Executive Committee are present at a meeting. The site for Executive Committee meetings shall be the office of the Project Site Manager in Curitiba, Brazil, unless the Parties agree to an alternate location. Executive Committee meetings may be held by teleconference. The Project

Site Manager shall keep minutes of the Executive Committee meetings in English and Portuguese, which shall be distributed to the Parties within thirty (30) days following a meeting. Reasonable expenses of THE CONSERVANCY and SPVS to attend Executive Committee meetings can be paid out of the Overall Project Budget in Attachment 2 to this Agreement; GM and GMB shall bear the expenses of their own attendance in Executive Committee meetings.

4.2.1 Advisory Role. Except to the extent otherwise provided in this Agreement, during the Project Term the Executive Committee may consider in an advisory capacity any issues concerning the Project that any Party requests be considered. While consensus shall be the goal, recommendations of the Executive Committee shall be by approval of at least three-quarters of all Executive Committee members. The Executive Committee may provide, but is not limited to providing, recommendations on the following matters:

- (a) Annual Work plans and Budgets (following the first four years of the Project Term);
- (b) Annual Technical and Financial Reports;
- (c) General project implementation activities.

4.2.2 Decision Making Role. Any and all binding decisions of the Executive Committee shall require the agreement of all members of the Executive Committee. In addition to its advisory role, the Executive Committee shall have the following duties and responsibilities with respect to which its decisions will be binding upon the Project Funds Manager and the Project Site Manager:

- (a) recommend appropriate changes to this Agreement including any changes to the Project Plan;
- (b) review and approve the Annual Workplans and Budgets covering the first four calendar years of the Project Term (under this section, following the first four years of the Project Term, the Executive Committee at its discretion may decide to continue to review and approve the Annual Workplans and Budgets);
- (c) the determination of when and to whom to submit any filing, submission, or registration of any Offsets generated by the Project, the delegation of responsibility for preparing and submitting all necessary documentation and applications, and approval of any such filing, submission, or registration;
- (d) the approval of any sale, assignment, conveyance, lease or other disposition of the Project Site or the placing on, or permitting to exist on or in respect of the Project Site of any encumbrance, including but not limited to a mortgage, lease, lien, security interest, pledge or other encumbrance of any kind or nature whatsoever;
- (e) the changing of the frequency or number of any audits or reports required under this Agreement;
- (f) the changing of the definition of the Project Year;
- (g) any other binding decision identified in this Agreement to be undertaken by the Executive Committee.

4.3 Principal Contacts. Each Party agrees to be represented at all times during the Project Term by a Principal Contact, who shall be fully authorized to represent and bind his or her appointing Party in connection with all matters concerning the Project. The names of the Principal Contacts shall be set forth in Attachment 4 to this Agreement, provided that each Party

shall notify the Project Site Manager within fifteen (15) days following any change in the names of the Principal Contacts or in the address to which communications should be sent. The Project Site Manager shall record any change and notify the other Parties of the change within ten (10) days thereafter.

4.4 Communication Among Parties. Unless explicitly provided for otherwise herein, all communications among the Parties may be given orally, by phone, or in writing. Any communications that are required to be in writing, shall be in English and may be delivered by hand, mail, telegram, facsimile, e-mail or telex, postage prepaid. All Annual Workplans and Budgets, Annual Technical and Financial Reports shall be deemed to have been given when received by the Principal Contact of a Party.

4.5 Consultation With External Advisors and Other Service Providers. The Parties may consult with independent advisors, including government entities, and separately engage accountants, technical experts and other service providers in addition to those funded under the Project to review, verify and advise the Parties on implementation of the Project. Such advisors may include such other experts in greenhouse gas mitigation, monitoring or other matters pertaining to the Project, as may be helpful or necessary to ensure the reliability and success of the Project; provided that, matters reviewed by independent advisors shall not include Restricted Information and each Party shall be solely responsible for any fees or other costs (beyond those contemplated by the Annual Workplans and Budgets) incurred by such separate engagements. The Executive Committee and Implementation Team are hereby directed by the Parties to cooperate fully with all reasonable requests made by any such independent advisors or separate service providers.

4.6 Authentications, Certifications & Warranties. All documents required to be prepared under this Agreement shall be prepared by or upon reasonable inquiry of persons with personal knowledge of the information contained in such documents, and shall be accompanied by all appropriate warranties as to the quality, truthfulness, authenticity and accuracy of the supporting work and the Project Documents. Nothing in this Agreement shall require a Principal Contact to obtain actual personal knowledge of the information contained in a document, provided that, such Principal Contact shall make reasonable inquiry of individuals having such personal knowledge.

4.7 Public Communications. Recognizing the importance of the Project to the public and to the relationships between nations, the Parties hereby direct that all information regarding the Project Plan (including any changes to the Project Plan), carbon monitoring data and methodologies, documentation of community work, reforestation data and methodologies, the content of this Comprehensive Agreement and any other Project contracts or subcontracts, the Operating Protocols, Annual Workplans and Budgets, Annual Technical and Financial Reports, Leakage reduction data and strategies, and any information required by law to be publicly available be publicly available, subject only to the following:

- (a) Uses of Names and Logos. The names and logos of each of the Parties hereto (including the Design of Oak Leaf of THE NATURE CONSERVANCY) are registered trademarks/service marks. No Party shall use the name and/or logo of another Party for commercial purposes. A Party intending to use another Party's name or logo shall submit in writing, via an overnight carrier, a final copy of all descriptions, copy and other materials not previously approved, associated with said name or logo for review and prior written approval no less than fifteen (15)

Business Days before publication. A Party's failure to provide written approval within ten (10) days of receipt of the foregoing information shall be deemed a disapproval. Such approvals shall not be unreasonably withheld by a Party; provided that, the criteria to be applied for such approval may include an assessment by the reviewing Party of whether the proposed communication, if published, would diminish, injure or damage such reviewing Party's reputation or good will.

- (b) Other Communication. Each Party shall communicate to each other Party the contents of and receive concurrence from each other Party on the content of all press statements and releases concerning any activities that have occurred or are occurring pursuant to this Agreement. No Party to this Agreement will be required to provide an endorsement or recommendation with respect to any of the other Parties to this Agreement or any of their activities. Descriptive language previously approved by the Parties is not subject to the restriction on non-commercial use found in section 4.7(a).
- (c) Restricted Information. The Parties each hereby agree not to use or disclose to any person any information that has been previously identified by any other Party as Restricted Information without such other Party's prior written approval. The Parties further agree to use best efforts to apply the same procedures to prevent the disclosure and use of such Restricted Information as they each apply to maintain the integrity and (if applicable) confidentiality of their own confidential and proprietary business information.

4.8 Terms of Project Plans. All Executive Committee decisions, Project Site Manager actions and future revisions to the Project Plan shall be consistent with the terms and principles established in the Project Plan. The Project Plan is included as Attachment 3 to this Agreement.

ARTICLE V - ROLES OF THE PARTIES

5.1 Roles of the Parties.

5.1.1 Duties of SPVS. SPVS is hereby designated Project Site Manager and in this capacity shall, in consultation with the Executive Committee, be principally responsible for managing and implementing the Project in a timely and professional manner. The duties of the Project Site Manager include:

- (a) purchasing and holding title to the lands comprising the Project Site, and managing the Project Site in accordance with the Project Plan;
- (b) hiring staff, contracting consultants, training, directing, managing and coordinating the work of the Project Implementation Team;
- (c) assuring that the Operating Protocols, Annual Workplans and Budgets, Annual Technical and Financial Reports and other such reports and Party updates necessary to implement the Project are prepared and presented to the Executive Committee;
- (d) submitting to the Project Funds Manager an Annual Workplan and Budget as described in Article VII that is in conformance with the Project Plan and in substantive conformance with the Overall Budget found in Attachments 3 and 2, respectively, to this Agreement and acceptable to the Project Funds Manager;

- (e) submitting to the Project Funds Manager for advanced approval an Annual Technical and Financial Report as described in Article VII;
- (f) submitting to the Project Funds Manager Quarterly Financial Reports as described in Article VII;
- (g) obtaining Executive Committee approvals for items that require it;
- (h) maintaining regular contact, but not less often than annually, with the appropriate Brazilian governmental entities and with technical scientific advisors and the local communities as appropriate to facilitate the Project and to respond promptly to any inquires of the appropriate Brazilian governmental entities.
- (i) designing, managing and implementing the Project's Offset creation strategies and sustainable development activities contemplated by the Project to assure the financial and environmental viability of the Project; managing the accounts for creation, deduction, certification and conveyance of Offsets to GM; and maintaining all necessary and appropriate records in connection therewith;
- (j) managing the Project Site in accordance with the Project Plan;
- (k) developing Offsets reports and submitting them as well as other necessary Project filings and Project Documents to the appropriate Brazilian or other national governmental entities on behalf of the Parties, with the appropriate certification to the truth and accuracy of such Offset reports, Project filings and other necessary Project Documents;
- (l) serving as custodian of all Project records required under Law to be kept at SPVS, at the Project Site, or pursuant to this Agreement, and ensuring the availability of such records to the Executive Committee, the appropriate governmental entities and the Parties;
- (m) establishing the SPVS Project Account in accordance with Section 7.4 hereof, maintaining disbursed Project Funds in a SPVS Project Account and expending Project Disbursements in accordance with this Agreement and the Annual Workplan and Budget;
- (n) engaging, coordinating and managing the work of accountants, scientific experts and other service providers as appropriate and necessary to implement the Project, including - providing the direction necessary regarding such work to ensure its quality, accuracy and timeliness;
- (o) acquiring, maintaining and renewing all rights, contracts, powers, leases, and franchises, and making all payments, filings and records pertaining thereto, as necessary for the conduct of its business and the performance of its obligations under this and all other Project Documents;
- (p) obtaining and maintaining in force at all times during the Project Term, such property, general liability and other insurance on its property and business as is in accordance with good commercial practice in Brazil and satisfactory to the Executive Committee;
- (q) serving as a member of the Executive Committee, and in that capacity voting as required on issues brought before the Executive Committee.
- (r) undertaking all actions as may be necessary or appropriate to ensure the success of the Project, within the frame of this Agreement and Laws.

5.1.2 Duties of GM Subject to the continuing satisfaction of the conditions precedent set forth in Article VII and the default provisions set forth in Article XII, GM shall:

- (a) provide financing for the Project according to the schedule of contributions set forth in Attachment 2; and
- (b) serve as a member of the Executive Committee, and in that capacity vote as required on issues brought before the Executive Committee, and consult with the Project Funds Manager and the Project Site Manager regarding the financing and implementation of the Project.

5.1.3 Duties of GMB Subject to the continuing satisfaction of the conditions precedent set forth in Article VII and the default provisions set forth in Article XII, GMB shall serve as a member of the Executive Committee, and in that capacity vote as required on issues brought before the Executive Committee, and consult with the Project Funds Manager and the Project Site Manager regarding the financing and implementation of the Project.

5.1.4 Duties of CONSERVANCY.

- (a) Project Funds Manager. THE CONSERVANCY is hereby designated as the Project Funds Manager, and in such capacity it shall be responsible, in consultation with the Executive Committee, for providing the financial management services set forth in this Agreement, in a timely and professional manner. THE CONSERVANCY shall serve as a member of the Executive Committee, and in that capacity vote as required on issues brought before the Executive Committee. The duties of the Project Funds Manager include:
 - (i) establishing a THE CONSERVANCY Medium-Term Project Funds Account and a THE CONSERVANCY Long-Term Project Funds Account with Project Funds received from GM, and tracking, managing and maintaining these Project Funds Account throughout the Project Term;
 - (ii) approving the Annual Workplan and Budget submitted by the Project Site Manager to the extent approval of the Executive Committee is not required;
 - (iii) disbursing funds to the Project Site Manager on such dates and in accordance with the Annual Workplan and Budget, the Project Plan and its Operating Protocols;
 - (iv) approving Quarterly Financial Reports submitted by the Project Site Manager and sending such Reports to GM and GMB;
 - (v) approving the Annual Technical and Financial Report submitted by the Project Site Manager and sending such Reports to GM and GMB;
 - (vi) seeking and facilitating technical support for the financial administration of the Project according to the necessities and requirements of the Project Site Manager;
 - (vii) establishing and managing the Endowment Fund established under this Project and described in Article VII; and
 - (viii) collaborating, as considered necessary, with the Project Site Manager to ensure the success of the Project conservation activities.
- (b) Project Technical Assistance. THE CONSERVANCY shall also provide technical assistance to the project for the following activities:

- (i) seeking and facilitating technical support required by the Project Site Manager as set forth in Article V;
- (ii) reviewing and approving all of the decisions of the Project Site Manager that require Project Funds Manager approval under the Operating Protocols, and approving revisions and amendments to the Project Plan and Annual Workplans and Budgets for better compliance with the objectives of this Agreement; and
- (iii) providing advice and technical assistance in the development and revision of Operating Protocols, Annual Workplans and Budgets, Annual Technical and Financial Reports and other such reports and Party updates as are necessary to implement the Project and as required by the Project Site Manager.

ARTICLE VI - COVENANTS

6.1 Covenants. Each Party independently and separately hereby covenants to perform as follows:

6.1.1 Due Diligence. It shall perform its obligations under this Agreement, and shall conduct the Project on the basis of customary commercial practice and arm's length arrangements, with due diligence and efficiency, within the due dates and time lines established herein or in any other Project Document;

6.1.2 Assignment of Duties and Obligations and Transfer of Rights. A Party shall not terminate, amend or grant any waiver of, or assign any of its duties or obligations under any provision of this Agreement except by written agreement of all of the Parties; provided, however, that GM may assign all or any portion of its interest herein to any third party subject to approval of the other Parties which approval may not be reasonably withheld;

6.1.3 Notification. It shall notify the other Parties in writing within five (5) Business Days of:

- (a) the occurrence of an Event of Default (as defined in Article XII) and of any event known to any of its officers which, upon the giving of notice, the lapse of time or both, would become an Event of Default,
- (b) the filing of any lawsuit against any Party involving claims that could directly and materially affect such Party's performance of this Agreement,
- or
- (c) the occurrence of any other condition or event which is likely to directly and materially adversely affect any Party's financial condition and its ability to perform its obligations under this Agreement.

6.1.4 Professional Performance of Obligations. All obligations to be performed under this Agreement by each one of the Parties and their respective employees, representatives and agents, shall be performed in a professional and efficient manner using due diligence to prevent unnecessary injury or damage to the Offsets and Certified Offsets produced on the Project Site.

6.1.5 Materials Prepared and Submitted. All materials prepared and submitted to any governmental or non-governmental entity, made by a Party or its employee, representative or agent, shall be prepared and submitted in a manner that meets the requirements of this Agreement and Law;

6.1.6 Reliance on Information. To the extent permitted by Law and this Agreement, all service providers, and each employee, representative and agent of any other Party working on the Project shall have the rights to rely on information provided, and preparations and representations made by such Party or its duly authorized employee, representative or agent;

6.1.7 Support. Each Party will provide its appointees and the persons engaged to assist such appointees, with the support necessary to ensure timely and full performance of such appointees' responsibilities and obligations under this Agreement and any subsequent document approved by the Project Funds Manager and/or the Executive Committee;

6.1.8 Communication With Accountants. Upon the Executive Committee's reasonable request, each Party will instruct its respective accountants and auditors to communicate directly with the Executive Committee regarding their accounts and operations as they relate to the Project.

6.1.9 Covenants of SPVS and THE CONSERVANCY
SPVS and THE CONSERVANCY further Covenant:

- (a) not to sell, assign, convey, lease or otherwise dispose of all or a substantial part of its assets or real properties to the extent such action would have an effect on the Project, whether such assets or real properties are now owned or hereafter acquired, except for the replacement of capital assets with assets of equal or greater value;
- (b) not to voluntarily dissolve, liquidate or otherwise cease to do business during the Project Term;
- (c) not to change the nature or scope of the Project without the written consent of the other Parties;
- (d) not to change its Articles of Association or other organizing documents, in a manner that would be inconsistent with the provisions of any Project Document;
- (e) not to enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby Project Disbursement are, or might be, shared with any person, except as specifically authorized in a Project Document;
- (f) to maintain its corporate existence and its right and authorities to carry on the Project;
- (g) to assist GM in defending the conveyance of Offsets transferred under this Agreement, against the claims of any person including by providing any documentation in their possession;
- (h) to ensure observance of confidentiality with regard to any Restricted Information or confidential information or data disclosed to it.
- (i) not to sell, assign, convey, lease or otherwise dispose of any of the real estate or assets which comprise the Project without the written approval of the Executive Committee.

6.2. SPVS further covenants during the Project Term not to sell, assign, convey, lease or otherwise dispose of the Project Site or place on, or permit to exist on or in respect of, the Project Site any encumbrance, including but not limited to a mortgage, lien, security interest, lease, pledge or other encumbrance of any kind or nature whatsoever on the Project Site, unless approved by the Executive Committee per Article 4.2.

6.3 SPVS further covenants that all approvals required or necessary to go forward with the Project, have either been granted and not modified or withdrawn, or will be sought in a timely manner by SPVS as Project Site Manager pursuant to the procedures established in the Operating Protocols to be established hereunder.

ARTICLE VII - PROJECT FINANCE

7.1. Funding for the Project. GM to date has provided Five-Hundred Thousand United States Dollars (US\$500,000) for the planning and implementation of the Project. Some portion of these fund have been expended to date for development of the Project Plan and feasibility study. The balance shall be disbursed by the Project Funds Manager in accordance with this Agreement. Within 30 days of the signing of this Agreement, GM shall transfer an additional US\$9,500,000 to THE CONSERVANCY for Project implementation. Further contributions by GM are permitted and will be subject to the same conditions, herein stipulated, as the initial funding, or as may be agreed to by GM and THE CONSERVANCY.

7.1.1 Project Funds.

- (a) Project Development and Initial Implementation Expenses. As reflected in Attachment 2 to this Agreement THE CONSERVANCY to date has expended funds for Project development and initial implementation expenses.
- (b) THE CONSERVANCY Medium-Term Project Funds Account. THE CONSERVANCY shall deposit a portion of the Project Funds into an internally cost-segregated medium-term investment account ("THE CONSERVANCY Medium-Term Project Funds Account") to be invested in short- to medium-term money-market, investment-grade instruments at the discretion of THE CONSERVANCY with the objective of ensuring that the Project's medium-term financial needs are met. The Parties understand that the value of THE CONSERVANCY Medium-Term Project Funds Account will fluctuate and may lose value. During the Project Term, the principal and income from THE CONSERVANCY Medium-Term Project Funds Account (less any custodial costs and fund management fees) shall only be utilized for the purposes of supporting the Project or for the support of the Project Site.
- (c) THE CONSERVANCY Long-Term Project Funds Account. THE CONSERVANCY shall deposit the balance of the Project Funds (the total of all Project Funds less those expended for Project development and initial implementation expenses and those placed in THE CONSERVANCY Medium-Term Project Funds Account) into an internally cost-segregated long-term investment account ("THE CONSERVANCY Long-Term Project Funds Account") to be invested with the same care and diligence as used to invest its other long-term

financial resources at THE CONSERVANCY'S discretion and in accordance with the investment criteria put in place by THE CONSERVANCY Board of Governors with the objective of ensuring that the Project is financed for the balance of the Project Term from the principal and income earned in THE CONSERVANCY Long-Term Project Funds Account. Notwithstanding the above conditions the annual payout from THE CONSERVANCY Long-Term Project Funds Account may exceed the payout rate provided for THE CONSERVANCY's other long-term accounts. The Parties understand that the value of THE CONSERVANCY Long-Term Project Funds Account will fluctuate and may lose value. During the Project Term, the principal and income from THE CONSERVANCY Long-Term Project Funds Account (less any custodial costs and fund management fees) shall only be utilized for the purposes of supporting the Project or for the support of the Project Site.

- (d) Project Site Endowment Fund. The Parties intend that sufficient funds remain after the initial 40-year period to endow the protection of the flora and fauna of the project site indefinitely. Upon termination of the Project for any reason, any funds remaining in THE CONSERVANCY Medium-Term Project Funds Account or THE CONSERVANCY Long-Term Project Funds Account shall be used by THE CONSERVANCY to establish a Project Site Endowment Fund to support the protection of flora and fauna on the Project Site indefinitely. This Project Site Endowment Fund shall be established pursuant to the Policies, Procedures and practices of THE CONSERVANCY and the laws of the Commonwealth of Virginia, U.S.A. and invested at THE CONSERVANCY'S discretion and according to the investment criteria put in place by ' THE CONSERVANCY'S Board of Governors with the objective that a reliable source of income is available to protect the flora and fauna on the Project Site beyond the Project Term. THE CONSERVANCY shall own, manage, and administer the Project Site Endowment Fund with the same care and diligence as used to administer its other endowment funds.

7.1.2 Economic and Commercial Uses of Project Site. Income from any use of the Project Site during the Project Term shall be used solely for the benefit of the Project unless otherwise decided by the Executive Committee.

7.2. Disbursements.

7.2.1 Disbursement Obligation. As Project Funds Manager, THE CONSERVANCY shall make Disbursements of all Project Funds to the Project Site Manager or THE CONSERVANCY for authorized Project uses. Such Disbursements shall be in accordance with this Article, the Annual Workplan, and the Budget and the Project Plan. All disbursements to the Project Site Manager for the purpose of purchasing land shall also be governed by Donation Agreements the form of which is found in Attachment 6 hereto. All Disbursements to the Project Site Manager for purposes other than purchasing land shall also be governed by Deposit Contract(s) the form of which is found in Attachment 7 hereto.

7.2.2 Public Announcement Costs. It is anticipated that out-of-pocket costs will be incurred by all the Parties in connection with the public announcement of the execution of the Agreement and commencement of the related Project. It is the intent of the Parties that all such reasonable costs be paid from Project Funds. All such costs incurred by any party in connection with such a public announcement and contained in an approved Annual Workplan and Budget or otherwise approved by all the Parties shall be reimbursed from Project Funds.

7.2.3 Disbursement Schedule. All disbursements shall be made on a quarterly basis and only upon receipt of the previous quarter's Quarterly Financial Report, or at such other times as may be agreed to by the Project Funds Manager and the Project Site Manager. At the end of Project Year 5, the Executive Committee shall review reporting and disbursement requirements to determine if any of the changes are warranted in the disbursement schedule; any changes which the Executive Committee votes to accept will then take precedence over this Article.

7.3. Undisbursed Funds. All undisbursed Project Funds shall be retained by the Project Funds Manager in THE CONSERVANCY Medium-Term Project Funds Account or THE CONSERVANCY Long-Term Project Funds Account. If it becomes apparent that excess Project Funds will exist, the Parties shall endeavor to expand the Project to use the excess Project Funds consistent with the objectives of the Project as described in Article II.

7.4. Uses of Project Disbursements.

7.4.1 Obligation. All Project Funds disbursed to the Project Site Manager and the Project Funds Manager shall be used exclusively in furtherance of the Project in accordance with this Agreement, the Project Plan, and the Annual Workplans and Budgets, and for no other purposes whatsoever.

7.4.2 SPVS Project Account. The Project Site Manager shall deposit all Project Funds disbursed in accordance with this Article into a SPVS separate specific Project bank account to be applied to the Project ("SPVS Project Account"). SPVS will receive the funds as depository pursuant to the terms and conditions set forth by a Deposit Contract, the form of which is found in Attachment 6.

7.4.3 Expenditure Categories and Authorizations. The Project Site Manager and Project Funds Manager are authorized to expend disbursed Project Funds strictly in accordance with the categories and amounts authorized by the Project Plan and Annual Workplans and Budgets for the Project. Any change in these categories or amounts shall be reflected in a revision to the Project Plan and will require authorization by the Executive Committee. As laid out in the Project Plan, the Site Manager is authorized, without approval by, but with notification in writing of, the Project Funds Manager, to transfer funds amounting to no more than the lesser of US\$5000 or ten percent (10%) of any individual budget category to another budget category, provided that such transfer does not impact the successful implementation of Project activities as laid out in the Project Plan.

7.5. Conditions Precedent. The Fund Manager's Disbursement obligations under this Article shall be subject to the following conditions precedent:

- (a) Performance by SPVS and THE CONSERVANCY of the covenants set

- forth in Article VI;
- (b) The warranties and representations set forth in Article X being true and remaining true;
 - (c) That SPVS continues to control and administer the Project Site and the facilities necessary for conducting the Project, free and clear of any and all circumstances that would interfere with the creation and conveyance of Offsets contemplated under this Agreement;
 - (d) That the Project Site Manager continues to have all governmental authorities, licenses and permits with regard to the Project Site to ensure full and successful implementation of the Project Site Manager's Offset generating and Project financing activities for the Project Term;
 - (e) That the Project Site Manager remains in compliance with the provisions of any Donation Agreements; and
 - (f) If a condition precedent is not satisfied because of a Party's action or inaction, Article XI of this Agreement shall control. If a condition precedent is unsatisfied for any other reason, disbursement and payment obligations shall be suspended until all conditions have been satisfied.

7.6. Accounting. The Parties shall implement financial and Project implementation accounting mechanisms as necessary and appropriate to ensure good business practice, and to credibly document performance by all Parties of their respective Project obligations. The Executive Committee has the power to change the frequency and number of any audits or reports under this Agreement.

7.6.1 The Project Funds Manager shall maintain a complete, up-to-date and segregated cost center within its accounting structure for all Project Funds it receives, which shall include accounting for all THE CONSERVANCY Project Account deposits and withdrawals, for all Project services costs and expenditures, and for all Project costs and expenses actually incurred.

7.6.2 The Project Site Manager shall maintain a complete, up-to-date and segregated cost center within its accounting structure for the Project Funds it receives, which shall include accounting for all SPVS Project Account deposits and withdrawals, for all Project services costs and expenditures, and for all Project costs and expenses actually incurred.

7.6.3 Annual Workplans and Budgets, and Annual Financial and Technical Reports.

- (a) Annual Workplan and Budget. In substantial conformance with the overall Project Budget found in Attachment 2 to this Agreement and in conformance with the Project Plan, The Project Site Manager shall submit an Annual Workplan and Budget to the Project Funds Manager. The Annual Workplan and Budget will detail spending for the coming Project Year and will be submitted not later than ten weeks prior to the start of THE CONSERVANCY's Fiscal Year (July 1) for each Project Year, unless otherwise stipulated by the Executive Committee. Project Funds Manager approval of the Annual Workplan and Budget for the Project that is consistent with this Agreement and the limitations on the Parties' obligations set forth in this Agreement, shall be given by not later than June 15 of each Project Year. Should the Project Funds Manager wish to change the Annual Workplan and Budget submitted to the Project Site

Manager, it will consult with the Project Site Manager before doing so. The Project Plan and any revisions to it shall govern implementation of the Project throughout the Project Term.

- (b) Annual Technical and Financial Report. The Project Site Manager shall submit an Annual Technical and Financial Report to the Project Funds Manager within 60 days after the end of each Project Year, with the first Project Year ending on June 30, 2001. The Annual Technical and Financial Report will provide detailed progress reporting on the Project including Disbursements and Expenditures of funds, unexpended or surplus funds available to the Project Funds Manager and Project Site Manager, and the progress and percentage of completion of major phases and milestones of the Project. If major phases and/or milestones have not been completed on schedule, the Annual Technical and Financial Report will include an explanation for the delays and set forth the steps that the Project Site Manager intends to take to bring Project implementation activities back into conformance with the Project Plan. The Annual Technical and Financial Report shall contain a statement signed by an Authorized Officer or the Principal Contact of SPVS and THE CONSERVANCY that acknowledges the contents of the reports. If they choose, and at their sole expense, any of the Parties may also conduct an external project evaluation of the Project Site Manager at any time during the Project Term.
- (c) Quarterly Financial Reports. The Project Site Manager shall submit Quarterly Financial Reports to the Project Funds Manager using financial reporting forms provided by the Project Funds Manager within 30 days after the end of each quarter of the Project (quarters shall end on March 31, June 30, September 31 and December 31) and including copies of all bank statements for bank accounts controlled by the Project Site Manager and related to the Project during the quarter. At the end of Project Year 5, the Executive Committee shall review financial reporting requirements to determine if any changes are warranted in the financial reporting schedule. Any changes which the Executive Committee unanimously votes to accept will then take precedence over this article.
- (d) Change in Conditions Precedent, Covenants, or Warranties. If a change, to the Project, the Project Site, or this Agreement that is beyond the control of any of the Parties, causes any of the conditions precedent, covenants or warranties set forth in this Agreement to materially change, SPVS or THE CONSERVANCY as appropriate shall notify the Executive Committee in writing within thirty days of the change; such notification will advise the Executive Committee as to the nature and impact of such change, and propose a plan to address such impact.
- (e) Access and Examination. Upon the request of any Executive Committee member, any other Party shall grant the requesting Executive Committee member or a person designated by the requesting Executive Committee member during normal business hours, access to, and permission to examine, copy and make extracts from, any and all records and documents (pertinent to the Project) in the possession or subject to the control of the requested Party relating to the Project, and to inspect the Project Site facilities and properties. Subject to all applicable legal requirements, the

requesting Executive Committee member shall treat the financial information provided under this Subsection, as Restricted Information not to be disclosed to other persons or entities.

7.6.4 Audits and Reviews. Copies of the following audits and reviews shall be provided to all members of the Executive Committee in a timely manner.

- (a) Annual External Organizational Audit. The Project Site Manager and Project Funds Manager shall provide to the Executive Committee their annual external organizational audits.
- (b) Project Site Manager Audit. If they choose, and at their sole expense, any of the Parties may also audit the Project Site Manager.
- (c) TAP. The TAP will review and evaluate the Carbon Monitoring Protocol, other Project carbon monitoring procedures, Offset reports and any other items requiring TAP review and evaluation under the Carbon Monitoring Protocol. The reasonable costs of these reviews will be paid out of Project funds.

ARTICLE VIII REAL PROPERTY TRANSACTIONS

Funds transferred to SPVS or to any sellers of real property from THE CONSERVANCY for the purpose of purchasing land pursuant to this Agreement shall be donations from THE CONSERVANCY to SPVS and shall be governed by Donation Agreement(s) the form of which is found in Attachment 5 to this Agreement.

ARTICLE IX - OFFSETS RECOGNITION AND TREATMENT

9.1. Pilot Project. The Parties to this Agreement understand and agree that this Project is being developed as a pilot project to demonstrate the viability and effectiveness of reforestation and forest protection greenhouse gas mitigation strategies and to generate Certified Offsets that may be used at a later date.

- (a) The Parties to this Agreement further understand and agree that this Project has not been submitted to any Mechanism or Certifying Entity for approval or acceptance. However, the Executive Committee may decide to submit this Project for such approval or acceptance in the future;
- (b) In order to implement the Project objective of generating Certified Offsets, the Executive Committee, shall, as feasible and appropriate, take all necessary steps to obtain certification of Project Offsets by one or more Mechanisms or Certifying Entities approved by GM. The Parties agree that THE CONSERVANCY or such other entity selected by the Executive Committee, shall have the responsibility for preparing, in compliance with all applicable modalities and procedures, all necessary documentation for Project approval or acceptance and/or certification, registration and/or tracking of greenhouse gas Offsets accruing from the Project, submitting the documentation to the Mechanism or Certifying Entity, and obtaining the necessary approvals, certifications, or other actions. It is the intention of the Parties that out-of-pocket costs associated with any preparation and application for Certified Offsets under this Section should be kept to a

minimum GM, as the sole recipient of the Project's Certified Offsets under this Agreement shall bear all such out-of-pocket charges, fees, or "share of the proceeds" (as indicated in Article 12 of the Kyoto Protocol) or other costs provided GM has approved the costs before incurred. Notwithstanding the above, Project Funds may be utilized to cover costs of THE CONSERVANCY's or SPVS's public engagement activities in promotion of the Project or acceptance for crediting of forestry projects in general, as specified in the Annual Work Plan and Budget.

- (c) No Party guarantees that any such Mechanisms or Certifying Entities will be adopted, established or authorized by the parties to the "UNFCCC" or otherwise. In addition, no Party assumes financial liability for failure of such Mechanism or Certifying Entity to be adopted, established or authorized by the Parties to the "UNFCCC".

9.2. Offsets Calculation, Demonstration, and Certification. The Project Site Manager, or such other Party or entity as may be designated by the Executive Committee, will be responsible for the demonstration and calculation of the Project's Offsets while THE CONSERVANCY or such other entity selected by the Executive Committee will be responsible for the preparation and submission of all necessary documentation to the relevant Mechanism or Certifying Entity, in accordance with the methods and procedures set forth herein, in the Carbon Monitoring Protocol. SPVS and THE CONSERVANCY shall support and encourage the Certification of such Offsets and their registration and conveyance to GM by any Mechanism or Certifying Entity.

9.2.1 Carbon Monitoring Protocol. THE CONSERVANCY and SPVS will prepare a Carbon Monitoring Protocol that will provide the factual basis and procedures for documenting changes over time in the greenhouse gases emitted, reduced, avoided, or sequestered by the Project. This Carbon Monitoring Protocol will be reviewed and evaluated by the TAP and will define the methods, procedures, and frequency of activities in the following areas:

- (a) measurement of carbon pools in and around the Project Site;
- (b) calculation of a Project reference case or baseline;
- (c) calculation of net carbon emissions attributed to Project leakage or avoided through the Project's leakage prevention activities as compared to the Project reference case;
- (d) carbon emissions calculations and accounting procedures;
- (e) preparation and submission of Offset reports;
- (f) evaluation of Offset reports by the TAP.

9.2.2. Refinements of Methodologies. The Parties to this Agreement mutually understand and agree that, as a pilot effort, the Project's Offsets monitoring, measurement and reference case calculation methodologies and techniques will be developed and refined over the Project Term, consistent with those methodologies or techniques that are or are likely to be acceptable to or approved by relevant Mechanisms or Certifying Entities.

9.3 Certification Protocol. The Parties to this Agreement shall cooperate to submit the necessary documentation for obtaining certification of Offsets from the relevant Mechanism or Certifying Entity or Entities annually, or at such other intervals as shall be consistent with the rules, policies, and practices of the Mechanism or Certifying Entity and the Project objective of generating Certified Offsets on as rapid and regular a basis as is feasible. The Parties to the

Agreement shall work with the relevant Mechanism or Certifying Entity or Entities to develop a transparent procedure for certification and obtain certification decisions as expeditiously as feasible.

9.4 Conveyance of Offsets. As long as GM and GMB are not in default of their duties under this Agreement, all Offsets shall be conveyed to GM providing sufficient time to register such Offsets with registries and tracking systems established by relevant Mechanisms or Certifying Entities. Such conveyance shall transfer to GM the right to hold, register, sell, hypothecate, transfer or otherwise dispose of such Offsets subject to all applicable legal requirements.

9.5 Registration and Recognition of Offsets. The Parties to this Agreement mutually understand, intend and agree that, subject to all applicable legal requirements whatsoever, each Offset conveyed, or to be conveyed, to GM under this Agreement shall constitute an unconditional marketable private right for GM, or GM's successor in interest or permitted assignees, to register the Offset, in a metric tons of carbon-equivalent amount equal to the net greenhouse gas mitigation represented by such Offset, with the Energy Information Administration Section 1605(b) Registry of the United States government or with any other relevant Mechanism or Certifying Entity, and to count such Offset toward compliance by GM, or its successor in interest or assignee, with its current or potential future greenhouse gas limitation obligation or commitments, voluntary or otherwise.

ARTICLE X – RELATIONS WITH GOVERNMENT ENTITIES

10.1. U.S. Government Institutional Relationship. THE CONSERVANCY shall be responsible for maintaining regular contact as required by Law with any U.S. government entity that implements a program into which the Project has been accepted for the purposes of certifying, registering, accrediting, or otherwise recognizing greenhouse gas Offsets. It will also be responsible for all Project filings, reports and other necessary or appropriate Project Documents on behalf of the Parties to the U.S. government entity, except in the case of Offset registrations under Section 1605(b) of the United States Energy Policy Act of 1992 or any similar or successor governmental or non-governmental greenhouse gas mitigation registries and tracking systems that may be hereafter established under applicable law, for which the affected Party shall be responsible.

10.2. Government Communications. Should the Project be accepted by any Mechanism or Certifying Entity, all Project Documents required to be filed, submitted, or registered to such Mechanism or Certifying Entity under this Agreement or any applicable Law shall be:

- (a) prepared by the Party or Parties designated by the Executive Committee under the direction of THE CONSERVANCY or, in the case of Offset registration under Section 1605(b) (or any other governmental or non-governmental GHG mitigation registries and tracking systems that are or may be hereafter established under applicable law), by GM;
- (b) approved by the Executive Committee prior to making the filing, submission, or registration; and
- (c) following the approvals and procedures set forth in this Subsection, filed, submitted, and registered on behalf of the Parties by the Party designated by the Executive Committee, in conformance with the Executive Committee's directions

and intentions.

10.3. External Verification. Consistent with the rules and regulations or practices of relevant Certifying Entities or Mechanisms, the Parties direct their respective appointees to provide representatives from such Certifying Entities or Mechanisms such opportunities for external verification of the Project as are necessary, appropriate, or required to ensure the reliability of the greenhouse gas benefits reported for the Project.

ARTICLE XI - WARRANTIES

11.1 Warranties. Each Party independently and separately hereby warrants as follows:

11.1.1 Transfer of Influence. It will not make, offer, or authorize payment of anything of value to a governmental official, political organization or official thereof, or political candidate, for the purpose of influencing an official act or decision by such person to obtain, retain, or direct business to any person. Further, in performing its obligations under this Agreement, it will not be given nor will it give or offer to give any sum of money or anything of value to any person, either directly or indirectly, as an inducement to influence the granting of any right or privilege, whether or not such an act constitutes a violation of law.

11.1.2 It has the legal authority to own and operate its properties and to carry on its business;

11.1.3 It is authorized to make the appointments, and grant the authorizations and delegations provided for elsewhere herein, including granting its appointees the authorities to act on behalf of, and to fully bind and represent such Party in all matters that may arise under this Agreement, the Project or Law;

11.1.4 It has duly obtained all material consents, licenses, approvals and authorizations and has effected all declarations, filings and registrations necessary for the due implementation, delivery and performance of this Agreement and of all other duly adopted Project Documents (not including those relating to future operations and transactions herein contemplated not yet due);

11.1.5 Its implementation, delivery and performance of this Agreement and of all other duly adopted Project Documents to the extent it will materially affect their performance under this Agreement: (i) will not violate any applicable regulation or ruling of any governmental authority; and (ii) will cause each such respective instrument to constitute a legal, valid and binding obligation of such Party, enforceable in accordance with its terms; and

11.1.6 It is a corporation duly organized, validly existing, and in good standing under the Laws of the states, the District of Columbia or the country in which it is incorporated, as applicable;

11.2 Additional Warranties of SPVS. In addition to the warranties set forth in Section 11.1, SPVS specifically warrants the following:

11.2.1 Debts & Encumbrances.

- (a) It does not have outstanding, nor is it contractually bound to create, any mortgage, pledge, encumbrance or any other kind of security interest in or with respect to any of its properties or revenues that would materially interfere with its performance hereunder and all tax returns and reports required by Law to be filed by SPVS have been duly filed, and all taxes, assessments, fees and other governmental charges due upon it, or upon any of its assets or income, have been duly paid;
- (b) It is not in breach of any provision of any contract to which it is a party which would have a materially adverse effect upon its financial condition or ability to perform its obligations under this Agreement or any other Project Document and no action, suit, proceeding or investigation is pending against it by or before any domestic or foreign court or governmental authority, nor, to the best of its knowledge and belief after due inquiry, is any action threatened against it or against any of its properties or rights that, if adversely determined, is likely to materially adversely affect its financial condition or its ability to perform its obligations under this Agreement or any other Project Document.

11.2.2 All documents, reports or other written information pertaining to the Project (including, without limitation, this Agreement) which have been furnished by it to another Party are true and correct, and do not contain any material misstatement of fact, or omit to state a material fact, or omit to state a fact necessary to make the statements contained herein or therein not materially misleading.

11.2.3 The Financial Statement dated April 5, 2000, which has been furnished to the other Parties, is complete, correct and fairly represents SPVS's financial condition and the results of its operations for the period then ended. No contingent obligation, liability for taxes, material or long-term commitment, or outstanding debt of an kind exists except as disclosed in such statements, and there has been no material adverse change in its financial condition or prospects from that set forth in such Financial Statements, except as disclosed to the Parties in writing.

11.3 Additional Warranties of THE CONSERVANCY.

11.3.1 In addition to the warranties set forth in Section 11.1, THE CONSERVANCY specifically warrants that it has received US\$500,000 for development of the Project Feasibility Study and Plan on or about January 3, 2000 from GM.

11.3.2 THE CONSERVANCY's Financial Statement dated October 7, 1999, which has been furnished to GM, is complete, correct and fairly represents THE CONSERVANCY's financial condition and the results of its operations for the period then ended.

11.3.3 It is not in breach of any provision of any contract to which it is a party which would have a materially adverse effect upon its financial condition or ability to perform its obligations under this Agreement or any other Project Document and no action, suit, proceeding or investigation is pending against it by or before any domestic or foreign court or governmental authority, nor, to the best of its knowledge and belief after due inquiry, is any action threatened against it or against any of its properties or rights that, if adversely determined, is likely to materially adversely affect its financial condition or its ability to perform its obligations under

this Agreement or any other Project Document.

11.3.4 All documents, reports or other written information pertaining to the Project (including, without limitation, this Agreement) which have been furnished by it to another Party are true and correct, and do not contain any material misstatement of fact, or omit to state a material fact, or omit to state a fact necessary to make the statements contained herein or therein not materially misleading.

11.4 Guarantee. No Party represents, warrants, or guarantees to any other Party, successor or assign that any Mechanism or Certifying Entity will be adopted, established or authorize. In addition, no Party assumes financial responsibility or liability for the failure of such Mechanism or Certifying Entity to be adopted, established or authorize, or for the level of value placed on any Offsets generated under this Agreement. Further, no Party represents, warrants or guarantees to any other Party, successor or assign that this Agreement or any action under this Agreement, shall cause the creation of any Offset or credit that will be recognized by any governmental or inter-governmental authority of any kind.

11.5 Continuation. The warranties, covenants and acknowledgments set forth shall continue in effect as to each Party so long as such Party remains obligated to perform hereunder.

ARTICLE XII - EVENTS OF DEFAULT

12.1 Events Constituting Default. The occurrence and continuation of any of the following events or circumstances constitutes as "Event of Default" under this Agreement:

12.1.1 Failure to Pay. A Party fails to pay when due any amount payable pursuant to this Agreement which failure continues for a period in excess of thirty (30) days; or

12.1.2 Failure to Perform Material Obligation. Any Party fails to comply with or perform any other material obligation, undertaking, agreement, covenant or provision contained herein or in any other Project Document; or

12.1.3 Representations. Any representation or warranty made by or on behalf of any Party in this Agreement or other Project Document, notice, certificate, or other statement delivered pursuant hereto shall prove to have been incorrect or false in any material respect when made;

12.1.4 Authorizations. Any authorization, consent or approval of any governmental agency or public authority required to be obtained by a Party and necessary for the implementation, delivery or performance of a material provision of this Agreement or any other Project Document, or for the validity or enforceability of any material obligations under this Agreement or other Project Document, in the degree and shape permissible by Brazilian law, is not given or is withdrawn or ceases to remain in full force and effect due to the malfeasance or nonfeasance of such Party; or

12.1.5 Cessation of Grants of Rights. In all material respects a Party ceases to give or grant another Party the rights, titles, remedies, powers or privileges provided by this Agreement or any other Project Document; or

12.1.6 Condemnation. Any governmental authority condemns, nationalizes, seizes or otherwise expropriates any substantial portion of the assets of Project Site, or takes any other action that would prevent such Party from performing any material obligation under this Agreement or any other Project Document, due to the malfeasance or nonfeasance of such Party; or

12.1.7 Contesting of Obligations. Any Party takes any judicial or other action to void, repudiate or otherwise contest the validity of its obligations hereunder or under any other Project Document, including:

- (a) applying for or consenting to the appointment of a receiver, trustee, custodian, intervenor or liquidator of itself or of all or a substantial part of its assets,
- (b) filing a voluntary petition in bankruptcy, admitting in writing that it is unable to pay its debts as they become due or generally not paying its debts as they become due,
- (c) making a general assignment for the benefit of creditors,
- (d) filing a petition or answer seeking a reorganization or arrangement with creditors, or to take advantage of any bankruptcy or insolvency Laws,

- (e) filing an answer admitting the material allegations of, or consenting to, or defaulting in answering, a petition filed against it in any bankruptcy, reorganization or insolvency proceeding where such action or failure to act will result in a determination of bankruptcy or insolvency against such entity; or

12.1.8 Bankruptcy. Without its application, approval or consent, a proceeding that could void a Party's obligations hereunder or under any other Project Document is instituted in a court of competent jurisdiction, or by or before any government or governmental agency of competent jurisdiction, seeking in respect to any Party an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, composition or other arrangement with creditors, a readjustment of debt, the appointment of a trustee, receiver, liquidator or the like, of it or of all or any substantial part of its property or assets, or other like relief in respect of it under any bankruptcy, reorganization or insolvency Law; and, if such proceeding is being contested by it in good faith, the same shall continue undismissed for a period of sixty (60) days; or

12.1.9 Discharge of Judgments. Any final judgment(s) for the payment of money is rendered against SPVS or THE CONSERVANCY, and such judgment or judgments shall affect SPVS's ability to perform its obligations as Project Site Manager or THE CONSERVANCY's ability to perform its obligations as Project Funds Manager and that shall not be satisfied or discharged within sixty (60) days of entry; or

12.1.10 SPVS:

- (a) is not or will not be able to perform its obligations as Project Site Manager in any respect in accordance with the terms of this Agreement or any other Project Document, or
- (b) ceases to exist, retain, or exercise management control of the Project Site.

12.1.11 THE CONSERVANCY:

- (a) is not or will not be able to perform its obligations as Project Funds Manager in any respect in accordance with the terms of this Agreement or any other Project Document, or
- (b) is not or will not be able to perform its obligations regarding the Endowment Fund in any respect in accordance with the terms of this Agreement or any other Project Document, or
- (c) ceases to exist or is substantially restructured to the point that its activities in Brazil cease to be a priority.

12.2 Notice Upon an Event of Default. In the event that any Party shall become in default in the performance of any of the terms and conditions herein contained on the part of that Party to be performed, and such Event of Default is determined by a simple majority of the non-defaulting Parties to be of a material nature, then notice of such default shall be given to such Party by the non-defaulting Parties, which notice shall be directed to the defaulting Party by registered mail at the address listed in Attachment 4 of this Agreement.

12.3 Remedies Upon an Event of Default.

12.3.1 Opportunity to Cure. The defaulting Party shall cure the Event of Default within thirty (30) days from the date on which notice is given to the defaulting Party under Section 12.2, except for:

- (a) an Event of Default arising under Subsections 12.1.8 or 12.1.9, in which case no cure period will be allowed, or
- (b) an Event of Default that cannot be cured within thirty (30) days despite diligent efforts, in which case the defaulting Party shall commence the cure within the thirty (30) day period and proceed diligently thereafter until the cure is effected.

12.3.2 Failure to Cure. If the Event of Default is not cured within the applicable deadline set forth above, or the default arises under Subsection 12.1.8 or 12.1.9, and except when the noticed Party disputes the alleged default diligently and in good faith, then and in that event the following remedies shall be available to the non-defaulting Parties (without limiting the availability of any other remedies available under this Agreement, or in law or equity, all such remedies to be cumulative):

- (i) suspend or defer performance of the non-defaulting Parties' obligations under the Project Documents, in whole or in part, until the event of default is cured by the defaulting Party, or
- (ii) continue performance if it deems it reasonable to do so, or
- (iii) in the event of an incurred payment of Project Funds default by a Party, withhold the defaulting Party's Registration Interest in, and/or delivery of, Offsets.

12.3.3 If the defaulting Party is a member of the Executive Committee, a majority of the Executive Committee shall proceed under this Subsection without the concurrence of such defaulting Party.

- (a) Project Site Manager Default. In the event of a Project Site Manager default under 12.1.10, the non-defaulting Parties may seek such relief in proceedings initiated under Article XIII, as is permitted by applicable legal requirements or in equity to continue the expeditious and full implementation of the Project. To the extent that the equitable relief necessary to prevent irreparable harm to the Project or any Party cannot be awarded in arbitration under Article XIII, the non-defaulting Parties shall have the right to (1) replace the Project Site Manager with another entity acceptable to GM, GMB and THE CONSERVANCY, and SPVS shall transfer to such entity all of the assets it holds or possesses in connection with its obligations under this Agreement (including, but not limited to, the Project Site), shall transfer to such entity all of its records in connection with such obligations and shall otherwise cooperate with GM, GMB and THE CONSERVANCY in conducting such replacement effectively and efficiently; and/or (2) seek such relief directly in any court of competent jurisdiction. SPVS hereby agrees and consents to such relief including:

- (i) such (affirmative or negative) temporary, preliminary or permanent injunctive relief as may be necessary to ensure the timely and full implementation of the Project Site Manager performance, duties and obligations established under this Agreement, and
 - (ii) an order transferring such obligation to another organization selected by the non-defaulting Parties, during the term established by the Parties
- (b) The non-defaulting Parties may, by unanimous agreement:
 - (i) declare, by written demand to the defaulting Party, to be made whole without any other presentment, demand, diligence, protest, notice of acceleration, or other notice of any kind, all of which the Parties hereby expressly waive;
 - (ii) without notice of default or demand, proceed to protect and enforce its rights and remedies by appropriate proceedings, whether for damages or the specific performance of any provision of this Agreement, in any other Project Document or by Law; and
 - (iii) suspend or terminate this Agreement as to such Party, in which case all the rights, titles and interests of the defaulting Party hereunder shall wholly cease without any right of reclamation or compensation for expenditures made or money paid or to be paid hereunder or otherwise.
- (c) Costs. In any such event of continuing default, the reasonable costs incurred by the Executive Committee as a result of a Party's default shall be due and payable by such defaulting Party upon submission to such Party by the Executive Committee of invoices thereof. In the event that the defaulting Party shall institute any suit or action to enforce any right hereunder and not prevail, the defaulting Party shall pay to the other Parties such sum as the tribunal or Court may adjudge reasonable as attorney's fees and costs for the defense of such suit or action.

ARTICLE XIII - DISPUTE RESOLUTION

13.1 Any dispute shall be construed and resolved in accordance with the laws of the Commonwealth of Virginia, and the United States, without regard to its conflict of laws provision.

13.2 The Parties hereby agree that, in the event of any dispute between any Parties relating to this Agreement, the Parties shall first seek to resolve the dispute through informal discussions. In the event any dispute cannot be resolved informally within sixty (60) days, the Parties agree to attempt to resolve the dispute through non-binding mediation. The Parties shall select a mediator who is a member of The Commercial Arbitration and Mediation Center for the Americas. In the event the Parties cannot agree on a mediator, the Commercial Arbitration and Mediation Center for the Americas shall select the mediator. The Parties to such mediation shall endeavor to agree on rules of procedure to govern the mediation proceedings. In the event the Parties cannot agree on such rules of procedure, the mediator shall establish such rules which shall be binding on the mediation proceeding. The costs of mediation shall be shared equally by the Parties involved in the dispute.

13.3 In the event of any litigation over the interpretation or application of any of the terms or provisions of this Agreement, the Parties agree that litigation shall be initiated in the United States District Court for the Eastern District of Virginia, Alexandria Division. The Parties hereby agree that venue in the Eastern District of Virginia shall be proper. In the event of the unavailability of the U.S. Federal Court system, the closest court of appropriate jurisdiction in the Commonwealth of Virginia shall be selected. The Parties agree they are subject or will make themselves subject to personal jurisdiction of the appropriate court.

ARTICLE XIV - LIMITATIONS ON LIABILITY AND FORCE MAJEURE

14.1 Limitations on Liability.

14.1.1 No Warranty Regarding Offsets. It is mutually understood and agreed by the Parties that, notwithstanding any good faith estimates of the net greenhouse gas benefit of the Project, they make no representations, warranties or guarantees as to the amount, quality, or quantity of the Offsets that will be produced, demonstrated or certified under the Project; provided that, each Party hereto does hereby covenant and agree that it will faithfully comply with the responsibilities and obligations under this Agreement on its part to be performed, and it does hereby warrant performance of the same against the claims of any person whatsoever, and that it will deliver under this Agreement within the time established.

14.1.2 Liability for Matters Not within the Scope of Responsibility. Nothing in this Agreement is intended to impose liability on the Parties for matters not expressly within the scope of their responsibilities.

14.1.3 Responsibility for Acts, Omissions or Malfeasance. Each Party shall be solely responsible for the acts, omissions or malfeasance of such Party or its employees, representatives or agents, and no Party shall be liable for the acts, omissions, or malfeasance of any other Party or its employees, representatives or agents.

14.1.4 Liability for Non-Agents on Project Site. In no event shall any Party be made liable by virtue of this Agreement for any loss sustained by any person that is not such Party's employee, representative or agent while on the Project Site.

14.2 Force Majeure.

14.2.1 "Force Majeure," for purposes of this Agreement, means any event, including acts of God, arising from causes beyond the control of a Party or of any person engaged, employed by or associated with a Party, such as a Party's contractors and subcontractors that delays the timely performance of any material obligation under this Agreement notwithstanding that Party's use of best efforts to avoid the delay. The requirement that the Party exercise "best efforts to avoid the delay" includes using best efforts to anticipate any potential Force Majeure event and best efforts to address the effects of any actual Force Majeure event (a) as it is occurring, and (b) following the Force Majeure event, such that the delay and the adverse effects of the delay are minimized to the greatest extent practicable.

14.2.2 If any event occurs or has occurred that may delay the performance by a Party of any material obligation under this Agreement, whether or not caused by a Force Majeure event, that Party shall notify the other Parties by telephone, within 48 hours of when the Party knows that the event might cause or contribute to a delay or non-performance of such obligation. Each Party shall exercise best efforts to avoid or minimize any delay and any adverse effects of a delay. Failure to comply with the above requirements shall preclude such Party from asserting any claim of Force Majeure.

14.2.3 If all the other Parties agree unanimously that the delay or anticipated delay by one Party is attributable to a Force Majeure event, the time for performance of the mutual obligations of the Parties under this Agreement that are directly affected by the Force Majeure event shall be extended by agreement of the Parties. In any such proceeding, to qualify for a Force Majeure defense, the Party claiming Force Majeure shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been, or will be, caused by a Force Majeure event, that the duration of the delay was or will be warranted under the circumstances, that the delaying Party did exercise or is exercising due diligence by using its best efforts to avoid and mitigate the effects of the delay, and that the delaying Party complied with the notification requirements of Subsection 13.2.2.

14.2.4 Should the delaying Party carry the burden set forth in Subsection 14.2.3, the delay at issue shall be deemed not to be a violation of the affected obligation or a default of this Agreement.

ARTICLE XV - MISCELLANEOUS

15.1 No Waivers. The failure of any Party to seek redress for violations of, or to insist upon the strict performance of, any covenant, agreement, provision or condition of this Agreement shall not constitute a waiver thereof and such Party shall have all remedies provided in this Agreement and under applicable Law with respect to any subsequent act which originally would have constituted a violation, breach or default of or under this Agreement.

15.2 Incorporation by Reference. The Attachments hereto are incorporated herein by reference at the places mentioned as if their terms were set forth fully herein.

15.3 Applicable Law. Except where specifically stipulated to the contrary, the Agreement shall be governed in all respects by the Laws of the Commonwealth of Virginia, U.S.A. applicable to contracts made and performed therein, without regard to the principles of conflict laws. In the event of any conflict between any Attachment and any other provision of this Agreement, such other provision shall control.

15.4 Amendments, Construction and Termination. The provisions of this Agreement may be waived, modified, supplemented, amended, canceled, renewed, extended or terminated to the extent consistent with the requirements of Law only by a written instrument signed by all the Parties.

15.4.1 References. Reference to, and the definition of, any Project Document (including this Agreement) shall be deemed a reference to such document as it may hereafter be amended or modified from time-to-time in writing by the Parties.

15.4.2 Revisions Due to Changes of Law.

- (a) It is the intent of the Parties that the rights, authorities, duties, responsibilities and obligations of the Parties provided for in this Agreement and in any other Project Document shall be consistent and implemented in conformance with Law. If any provision of this Agreement or other Project Documentation is found to be illegal, invalid, or unenforceable, the remaining provisions shall remain fully enforceable and unimpaired.
- (b) For purposes of this Subsection a "Change in the Law" shall mean any change in the text, or interpretation by a governmental authority with jurisdiction, of a Law of the United States or Brazil, that materially affected by such Change in the Law.
- (c) The Parties agree to re-negotiate in good faith any revisions to this Agreement necessitated by any Change in the Law, and to limit the scope of such re-negotiation to provisions materially affected by such Change in the Law.

15.5 Descriptive Headings. Titles and headings used in this Agreement are for reference purposes only and shall not in any way affect or limit the meaning or construction of any provision of this Agreement.

15.6 Complete Agreement. This Agreement, including all, Attachments hereto, embodies the entire and complete understanding and agreement between the Parties, and supersedes all prior negotiations, understandings and agreements between them, whether written or oral, with respect to the subject matter hereof. The rights, duties, responsibilities and obligations of any Party hereto with regard to any future Project Document shall be set forth in those other Project Documents; *provided that*, in the event of any conflict between the terms of this Agreement and any such other Project Document, the terms of this Agreement shall control.

15.7 Form of the Comprehensive Agreement. The Parties specifically declare that it is neither their intent nor purpose by entering into this Comprehensive Agreement to create, and this Comprehensive Agreement shall not be construed to have created, a partnership, joint venture or other such business arrangement, nor is it a principal purpose of the Parties to enter into a commercial undertaking. No Party shall (a) refer to or treat the project or the arrangements arising under this Agreement as a partnership in connection with the filing or making of any form or return or (b) take any other action inconsistent with such intention.

15.8 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties and to their respective successors in interest and assigns.

15.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

15.10 No Third Party Beneficiaries. There are no third party beneficiaries of this Agreement.

15.11 Insurance or Guarantees. GM, in its sole discretion, may decide at any time to obtain insurance or guarantees with respect to Offsets, regardless of whether they are certified. THE CONSERVANCY and SPVS will cooperate with GM to provide GM with the assistance it requests in order to assemble information to obtain such insurance or guarantees, including, but not limited to, providing assistance in connection with relevant Certifying Entities or Mechanisms.

15.12 Access. GM shall have access to the site of all activities contemplated by the Project at any reasonable time.

ATTACHMENTS

ATTACHMENT 1

AUTHORITIES OF THE SIGNATORIES (Including Certificates of Good Standing)

ATTACHMENT 2

DESCRIPTION OF PROJECT FINANCING, OVERALL PROJECT BUDGET AND 40 YEAR
PROJECTED CASH FLOW

ATTACHMENT 3

PROJECT PLAN

ATTACHMENT 4

NAMES AND ADDRESSES OF PRINCIPAL CONTACTS

ATTACHMENT 5

FORM OF DONATION AGREEMENT

ATTACHMENT 6

FORM OF DEPOSIT CONTRACT

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date and year first above written.

GENERAL MOTORS CORPORATION

By: John F. Smith, Jr.
John F. Smith, Jr.

Date: 6/9/2000

GENERAL MOTORS do BRASIL

By: John F. Smith, Jr.
John F. Smith, Jr.

Date: 6/9/2000

THE NATURE CONSERVANCY

By: W. William Weeks
W. William Weeks

Date: 6/9/2000

SOCIEDADE de PESQUISA e VIDA SELVAGEM e EDUCACAO AMBIENTAL

By: CLOVIS RICARDO SCHRAPPE BORGES
CLOVIS RICARDO SCHRAPPE BORGES

Date: 6/23/2000

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



C E R T I F I C A T E

THIS IS TO CERTIFY that there were received and accepted for record in the Department of Consumer and Regulatory Affairs, Corporations Division, on the 27th day of February, 1998 . on behalf of:

NATURE CONSERVANCY (THE)

An Election to Accept the provision of the present NONPROFIT CORPORATION ACT.

WE FURTHER CERTIFY that the above Corporation was originally incorporated on 22nd day of October , 1951 .

WE FURTHER CERTIFY that the above name Non Profit Corporation is duly incorporated and existing under and by virtue of the code of law of the District of Columbia and authorized to conduct its affairs in the District of Columbia as of the date hereinafter mentioned.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed this 8th day of June , 2000 .

Lloyd J. Jordan
Director

Patricia E. Grays
Acting Administrator
Business Regulation Administration

Maxine M. Hinson
Act. Assistant Superintendent of Corporations
Corporations Division

Anthony A. Williams
Mayor

To: Jonathon Rotter, Steve Cox, Joe Keenan
Cc: Tom Fitzgerald, Greg Low, Craig Neyman, Bill Weeks, David Williamson, Kristan Beck, Mike Coda, Alec Watson, George Spicer, Dawn Murray
From: Mike Dennis
Date: 04/28/2000

FAX BALLOT FOR BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT, BRAZIL

The above referenced project was approved on 04/25/00 through a fax ballot to the Executive Committee and the Conservation Committee as follows:

Executive Committee:

Carter F. Bales	4/20/00
David C. Cole	4/20/00
Ian M. Cumming	4/22/00
Carol E. Dinkins	4/19/00
Louisa C. Duemling	4/22/00
Anthony P. Grassi	4/19/00
Philip J. James	4/20/00
Samuel C. Johnson	4/25/00
Peter M. Kareiva	4/24/00
Wendy J. Paulson	4/24/00
Leigh H. Perkins, Jr.	4/25/00
John C. Sawhill	4/21/00
Ward W. Woods	4/19/00

Conservation Committee:

Catherine G. Abbott	4/22/00
Mary Fleming Finlay	4/21/00
Christopher H. Foreman, Jr.	4/24/00
Arturo Gomez-Pompa	4/19/00
John S. Hendricks	4/22/00
William L. Horton	4/27/00
Jan V. Portman	4/20/00
John F. Smith Jr.	4/26/00
Joy B. Zedler	4/25/00

International Committee:

A.W. Dahlberg	4/21/00
Livio D. DeSimone	4/19/00
E. Linn Draper, Jr.	4/24/00
Durk I. Jager	4/19/00
Glenn C. Janss	4/20/00
Howard Stringer	4/20/00
Jeffrey N. Watanabe	4/20/00
John C. Whitehead	4/19/00

BOARD OF GOVERNORS
REAL ESTATE PROJECT ABSTRACT
AND RESOLUTION
BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT
Brazil

Ecoregion: Serra do Mar Coastal Forest (project site); Southeast Brazil Mangroves (vicinity).

Ecoregional significance of the site: Serra do Mar (or Atlantic) coastal forest is one of the 17 most critically endangered ecoregions in the Americas (Dinerstein, 1995). The Atlantic Forest is an internationally recognized world biosphere reserve (UNESCO, 1991) and encompasses one of the planet's most diverse and most endangered assemblages of life forms. Of Brazil's 202 officially recognized endangered species, 171 of them depend on the Atlantic Forest to survive. Several bird species are known only from the site and its immediate vicinity.

Conservancy's specific role at the site: The Conservancy is currently engaged in a Climate Action Project with Brazilian partner Sociedade de Pesquisa e Vida Selvagem (SPVS) and Central and South West Services, Inc. in the Guaraquecaba region some 30 miles north of the proposed project site. With the support of General Motors Corporation, the Conservancy and SPVS will implement the Brazil Atlantic Rainforest Restoration Project in the Guaratuba region, inside the state-designated Guaratuba Environmental Protection Area. The Conservancy, through its customary land acquisition approval process, will approve each tract before its purchase by SPVS. The Conservancy will coordinate the project plan and oversee both project implementation and the monitoring and verification on carbon benefits. General Motors Corporation, the Conservancy and SPVS will engage the Brazilian government with the medium-term objective of obtaining host-country approval for the carbon sequestered on site.

Key threats: Asian water buffalo ranching has been responsible for converting an estimated 1,800 acres of the project site to pasture over the last two decades; banana production and rice production are moving rapidly into the area and causing considerable deforestation. Recent road improvements (November 1999) have increased access to the area for farmers and settlers. Coastal zone development for tourism has affected oceanfront areas and is expanding inland toward the project site as well.

Key conservation strategies: The Conservancy and SPVS will work to create a new approximately 30,000-acre private nature reserve inside the Guaratuba Environmental Protection Area through land acquisition, active restoration and long-term management for forest and biodiversity protection. The acquired tracts will be registered as a private nature reserve under Brazilian law. The Conservancy and SPVS will work with neighboring communities and landholders to

make their activities more compatible with our goals for forest and biodiversity protection. This project is committed to no net loss of employment opportunities for local residents; jobs will be created in land management and reforestation and potentially in cottage industries and ecotourism. As a consequence of both forest protection and reforestation activities, an estimated 1.5 to 2.0 million tons of carbon will be sequestered on the project area over the 40-year life of project. The Rainforest Restoration Project seeks to combine reforestation and forest management practices to capture atmospheric carbon.

Tract significance: The approximately 14,000-acre Estrela tract is the keystone property for the project. An additional approximately 17,000 acres of mostly contiguous properties will round out the final project site. The Estrela tract has the greatest significance for potential carbon capture, protection and restoration of critical habitats, and manageability. The project will have the highest and most direct conservation benefit possible on at least 30,000 acres of fast-disappearing Atlantic Forest, representing an area probably large enough to contain viable populations of almost all resident wildlife species.

Maps: See attached maps: site location within ecoregion and tract location within site boundaries.

Description of the transaction: If General Motors Corporation approves the project plan, the Conservancy expects to sign a comprehensive agreement with General Motors Corporation and SPVS outlining project implementation. The Conservancy may also submit the project for approval to whatever international institution may be responsible for certifying credit for any carbon benefits that the project may generate when those international institutional arrangements have been established. The Rainforest Restoration Project may allow General Motors Corporation to receive recognition and greenhouse gas emission offsets. Without compromising biodiversity objectives, the Conservancy will design the project plan to place General Motors in a position to be eligible for carbon offsets. It is conceivable that these offsets at some future date will have monetary value. The distribution of carbon offsets will be negotiated and outlined in the comprehensive agreement among all parties to be completed approximately within the next 60 days. However, the Conservancy will not be held responsible should General Motors Corporation not be credited for carbon offsets. The Conservancy, General Motors Corporation and SPVS have signed a Memorandum of Agreement stating that there is no guarantee that any carbon offsets will be created, credited or certified. The Memorandum of Agreement also stipulates that no party will assume financial responsibility or liability for the failure of the project to be accepted under any international institutional arrangements that may be established.

Total project costs: \$23,130,000.00

Status of funding: General Motors Corporation granted \$500,000 to the Conservancy in January 2000; upon General Motors Corporation's approval of the project plan, which approval may come before May 15, General Motors would transfer \$9.5 million to the Conservancy's Brazil program. This would fund short-term costs, including land acquisition, with the remainder being placed in an endowment to finance site-management costs over the 40 year life of the project, which are forecasted to reach \$23,130,000. Following the 40 year life of the project, the endowment shall remain in place to continue to fund the management of the property.

Proposed loan repayment schedule: N/A

Approvals: Any officer of The Nature Conservancy, any person designated in writing by any such officer, the Brazil Division Director, and the Assistant Brazil Division Director may take any and all actions (including the execution, delivery or acceptance of deeds and other legal documents), provided such actions are consistent with internal policies and procedures, necessary to implement the project as described above, including:

- * Negotiating and signing a Comprehensive Agreement with General Motors Corporation and SPVS.
- * Utilizing a total of \$23,130,000 during the 40-year project to carry out project development and implementation.
- * Assisting SPVS to apply for Private Reserve Status from the Brazilian Environmental Ministry, and utilizing other legal tools to ensure the long-term protection of the tracts.

State of Delaware

PAGE 1

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "GENERAL MOTORS CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-FIFTH DAY OF MAY, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



Edward J. Freel

Edward J. Freel, Secretary of State

0056825 8300

001265622

AUTHENTICATION: 0459539

DATE: 05-25-00

CERTIFICATE OF AUTHORITY

I, Anne T. Larin, an Assistant Secretary of General Motors Corporation, a corporation organized and existing under the laws of the State of Delaware, U.S.A., hereby certify that John F. Smith, Jr. is the Chairman of General Motors Corporation and in that capacity is authorized to sign any and all documents on behalf of General Motors in connection with the General Motors Atlantic Rain Forest Restoration Project.

IN WITNESS WHEREOF, I have signed this Certificate and affixed the corporate seal of General Motors Corporation this 7th day of June, 2000.

GENERAL MOTORS CORPORATION

By: Anne T. Larin

Anne T. Larin
Assistant Secretary

Subscribed and sworn to before me this 7th day of June, 2000.

Kathleen A. Taylor
Notary Public

KATHLEEN A. TAYLOR
Notary Public, Wayne County, MI
Commission Date: 02-01-00
Commission Expires: 02-09-04

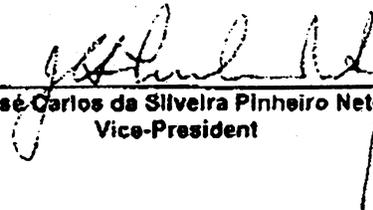


GENERAL MOTORS DO BRASIL LTDA.

CERTIFICATE

The undersigned, in the capacity of legal representative of GENERAL MOTORS DO BRASIL LTDA ("the Company") does hereby state and concern that the Company is a Brazilian Limited Liability Company duly incorporated and registered under the laws of Brazil and in good standing.

São Caetano do Sul, June 06, 2000


José Carlos da Silveira Pinheiro Neto
Vice-President

São Caetano do Sul - SP
Av. Goiás, 1805
Cx. Postal 197 CEP 09501-970
Tel. (011) 4234-7700 PABX

São José dos Campos - SP
Av. General Motors, 1959
Cx. Postal 92 CEP 12201-870
Tel. (012) 360-3000 PABX

São Paulo - SP
Av. Indianópolis, 3096
CEP 04062-403
Tel. (011) 3079-7233 PABX



GENERAL MOTORS DO BRASIL LTDA.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that General Motors do Brasil Ltda., a company duly organized and existing under the laws of Brazil, with offices at Avenida Goiás, 1805, São Caetano do Sul, São Paulo, Brazil, ("GM Brasil") does hereby constitute, name and appoint Mr. John F. Smith, Jr., Chairman of General Motors Corporation, as its true and lawful attorney-in-fact empowered hereby to act with full power and authority on behalf of GM Brasil:

1. to execute, sign and deliver any and all documentation on behalf of GM Brasil relating to the General Motors Atlantic Rainforest Restoration Project, and
2. to do any and all acts or things, and to execute, sign, seal, and deliver any and all agreements, documents, instruments, and other papers proper or desirable to effectuate the purposes of the preceding subparagraph of this Power of Attorney, including, but not limited to, obtaining notarization of documents described above or related to the foregoing.

The Power and Authority granted hereunder shall, unless sooner terminated or revoked, terminate at midnight, eastern standard time, July 31, 2000.

IN WITNESS WHEREOF, said GENERAL MOTORS DO BRASIL LTDA has caused these presents to be executed by its Vice-President, this 7th day of June, 2000.

GENERAL MOTORS DO BRASIL LTDA.

By 
José Carlos da Silveira Pinheiro Neto
Vice-President

São Caetano do Sul - SP
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SOCIEDADE DE PESQUISA EM VIDA SELVAGEM E EDUCAÇÃO AMBIENTAL

- SPVS -



ESTATUTO

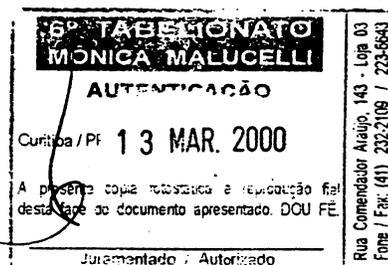
TÍTULO I

Art. 1º - A Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental, doravante denominada SPVS, pessoa jurídica de direito privado, constituída na forma de associação, sem fins lucrativos, de âmbito nacional, com prazo de duração indeterminado, fundada em 19 de novembro de 1984 e inscrita sob nº 630428, no livro A-9774, do Registro de Títulos e Documentos, do 1º Ofício de Pessoas Jurídicas, e no CGC/MF sob nº 78696242/0001-59, com sede e foro na cidade de Curitiba, Estado do Paraná, podendo ter, no Brasil ou no exterior, tantos escritórios ou representações quantos forem necessários para atender a seus objetivos, reger-se-á pela legislação atinente à espécie, pelo presente estatuto e pelo regimento interno.

Art. 2º - A SPVS tem por finalidade desenvolver ações com vistas à proteção, conservação e preservação de áreas naturais, utilização racional dos recursos naturais, recuperação de áreas degradadas e educação conservacionista da população, prioritariamente no Paraná e estados limítrofes.

Art. 3º - Para a consecução destes objetivos à SPVS compete:

- a) formular, coordenar e executar, isoladamente ou em conjunto com entidades privadas ou órgãos públicos, projetos voltados à conservação e recuperação do meio ambiente, utilização racional dos recursos naturais e educação ambiental;
- b) realizar estudos e projetos destinados à proteção efetiva do ambiente regional;
- c) realizar cursos, conferências, simpósios, seminários, estudos e treinamentos no âmbito de suas finalidades;
- d) publicar artigos, livros, boletins ou qualquer informação de interesse público referente a seus objetivos estatutários;
- e) desenvolver campanhas públicas, atividades culturais e educacionais, com vistas à formação de uma consciência conservacionista na população;
- f) promover a criação e manutenção de parques, reservas e demais unidades de conservação previstas na legislação.





Art. 7º - São deveres dos associados:

- a) Cumprir e fazer cumprir este estatuto e demais normas internas;
- b) zelar pelo nome da SPVS e pela consecução dos seus objetivos;
- c) participar de reuniões e assembléias, bem como de comissões e grupos de trabalho para os quais for eleito ou indicado;
- d) acatar os atos e decisões dos órgãos diretivos;
- e) prestigiar a SPVS, zelando pelo seu conceito e difundindo seus objetivos;
- f) não falar em nome da SPVS, salvo quando autorizado pelo Diretor-executivo.

Capítulo III Das penalidades

Art. 8º - Os associados que infringirem este estatuto e as demais normas internas estarão sujeitos às seguintes penalidades:

- a) advertência escrita;
- b) suspensão de 15 (quinze) dias a 12 (doze) meses;
- c) expulsão;

Parágrafo único: No caso da alínea b o associado poderá interpor recurso à Assembléia Geral no prazo de 15 (quinze) dias, contados da data em que teve ciência da penalidade, devendo, enquanto pendente a decisão, permanecer afastado do quadro associativo.

TÍTULO III Do patrimônio e da receita

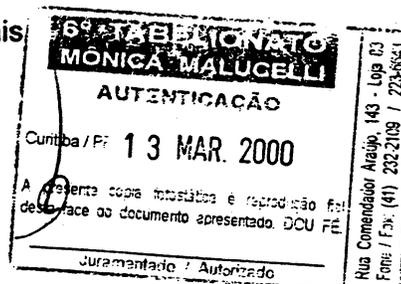
Art. 9º - O patrimônio e a receita são constituídos de todos os bens móveis e imóveis, bem como de legados, doações e subvenções de pessoas físicas ou jurídicas, de direito público ou privado, nacionais, internacionais ou estrangeiras, e de contribuições dos associados.

Parágrafo 1º - O patrimônio e a receita da SPVS somente poderão ser aplicados na consecução de seus objetivos estatutários.

Parágrafo 2º - A SPVS não distribui parcelas de seu patrimônio ou de suas receitas, nem vantagens de qualquer espécie a título de participação nos seus resultados...

TÍTULO IV Dos órgãos da administração

Capítulo I Das disposições gerais





Art. 16 - A Assembléia Geral compete:

- a) reformar o presente estatuto, em reunião convocada especialmente para este fim;
- b) eleger e destituir os membros da Diretoria e Conselho Fiscal;
- c) escolher e destituir os membros do Conselho Deliberativo, o Diretor-executivo e o Tesoureiro;
- d) decidir sobre alteração dos objetivos da SPVS, bem como a sua fusão, incorporação, cisão e extinção;
- e) aprovar os programas, relatórios de atividades e balanços elaborados pelo Diretor-executivo, Tesoureiro, pela Diretoria, Conselho Fiscal e Conselho Deliberativo;
- f) decidir sobre a aplicação da penalidade prevista na alínea c do artigo 8º deste estatuto e, em grau de recurso, sobre aplicação da penalidade prevista na alínea b do mesmo artigo, garantindo-se ao associado o amplo direito de defesa;
- g) criar representações ou escritórios no Brasil ou exterior;
- h) decidir sobre a venda de bens imóveis;
- i) decidir sobre o pagamento de mensalidades ou anuidades pelos associados;
- j) decidir sobre a admissão de associados.

Parágrafo 1º - As deliberações serão tomadas por maioria simples dos presentes.

Parágrafo 2º - Os associados que tiverem sua conduta, relatórios de atividades e balanços submetidos a votação pela Assembléia Geral, estarão impedidos de compor o quórum e participar do escrutínio.

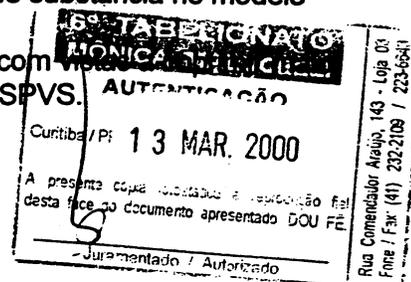
Capítulo III Da Diretoria

Art. 17 - A Diretoria, reunindo-se trimestralmente ou sempre que julgar necessário, é o órgão responsável pela orientação, supervisão e avaliação gerais das atividades da SPVS.

Art. 18 - A Diretoria é composta de 05 (cinco) membros, eleitos dentre os associados efetivos na forma do parágrafo 1º do artigo 10 deste estatuto, sendo que um exercerá as funções de presidente e o outro as de vice-presidente.

Art. 19 - A Diretoria compete:

- a) cumprir e fazer cumprir os objetivos estatutários e demais resoluções da Assembléia Geral;
- b) fixar a remuneração do Diretor-executivo e do Tesoureiro;
- c) zelar pelo nome da SPVS e difundir suas atividades no Brasil e no exterior;
- d) examinar e submeter à Assembléia Geral os programas, relatórios de atividades e balanços apresentados pelo Diretor-executivo e Tesoureiro;
- e) deliberar sobre a venda de bens móveis ou instituição de ônus sobre os bens imóveis;
- f) deliberar sobre atos capazes de introduzir alterações de substância no modelo organizacional;
- g) decidir sobre a criação de Departamento ou Chefias, com vistas à melhoria da eficiência nos trabalhos de cada área de atuação da SPVS.



- b) opinar sobre intenções de contratação de empréstimos e outras operações financeiras;
- c) referendar a decisão da Diretoria quanto à venda de bens móveis e instituição de garantias sobre os bens imóveis;
- d) fiscalizar o cumprimento deste estatuto.



Capítulo V Do Conselho Deliberativo

Art. 24 - Ao Conselho Deliberativo, composto na forma do parágrafo 1º do artigo 10 deste estatuto, compete:

- a) fixar metas e diretrizes básicas de funcionamento da SPVS;
- b) apoiar a SPVS nas atividades de auto-suficiência;
- c) colaborar com a definição de parcerias;
- d) deliberar sobre atos capazes de introduzir alterações de substância no modelo organizacional;
- e) discutir as linhas prioritárias de atuação;
- f) apoiar a estrutura executiva na realização de contatos com o Setor Privado e Governamental;
- g) julgar implicações éticas e políticas envolvendo a participação da SPVS em ações ou projetos.

Parágrafo 1º : O Conselho Deliberativo reunir-se-á sempre que necessário.

Parágrafo 2º : O Conselho Deliberativo será formado pelos membros da Diretoria, Conselho Fiscal, pelo Diretor Executivo, pelo Tesoureiro e por até oito pessoas escolhidas em Assembléia Geral.

Parágrafo 3º : O Conselho Deliberativo decidirá por maioria simples de voto, observado o disposto no parágrafo artigo 10, parágrafo 4º

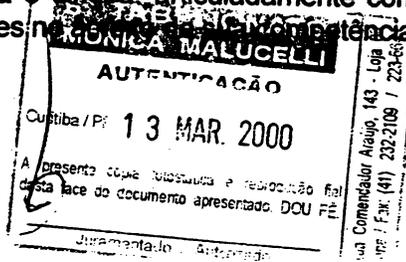
Parágrafo 4º : Nas reuniões do Conselho Deliberativo, os membros vinculados à estrutura profissionalizada da SPVS terão direito a voz, enquanto os demais terão direito a voz e voto.

TÍTULO V Da estrutura administrativa

Capítulo I Do Diretor-executivo

Art. 25 - O Diretor-executivo, contratado para integrar a estrutura profissionalizada da SPVS, mediante contraprestação de salário, executará e dirigirá articuladamente com o tesoureiro e demais Departamentos ou Chefias, as ações na área de sua competência.

M. A. B. S.



Art. 31 - No caso de extinção da SPVS, seu patrimônio deverá ser revertido para entidades que possuam objetivos afins.

Art. 32 - Os casos omissos neste estatuto serão resolvidos pela Assembléia Geral.

Art. 33 - Este estatuto entrará em vigor a partir do dia 06 de abril de 1993, garantindo o prazo de até 45 (quarenta e cinco) dias para que os novos dirigentes, eleitos em Assembléia Geral Ordinária, assumam o controle contábil.

Curitiba, 23 de outubro de 1998..


Elton Ricardo Schoppa Borges
Diretor Executivo da Sociedade de Pesquisa em
Vida Selvagem e Educação Ambiental - S.P.V.S.


Mônica Maria Aguiar Borges
Tesoureira da Sociedade de Pesquisa em Vida
Selvagem e Educação Ambiental - S.P.V.S.

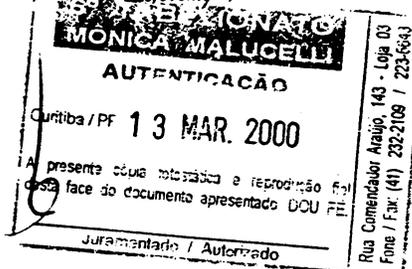


2.º OFÍCIO
Registro Civil de Pessoas Jurídicas
Registro de Títulos e Documentos
Rua Mal Deodoro, 869 - 5.º Andar - Conjunto 504

Curitiba 10 DEZ. 1998 810385

MICROFILMADO sob n.º
AVERBADO A MARGEM DO LIVRO A - PESSOA
JURÍDICA N.º 944

Dionar Ajala Baifeiro
Escritor





Secretaria da Receita
Federal

Certidão Negativa de Débitos de Tributos e Contribuições Federais

(Emitida para os efeitos do art. 8º da Instrução Normativa SRF nº 80, de 23 de outubro de 1997)

**SOCIEDADE DE PESQUISA EM VIDA SELVAGEM E EDUC AMBIENTAL
CNPJ: 78.696.242/0001-59**

RESSALVADO O DIREITO DE A FAZENDA NACIONAL COBRAR QUAISQUER DÍVIDAS DE RESPONSABILIDADE DO CONTRIBUINTE ACIMA QUE VIEREM A SER APURADAS, É CERTIFICADO QUE NÃO CONSTAM, ATÉ ESTA DATA, PENDÊNCIAS EM SEU NOME, RELATIVAS AOS TRIBUTOS E CONTRIBUIÇÕES FEDERAIS ADMINISTRADOS PELA SECRETARIA DA RECEITA FEDERAL.

ESTA CERTIDÃO REFERE-SE EXCLUSIVAMENTE À SITUAÇÃO DO CONTRIBUINTE NO ÂMBITO DA SECRETARIA DA RECEITA FEDERAL, NÃO CONSTITUINDO, POR CONSEGUINTE, PROVA DE INEXISTÊNCIA DE DÉBITOS INSCRITOS EM DÍVIDA ATIVA DA UNIÃO, ADMINISTRADOS PELA PROCURADORIA GERAL DA FAZENDA NACIONAL.

**Emitida às 16:41:10 do dia 10/03/2000.
Válida por 30 dias da data de emissão.**

Esta Certidão abrange somente o estabelecimento acima identificado.



TRIBUNAL DE CONTAS DO ESTADO DO PARANÁ

Diretoria Geral

Certidão Negativa: 6610/99

CERTIFICO, a pedido da parte interessada que, revendo os registros competentes deste tribunal, constatou-se que SOCIEDADE DE PESQUISA EM VIDA SELVAGEM E EDUCAÇÃO AMBIENTAL DO PARANÁ - CGC nº 78696242/0001-59, no município de CURITIBA, nada tem a comprovar perante esta Corte relativamente a recursos transferidos a seu favor pelo governo do Estado, a título de Auxílios, Subvenções Sociais e Convênios, ATÉ O EXERCÍCIO DE 1997, e ainda, tendo cumprido o disposto no art. 1, § 3 do Prov. nº 02/94. A presente tem VALIDADE somente para o EXERCÍCIO FINANCEIRO DE 1999. Do que, para constar, extrai esta CERTIDÃO, a qual me reporto e dou fé. Curitiba, vinte e nove de julho de um mil e novecentos e noventa e nove.


EDGAR ANTONIO CHIURATTO GUIMARÃES
Diretor Geral





PREFEITURA MUNICIPAL DE CURITIBA
SECRETARIA MUNICIPAL DE FINANÇAS

PROTOCOLO Nº 012.235/2000

CERTIDÃO NEGATIVA Nº 1276/2000

CONTRIBUINTE: SOC. PESQUISA EM VIDA SELVAGEM
E EDUCAÇÃO AMBIENTAL

Nº FISCAL: 158.343-1

ENDEREÇO: Rua Gutemberg, 345

ALVARÁ EM VIGÊNCIA A PARTIR DE: 02/01/97

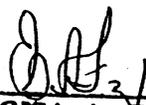
FINALIDADE: CONCORRÊNCIA E CADASTRO

CERTIFICO, para os devidos fins, que de conformidade com as informações prestadas pelos órgãos competentes desta Prefeitura, em nome do (a) requerente **NÃO CONSTA DÉBITO**, referente a Tributos Municipais inscritos ou não em Dívida Ativa, até a presente data.....
Em firmeza do que eu, Eloisa A. Ferraz, Assistente Administrativo, passei e digitei a presente certidão, que não apresentando rasuras, emendas ou entrelinhas, vai por mim conferida, visada e assinada.....
.....
.....

-Reserva-se o direito da Fazenda Municipal cobrar dívidas posteriormente constatadas, mesmo as referentes a períodos compreendidos nesta CERTIDÃO.....

- A presente CERTIDÃO é válida por 120(cento e vinte) dias e cópia da mesma só terá validade se conferida com a original.....

Curitiba, 03 de Fevereiro de 2000.


ELOISA A. FERRAZ
CHefe DE SERVIÇO
MAT. 82624-1

6º TABELIONATO
MÔNICA MALUCELLI
AUTENTICAÇÃO
Curitiba, 03 de 10 FEV. 2000
A presente cópia fotostática e reprodução fiel
mediante preço 143 - Loja 03
at (41) 32-2109 / 223-6643

Ata no. 67



Aos quinze dias do mês de julho do ano de hum mil, novecentos e noventa e nove, na sede da Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental – SPVS, sito à Rua Gutemberg, 345 – Curitiba-PR, às dezenove horas, o presidente da SPVS, Claudemir Gonçalves Liberal e o Diretor Executivo, Clóvis Ricardo Schrappe Borges abriram a reunião de Assembléia Geral da instituição indicando os temas a serem tratados, com ênfase a discussão e votação da substituição do cargo de Presidente da SPVS em função do mesmo vir a iniciar o desempenho de atividades no departamento financeiro brevemente. O cargo seria assumido pelo atual Vice Presidente, o biólogo Mauro de Moura Britto, companheiro que acompanha as atividades da instituição desde a sua fundação há quase quinze (15) anos. Os demais assuntos em pauta referiram-se às principais novidades referentes a projetos em andamento e novas perspectivas na área de desenvolvimento institucional, sendo as mesmas discorridas brevemente pelo Diretor Executivo e outros presentes. Inicialmente solicitou-se ao atual presidente que fizesse uma sumária apresentação de suas perspectivas futuras na instituição, que implicariam em sua saída da diretoria atual. Em seguida, realizou-se a indicação de Mauro de Moura Britto como novo presidente da SPVS, colocando-se a mesma para votação. Por posição unânime de todos os presentes, o mesmo foi eleito para a posição de presidente, com gestão a ser cumprida até o final do período em que a Diretoria atual foi eleita. Mauro de Moura Britto externou sua determinação em colaborar com a SPVS, como já vem fazendo durante anos passados, especialmente neste momento de transição pelo qual passa a instituição. Definida a indicação e eleição do novo presidente, passou-se a discorrer sobre os seguintes temas: - Apoio da Fundação Summit: a SPVS teve um projeto de políticas públicas aprovado por esta fundação, para um trabalho com duração de dois anos para fortalecer as medidas para a viabilização do Programa de Desenvolvimento Sustentável para a APA de Guaraqueçaba, do Governo do Estado do Paraná. - Apoio da Fundação Avina: está em processo final de aprovação um projeto para dar suporte à área de desenvolvimento da SPVS, buscando-se maior aproximação com o setor privado paranaense e, ao mesmo tempo obter mudanças comportamentais que impliquem em medidas de desenvolvimento limpo. - Campanha com a Tim Celular: devendo iniciar nos próximos dias, uma campanha de recolhimento de baterias de telefones celulares terá a participação da SPVS. É o primeiro resultado mais significativo do trabalho na área de desenvolvimento institucional. - Campanha do Papagaio-de-cara-roxa: está em fase de busca de suporte uma campanha para o projeto de conservação da espécie *Amazona brasiliensis* no litoral do Paraná. - Projeto de Mudança do Clima: com apoio da TNC, a SPVS acaba de adquirir uma área principal para a execução de um projeto de Mudança de Clima. A Fazenda Caçada, com 2770 ha foi transferida para a SPVS. A recuperação das áreas degradadas e a medição periódica do carbono agregado nesta área será a atividade principal do projeto, com duração prevista para 40 anos. - Nova sede: foi apresentado estudo arquitetônico preliminar para a implantação da nova sede da SPVS em área verde na Região Metropolitana de Curitiba.

MSB

TABELEIÃO	
MONICA MALUCELLI	
AUTENTICAÇÃO	
Curitiba - PR 13 MAR. 2000	
A presente cópia fotostática é reprodução fiel do original do documento apresentado. DCU F. 1	
Jurementado / Autorizado	
Rua Comendador Araújo, 143 - Loja 03	
Fone / Fax: (41) 232-2109 / 232-6643	



PROCURAÇÃO

Por este instrumento particular, eu, **MAURO DE MOURA BRITTO**, nacionalidade BRASILEIRA, estado civil casado, profissão Biólogo, portador da carteira de identidade no. 4.525.590-5 IIPr e do CPF no. 545.962.977-20 eleito presidente do Conselho Diretor da Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental – SPVS em Assembléia Geral realizada nesta cidade, no dia 15 de julho de 1999 (Ata devidamente registrada no Cartório de Títulos e Documentos), nomeio e constituo meu bastante procurador o Sr. **CLÓVIS RICARDO SCHRAPPE BORGES**, nacionalidade BRASILEIRA, estado civil casado, profissão Médico Veterinário, portador da carteira de identidade no. 1.342.653-6 IIPr e do CPF no. 348.462.989-49, Diretor Executivo, outorgando-lhe todos os poderes que me são conferidos pelo artigo 1º, do Estatuto aprovado em Assembléia Geral Extraordinária realizada no dia 06 de abril de 1993, reservando-me iguais poderes.

Curitiba, 20 de julho de 1999.



CARTÓRIO DAS MERCÊS

Mauro de Moura Britto
Presidente da SPVS

CARTÓRIO DAS MERCÊS
Líria Bordin Jacob Santos - TABELIÃO
Av. Manoel Ribas, 1308 - Tel.335.9119 FAX 335.6722

Reconheço por semelhança a(s) firma(s) de Mauro de Moura Britto
do que dou Fé.
Curitiba(PR) de 20 de Julho de 99
Em Teste MBO da Verdade

SOCIEDADE PESO SELVAGEM E EDUC AMBIENTAL
 CURITIBA-PR
 CNPJ/CPF: 78.696.242/0001-57

BALANÇO PATRIMONIAL

Página: 0001

Apurado em Dezembro/1999

Código Contabil	Reduz.	Descrição da Conta	Saldo do Exercício
1.0.0.0.00.		ATIVO	
1.1.0.0.00.		ATIVO CIRCULANTE	
1.1.1.0.00.		DISPONIVEL	
1.1.1.1.00.		BENS NUMERARIOS	
1.1.1.1.01.		CAIXA	
1.1.1.1.01.0001	19	CAIXA	6.202,93
		* Total CAIXA.....	6.202,93
1.1.1.1.02.		DEPOSITOS BANCARIOS	
1.1.1.1.02.0001	27	HSBC BANERINDUS - C/C 20721-70	6.756,77
1.1.1.1.02.0002	35	BCO DO BRASIL S/A C/C 133020-X	12.539,32
1.1.1.1.02.0003	43	BCO DO BRASIL S/A C/C 130360-4	4.105,22
1.1.1.1.02.0006	51	BCO DO BRASIL S/A C/C 156332-7	0,00
1.1.1.1.02.0012	60	UNIBANCO - C/C 116029-7	0,00
1.1.1.1.02.0019	70	UNIBANCO - C/C 117523-5	0,00
1.1.1.1.02.0020	06	UNIBANCO - C/C 117656-3	5,59
1.1.1.1.02.0022	94	HSBC BANERINDUS - C/C 28159-20	87,17C
1.1.1.1.02.0023	108	HSBC BANERINDUS - C/C 28627-83	7,86
1.1.1.1.02.0036	183	HSBC BANERINDUS - C/C 30845-20	2,35
1.1.1.1.02.0041	213	UNIBANCO - C/C 118945-9	13,12
1.1.1.1.02.0044	1627	BCO DO BRASIL S/A C/C 109586-9	16,26
1.1.1.1.02.0045	221	BCO DO BRASIL S/A C/C 189726-8	2,32
1.1.1.1.02.0046	230	HSBC BANERINDUS - C/C 31047-70	141,42
1.1.1.1.02.0047	248	BCO DO BRASIL S/A C/C 190123-0	46,90
1.1.1.1.02.0040	256	HSBC BANERINDUS - C/C 32556-35	0,00
1.1.1.1.02.0049	1473	BANESTADO - C/C 071219-6	0,00
1.1.1.1.02.0050	1562	BCO DO BRASIL S/A C/C 190833-2	0,00
1.1.1.1.02.0052	1732	BCO DO BRASIL S/A C/C 190878-2	0,00
1.1.1.1.02.0053	2534	UNIBANCO C/C 119820-6	3.845,04
1.1.1.1.02.0054	2593	HSBC BANERINDUS - C/C 02674-03	29.178,45
1.1.1.1.02.0055	2690	BANESTADO - C/C 073401-7	19.994,00
1.1.1.1.02.0056	2941	HSBC BANERINDUS - C/C 06043-45	43.022,19
1.1.1.1.02.0057	3042	HSBC BANERINDUS - C/C 06570-64	6.200,17
1.1.1.1.02.0059	3005	HSBC BANERINDUS - C/C 06675-82	553,44
		* Total DEPOSITOS BANCARIOS.....	126.623,27
1.1.1.1.03.		APLICACOES LIQUIDEZ Imediata	
1.1.1.1.03.0009	1570	UNIBANCO - CNR 116825-7	0,00
1.1.1.1.03.0039	272	UNIBANCO PERFORMANCE 118930-2	0,00
1.1.1.1.03.0053	299	HSBC DBB DEBENTURES - 32556-35	34,94
1.1.1.1.03.0056	1470	BCO DO BRASIL C PRAZO 190123-0	0,00
1.1.1.1.03.0059	1651	HSBC DBB FAQ 30 - C/C 31047-70	0,00
1.1.1.1.03.0060	1678	HSBC DBB FAQ 30 - C/C 20721-70	0,00
1.1.1.1.03.0062	1694	HSBC DBB FAQ 30 - C/C 30845-20	171,22
1.1.1.1.03.0063	2496	HSBC DBB FAQ 30 - C/C 28159-20	1.021,16

CARTÓRIO DO TABOÃO
 R. Mareus Lamo, 1425 - Curitiba - PR
 AUTENTICACAO
 A presente fotocópia está conforme o documento apresentado.
 05 ABR 2000
 Estrevente

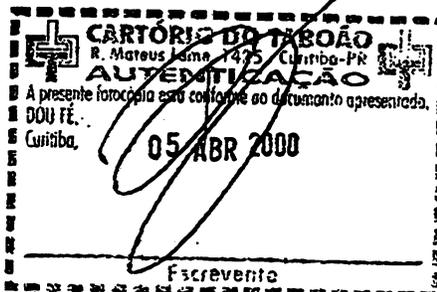
SOCIEDADE PESQ SELVAGEM E EDUC AMBIENTAL
CURITIBA-PR
CNPJ/CPF: 78.696.242/0001-59

BALANÇO PATRIMONIAL

Pagina: 0002

Apurado em Dezembro/1999

Codigo Contabil	Reduz.	Descricao da Conta	Saldo do Exercício
* Total APLICACOES LIQUIDEZ IMEDIATA...			
* Total DENS NUMERARIOS.....			1.227,32
* Total DISPONIVEL.....			134.053,52
1.1.2.0.00.		REALIZAVEL A CURTO PRAZO	134.053,52
1.1.2.1.00.		REALIZAVEL A CURTO PRAZO	
1.1.2.1.02.		C/C DEVEDORAS	
1.1.2.1.02.0001	329	C/C DEVEDORAS	11.304,40
1.1.2.1.02.0002	337	CAUCOES	3.091,23
* Total C/C DEVEDORAS.....			14.395,63
1.1.2.1.06.		ADIANTAMENTOS	
1.1.2.1.06.0001	1538	ADIANTAMENTO A EMPREGADOS	0,00
1.1.2.1.06.0002	1546	ADIANTAMENTO A TERCEIROS	3.233,83
1.1.2.1.06.0003	345	ADIANTAMENTOS P/DESP DE VIAGEM	1.449,56
* Total ADIANTAMENTOS.....			4.683,39
* Total REALIZAVEL A CURTO PRAZO.....			19.079,02
1.1.2.2.00.		INVESTIMENTOS TEMPORARIOS	
1.1.2.2.01.		APLICACOES FINANCEIRAS A PRAZO	
1.1.2.2.01.0008	361	BCO DO BRASIL S/A - DER	0,00
1.1.2.2.01.0014	370	HSBC BDB COMOD - 20721-70	189,35
1.1.2.2.01.0037	388	HSBC BDB FRF - 30845-20	0,00
1.1.2.2.01.0052	2470	HSBC BDB RENDA FIXA 28159-20	0,00
1.1.2.2.01.0060	3115	HSBC BAR FAO DI PLUS 06675-33	19.136,89
* Total APLICACOES FINANCEIRAS A PRAZO.			19.326,24
* Total INVESTIMENTOS TEMPORARIOS.....			19.326,24
* Total REALIZAVEL A CURTO PRAZO.....			38.405,26
* Total ATIVO CIRCULANTE.....			172.458,78
1.3.0.0.00.		PERMANENTE	
1.3.2.0.00.		IMOBILIZADO	
1.3.2.1.00.		IMOBILIZADO	
1.3.2.1.02.		INSTALACOES	
1.3.2.1.02.0001	1767	INSTALACOES	1.227,00
* Total INSTALACOES.....			1.227,00
1.3.2.1.04.		MOVEIS E UTENSILIOS	
1.3.2.1.04.0001	418	MOVEIS E UTENSILIOS	1.023,81
1.3.2.1.04.0002	2844	MOVEIS E UTENSILIOS - USAID	800,00
1.3.2.1.04.0003	3107	MOVEIS E UTENSILIOS - ANTONINA	1.200,00



SOCIEDADE PESQ SELVAGEM E EDUC AMBIENTAL
CURITIBA-PR
CNPJ/CPF: 78.696.242/0001-59

BALANCO PATRIMONIAL

Pagina: 0003

Apurado em Dezembro/1999

Codigo Contabil	Reduz. Descricao da Conta	Saldo do Exercicio
	* Total MOVEIS E UTENSILIOS.....	3.023,81
1.3.2.1.05.	VEICULOS	
1.3.2.1.05.0001	426 VEICULOS	052,23
	* Total VEICULOS.....	052,23
1.3.2.1.06.	PLANTAS E MAQUETES	
1.3.2.1.06.0001	434 PLANTAS E MAQUETES	0,07
	* Total PLANTAS E MAQUETES.....	0,07
1.3.2.1.07.	CERCAS E JARDINS	
1.3.2.1.07.0001	442 CERCAS E JARDINS	0,01
	* Total CERCAS E JARDINS.....	0,01
1.3.2.1.08.	DIREITOS, MARCAS E PATENTES	
1.3.2.1.08.0001	450 DIREITOS AUTORAIS	1,72
	* Total DIREITOS, MARCAS E PATENTES....	1,72
1.3.2.1.09.	AREAS DE PRESERVACAO	
1.3.2.1.09.0001	469 IMOVEL GUARAUQUECABA	312,90
1.3.2.1.09.0002	477 IMOVEL ANTONINA/MORRETES	22.970,93
1.3.2.1.09.0003	3034 FAZENDA CACADA - ANTONINA/PR	700.141,90
1.3.2.1.09.0004	3131 COLONIA TABACABA-GUARAUQUECABA	1.399.377,46
	* Total AREAS DE PRESERVACAO.....	2.322.803,19
1.3.2.1.10.	EQUIPAMENTOS	
1.3.2.1.10.0001	405 EQUIPAMENTOS DE OTICA/SOR	4.796,40
	* Total EQUIPAMENTOS.....	4.796,40
1.3.2.1.12.	EQUIPAMENTOS E SISTEMAS	
1.3.2.1.12.0001	507 EQUIPAMENTOS E SISTEMAS	9.982,62
	* Total EQUIPAMENTOS E SISTEMAS....	9.982,62
1.3.2.1.13.	INSTALACOES	
1.3.2.1.13.0001	1724 INSTALACOES - ANTONINA	3.678,66
	* Total INSTALACOES.....	3.678,66
	* Total IMOBILIZADO.....	2.346.365,71
	* Total IMOBILIZADO.....	2.346.365,71
	* Total PERMANENTE.....	2.346.365,71
	* Total ATIVO.....	2.518.824,49

CARTÓRIO DO TABOÃO
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AUTENTICAÇÃO
A presente fotocópia está conforme ao documento apresentado.
05 ABR 2000
Escritório

Codigo Contabil	Reduz. Descricao da Conta	Saldo do Exercicio
2.0.0.0.00.	PASSIVO	
2.1.0.0.00.	PASSIVO CIRCULANTE	
2.1.1.0.00.	OBRIGACOES	
2.1.1.1.00.	OBRIGACOES A PAGAR	
2.1.1.1.01.	OBRIG TRABALHISTAS/PREVIDENC	
2.1.1.1.01.0001	515 SALARIOS A PAGAR	0,00
2.1.1.1.01.0002	523 INSS A RECOLHER	63,64C
2.1.1.1.01.0003	531 FGTS A RECOLHER	1.555,61C
2.1.1.1.01.0004	540 CONTRID SINDICAL A RECOLHER	29,36C
	* Total OBRIG TRABALHISTAS/PREVIDENC...	1.648,61C
2.1.1.1.02.	OBRIGACOES FISCAIS	
2.1.1.1.02.0001	550 ISS A RECOLHER	435,19C
2.1.1.1.02.0002	566 IRF A RECOLHER	1.700,63C
2.1.1.1.02.0004	574 PIS A RECOLHER	96,20C
	* Total OBRIGACOES FISCAIS.....	2.232,02C
2.1.1.1.03.	OBRIGACOES DIVERSAS	
2.1.1.1.03.0001	582 C/C CREDORAS	2.606,68C
2.1.1.1.03.0003	1511 CONVENIOS MIN MEIO AMBIENTE	0,00
2.1.1.1.03.0004	1520 SUBPROJETO 57 PD/A - 190123-0	0,00
2.1.1.1.03.0005	1700 CONVENIO CNPQ - C/C 133820-X	13.419,31C
	* Total OBRIGACOES DIVERSAS.....	16.025,99C
	* Total OBRIGACOES A PAGAR.....	19.906,62C
	* Total OBRIGACOES.....	19.906,62C
	* Total PASSIVO CIRCULANTE.....	19.906,62C
2.2.0.0.00.	PASSIVO EXIGIVEL A LONGO PRAZO	
2.2.1.0.00.	C/C DIVERSAS	
2.2.1.1.00.	C/C DIVERSAS	
2.2.1.1.01.	C/C DIVERSAS	
2.2.1.1.01.0001	1813 CLOVIS R S BORGES	0,00
	* Total C/C DIVERSAS.....	0,00
	* Total C/C DIVERSAS.....	0,00
	* Total C/C DIVERSAS.....	0,00
	* Total PASSIVO EXIGIVEL A LONGO PRAZO....	0,00
2.4.0.0.00.	PATRIMONIO LIQUIDO	

CARTÓRIO NOTARIAL
 R. Mateus Lima, 1425 Curitiba - PR
 AUTENTICAÇÃO
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 SEM FE.
 Curitiba, 05 ABR 2000
 Escrivão

Codigo Contabil	Reduz. Descricao da Conta	Saldo do Exercicio
2.4.1.0.00.	PATRIMONIO LIQUIDO	
2.4.1.1.00.	PATRIMONIO LIQUIDO	
2.4.1.1.01.	PATRIMONIO SOCIAL	
2.4.1.1.01.0001	604 PATRIMONIO SOCIAL	2.427.873,60C
2.4.1.1.01.0003	3140 SUPERAVIT DO EXERCICIO	71.044,27C
* Total PATRIMONIO SOCIAL.....		2.498.917,87C
* Total RESULTADO APURADO.....		0,00
* Total PATRIMONIO LIQUIDO.....		2.498.917,87C
* Total PATRIMONIO LIQUIDO.....		2.498.917,87C
* Total PATRIMONIO LIQUIDO.....		2.498.917,87C
* Total PASSIVO.....		2.518.024,49C

DECLARACAO

Reconhecemos a autenticidade e a exatidao do presente Balanco Patrimonial, somando, tanto o Ativo quanto o Passivo R\$ ***2.518.024,49, conforme documentacao apresentada para escrituracao.

CURITIBA, 24 DE DEZEMBRO DE 1999

Mauro de Moura Brito
 MAURO DE MOURA BRITO

GELSON ORLANDO PEDRON

GELSON ORLANDO PEDRON
 Av. Winston Churchill, 896 - Bl. E - S/6

Curitiba - PR Tel. 246-9098
 GELSON ORLANDO PEDRON

R Mateus Leme, 7425 - Curitiba, PR

AUTENTICACAO

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DOU FE
 Curitiba, 05 ABR 2000

Extenso

SOCIEDADE PESQ SELVAGER E EDUC AMBIENTAL

CURITIBA-PR

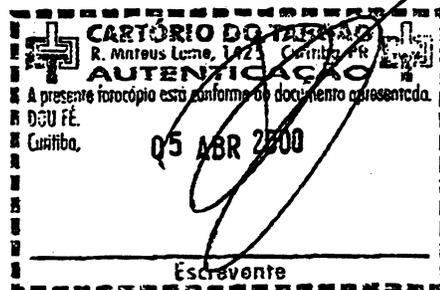
DEMONSTRACAO DO RESULTADO DO EXERCICIO

Pagina: 0006

CNPJ/CPF: 78.696.242/0001-59

Apurado em Dezembro/1999

Codigo Contabil	Reduz.	Descricao da Conta	Saldo do Exercicio
3.0.0.0.00.		RECEITAS E DESPESAS	
3.1.0.0.00.		RECEITAS GERAIS	
3.1.1.0.00.		RECEITAS	
3.1.1.1.00.		RECEITAS	
3.1.1.1.01.		RECEITAS GERAIS	
3.1.1.1.01.0002	655	DOACOES RECEBIDAS	8.538,34C
3.1.1.1.01.0004	671	DESPESAS RECUPERADAS	273,20C
3.1.1.1.01.0005	680	DOACOES RECEBIDAS - EXTERIOR	329.204,60C
3.1.1.1.01.0006	698	DOACOES/CONVENIOS	547.163,73C
		* Total RECEITAS GERAIS.....	885.179,37C
		* Total RECEITAS.....	885.179,87C
		* Total RECEITAS.....	885.179,87C
		* Total RECEITAS GERAIS.....	885.179,87C
3.4.0.0.00.		DESPESAS GERAIS	
3.4.1.0.00.		DESPESAS GERAIS	
3.4.1.1.00.		DESPESAS ADMINISTRATIVAS	
3.4.1.1.01.		DESPESAS ADMINISTRATIVAS	
3.4.1.1.01.0001	701	SERVICOS TECNICOS DE TERCEIROS	126.555,54
3.4.1.1.01.0002	710	SALARIOS	54.163,72
3.4.1.1.01.0003	728	AVISO PREVIO E INDENIZACOES	1.102,32
3.4.1.1.01.0004	736	DECIMO TERCEIRO SALARIO	5.103,53
3.4.1.1.01.0006	752	DESCANSO SEMANAL REMUNERADO	2.398,62
3.4.1.1.01.0008	779	AUXILIO MORADIA	275,00
3.4.1.1.01.0007	2909	ADONO PECUNIARIO	240,42
3.4.1.1.01.0014	707	SERVICOS DE TERCEIROS - PJ	214.947,42
3.4.1.1.01.0015	795	FERIAS	3.485,96
3.4.1.1.01.0016	009	PREVIDENCIA SOCIAL	29.798,86
3.4.1.1.01.0017	817	F G T S	4.878,38
3.4.1.1.01.0018	825	PIS FOLHA DE PAGAMENTO	585,31
3.4.1.1.01.0019	833	DESPESAS DE VIAGEM	32.564,98
3.4.1.1.01.0020	841	MATERIAL DE EXPEDIENTE	6.150,61
3.4.1.1.01.0021	850	DESPESAS DE CONDUCAO	3.075,00
3.4.1.1.01.0022	868	CAFE E LANCHES	223,38
3.4.1.1.01.0023	876	ALUGUEIS	11.487,12
3.4.1.1.01.0024	804	CONCERTOS E REPAROS	2.572,51
3.4.1.1.01.0025	892	CONSERVACAO E LIMPEZA	275,00
3.4.1.1.01.0026	906	AGUA E LUZ	1.116,27
3.4.1.1.01.0027	914	DESPESAS POSTAIS	2.344,06
3.4.1.1.01.0028	922	DESPESAS LEGAIS E JUDICIAIS	1.092,82
3.4.1.1.01.0029	930	SERVICOS PROFISSIONAIS	7.881,50
3.4.1.1.01.0031	957	MATERIAL DE CONSUMO	66,00
3.4.1.1.01.0032	965	CONTRIBUICOES ORGAOS DE CLASSE	116,67
3.4.1.1.01.0033	973	MANUTENCAO DE VEICULOS	17.559,42



SOCIEDADE PESO SELVAGEM E EDUC AMBIENTAL

MURITIDA-PR

DEMONSTRACAO DO RESULTADO DO EXERCICIO

Pagina: 0007

CNPJ/CPF: 78.696.242/0001-57

Apurado em Dezembro/1999

Codigo Contabil	Reduz. Descricao da Conta	Saldo do Exercicio
3.4.1.1.01.	DESPESAS ADMINISTRATIVAS	
3.4.1.1.01.0034	981 DESPESAS COM VEICULOS	0,00
3.4.1.1.01.0035	990 JORNAIS E REVISTAS	276,20
3.4.1.1.01.0036	1007 DESPESAS DE CAMPO	31.725,03
3.4.1.1.01.0037	1015 ANUNCIOS E PUBLICACOES	0,00
3.4.1.1.01.0038	1023 MULTAS FISCAIS	5,63
3.4.1.1.01.0040	1031 IMPOSTOS E TAXAS	2.221,96
3.4.1.1.01.0041	1040 VALE TRANSPORTE	2.005,50
3.4.1.1.01.0042	1058 EDUCACAO AMBIENTAL	5.971,87
3.4.1.1.01.0044	1074 DESPESAS DE INSTRUCAO	730,00
3.4.1.1.01.0047	1090 COPIAS E REPRODUCCOES	4.302,32
3.4.1.1.01.0048	1104 PREMIO DE SEGUROS DIVERSOS	2.400,21
3.4.1.1.01.0050	1112 DESPESAS DIVERSAS	268,85
3.4.1.1.01.0052	1120 IDF - IMPOSTO S/OPERAC FINANC	11,84
3.4.1.1.01.0053	1139 FRETES E CARRETOS	1.785,90
3.4.1.1.01.0054	1147 COMUNICACOES	3.174,60
3.4.1.1.01.0055	1155 CPMF - CONTRIB S/OPERAC FINANC	2.511,77
3.4.1.1.01.0056	1163 IRF S/APLICACOES FINANCEIRAS	1.282,79
3.4.1.1.01.0057	1171 MANUTENCAO DE COMPUTADORES	645,00
3.4.1.1.01.0061	1660 SERVICOS PRESTADOS ESTAGIARIOS	94,28
3.4.1.1.01.0062	2968 IMOBILIZACOES DEDUTIVEIS	983,00
* Total DESPESAS ADMINISTRATIVAS.....		591.257,17
3.4.1.1.02.	OUTRAS DESPS ADM GUARAQUECABA	
3.4.1.1.02.0010	1244 F G T S	0,00
3.4.1.1.02.0026	1309 ENERGIA ELETRICA	0,00
3.4.1.1.02.0054	1341 AGUA	0,00
3.4.1.1.02.0056	1368 IMPOSTOS E TAXAS	318,37
* Total OUTRAS DESPS ADM GUARAQUECABA..		318,37
3.4.1.1.03.	PROJETOS	
3.4.1.1.03.0001	3158 PROJETO USAID	229.186,38
* Total PROJETOS.....		229.186,38
* Total DESPESAS ADMINISTRATIVAS.....		820.761,92
3.4.1.4.00.	ENCARGOS FINANCEIROS LIQUIDOS	

CARTÓRIO DO JARAGUÁ
 R. Mateus Leme, 1425 - Curitiba, PR
AUTENTICAÇÃO
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 ODU FE.
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 05 ABR 2000

3.4.1.4.01.		DESPESAS FINANCEIRAS	
3.4.1.4.01.0001	1376	JUROS PASSIVOS	215,20
3.4.1.4.01.0002	1384	DESPESAS BANCARIAS	661,29
3.4.1.4.01.0005	3123	VARIACAO CAMBIAL	9,88
* Total DESPESAS FINANCEIRAS.....			886,37
3.4.1.4.02.		RECEITAS FINANCEIRAS	
3.4.1.4.02.0001	1414	DESCONTOS OBTIDOS	7,78C
3.4.1.4.02.0003	1430	CORRECAO MONETARIA ATIVA	7.504,91C



 Escrevente

Codigo Contabil	Reduz. Descricao da Conta	Saldo do Exercicio
	* Total RECEITAS FINANCEIRAS.....	7.512,69C
	* Total ENCARGOS FINANCEIROS LIQUIDOS...	6.626,32C
	* Total DESPESAS GERAIS.....	814.135,60
	* Total DESPESAS GERAIS.....	814.135,60
	* Total RECEITAS E DESPESAS.....	71.044,27C

[Handwritten Signature]
GELSON ORLANDO PEDRON
 Av. Winston Churchill, 896 - Bl. E - 516
 Curitiba - PR - Tel. 246-8090

R. Antonio Manoel de Lacerda Filho, 120 - Jd. Santa Helena - Curitiba - PR - CEP: 81200-000, 16
CARTORIO
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 DOU FE.
 Curitiba, **05 ABR 2000**
 Escrivente

Codigo Contabil	Reduz. Descricao da Conta	Saldo do Exercicio
4.0.0.0.00.	DESPESAS DE PROJETOS	
4.1.0.0.00.	DESPESAS DIVERSOS PROJETOS	
4.1.1.0.00.	DESPESAS DIVERSOS PROJETOS	
4.1.1.1.00.	DESPESAS DIVERSOS PROJETOS	
4.1.1.1.01.	PROJETO CNPQ	
4.1.1.1.01.0001	1840 DESPESAS DE CAMPO	2.075,85
4.1.1.1.01.0002	1856 MANUTENCAO DE VEICULOS	1.535,68
4.1.1.1.01.0003	1864 IMPOSTOS E TAXAS	861,98
4.1.1.1.01.0004	1872 SERVICOS DE TERCEIROS - PJ	22.318,65
4.1.1.1.01.0005	1880 PREMIOS DE SEGUROS DIVERSOS	7.564,59
4.1.1.1.01.0006	1899 SERVICOS DE TERCEIROS - PF	19.949,05
4.1.1.1.01.0007	2143 DESPESAS POSTAIS	506,60
4.1.1.1.01.0008	2151 COPIAS E REPRODUcoes	925,68
4.1.1.1.01.0009	2160 PREVIDENCIA SOCIAL	1.492,03
4.1.1.1.01.0010	2340 FRETES E CARRETOS	0,00
4.1.1.1.01.0011	2356 C P H F	199,20
4.1.1.1.01.0012	2364 DESPESAS BANCARIAS	29,98
4.1.1.1.01.0013	2500 DESPESAS DE VIAGEM	2.558,48
4.1.1.1.01.0014	2518 MATERIAL DE EXPEDIENTE	1.060,31
4.1.1.1.01.0015	2526 DESPESAS DE CONDUCAO	218,91
4.1.1.1.01.0016	2542 ENERGIA ELETRICA	1.882,44
4.1.1.1.01.0017	2550 COMUNICACOES	10.921,11
4.1.1.1.01.0018	2682 A G U A	646,59
4.1.1.1.01.0019	2704 DESPESAS COM APOIO COMUNITARIO	1.591,91
4.1.1.1.01.0020	2933 ALUGUEIS	6.210,00
4.1.1.1.01.0022	3000 DESPESAS DE INSTRUCAO	543,75
4.1.1.1.01.0050	2631 TRANSFERENCIA/REEMBOLSO	83.920,800
* Total PROJETO CNPQ.....		0,00
4.1.1.1.02.	PROJETO ENCONTRO - CONV 004/97	
4.1.1.1.02.0001	1902 DESPESAS DE CAMPO	0,00
4.1.1.1.02.0002	1910 MANUTENCAO DE VEICULOS	0,00
4.1.1.1.02.0003	1929 SERVICOS DE TERCEIROS - PJ	0,00
4.1.1.1.02.0004	1937 SERVICOS DE TERCEIROS - PF	0,00
4.1.1.1.02.0005	1945 DESPESAS POSTAIS	0,00
4.1.1.1.02.0006	2178 DESPESAS DE CONDUCAO	0,00
4.1.1.1.02.0007	2186 DESPESAS DE VIAGEM	0,00
4.1.1.1.02.0008	2313 MATERIAL DE EXPEDIENTE	0,00
4.1.1.1.02.0009	2321 PREVIDENCIA SOCIAL	0,00
4.1.1.1.02.0010	2330 COPIAS E REPRODUcoes	0,00

CARTÃO DO TABOÃO
 K. Marbus Ltda. 1.225 Curitiba - PR
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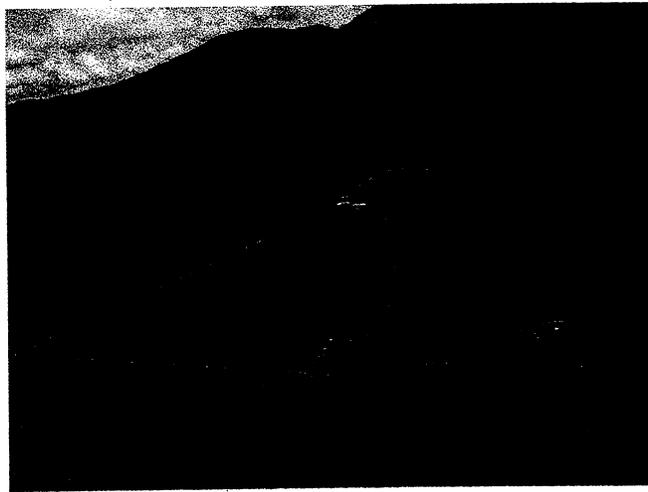
BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT
GM, SPVS & TNC
Guaratuba Environmental Protection Area, Brazil
Project Plan Budget & Cash Flow

PROJECT COSTS	Total	Year										Total Years 11-40
		1	2	3	4	5	6	7	8	9	10	
Land Stewardship	9,012,077	193,913	162,272	167,140	121,910	141,775	125,205	189,142	132,830	136,815	159,708	7,481,367
Land Acquisition and Tilling	3,797,209	2,913,750	720,750	38,760	39,131	13,113	13,506	13,911	14,329	14,758	15,201	0
Reforestation & Forest Enhancement	351,770	32,241	74,753	76,995	54,282	55,911	57,588	0	0	0	0	0
Leakage Control	593,952	0	58,465	60,219	62,026	63,886	65,803	67,777	69,810	71,905	74,062	0
Sustainable Rural Development	1,451,039	40,000	80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	598,310
Monitoring and Verification	884,967	51,918	216,126	99,340	110,811	21,030	93,784	0	0	0	0	291,957
Technical Assistance & Oversight	7,173,080	610,902	271,942	242,019	224,042	212,494	168,940	152,887	148,175	152,621	175,495	4,813,565
Total Operating Costs	23,264,095	3,842,725	1,584,307	766,873	697,074	595,628	614,867	516,458	460,669	474,489	525,807	13,185,199
Combined Funds Summary		Year 1	2	3	4	5	6	7	8	9	10	
Beginning Combined Funds Balance	10,000,000	10,000,000	6,752,362	5,646,522	5,327,770	5,074,356	4,923,994	4,747,699	4,657,741	4,617,676	4,559,328	6,127,848
Capital contributions	0	0	0	0	0	0	0	0	0	0	0	0
Investment income (short plus long)	19,322,767	595,087	478,466	448,120	443,661	445,265	438,573	426,500	420,604	416,141	408,160	14,802,190
Operating Costs	23,264,095	3,842,725	1,584,307	766,873	697,074	595,628	614,867	516,458	460,669	474,489	525,807	13,185,199
Ending fund balance	6,058,672	6,752,362	5,646,522	5,327,770	4,533,511	4,964,195	4,747,699	4,657,741	4,617,676	4,559,328	4,441,681	

BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT

PRELIMINARY PROJECT PLAN

April 10, 2000



General Motors Corporation

Sociedade de Pesquisa em Vida Selvagem

The Nature Conservancy

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1. **Executive Summary**
2. **Project Description**
3. **Project Partners**
4. **Land Acquisition Strategy**
5. **Conservation Importance Assessment**
6. **Estimate of Carbon Benefits**
7. **Government Relations Plan**
8. **Public Relations Plan**
9. **Sustainable Development / Community Outreach Plan**
10. **Feasibility Assessment**
11. **Project Budget**

1. Executive Summary

The BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT has the potential to become one of the most significant projects ever to address global climate change and biodiversity conservation. It has the following key features:

- creation of a private nature reserve of at least 30,000 acres owned and managed by a Brazilian non-profit group, SPVS, and abutting a proposed national park (currently proposed and before Congress). The area would join two mountain ranges, embrace a lush, broad valley and protect world-class and world-recognized endangered biodiversity, including an astonishing two (and possibly three) bird species found almost *exclusively on this property* – i.e., virtually nowhere else in the world.
- focused reforestation of a 1,800-acre “scar” of denuded buffalo pasture in the heart of the reserve and assisted restoration of all other degraded areas on the property;
- a rigorous carbon inventory and monitoring plan that measures carbon benefits produced by the project and documents them as carbon offsets;
- an ongoing, multi-year community development program with traditional communities adjacent to the reserve, and an initial, one-time investment in the just settlement of any and all of their legitimate historical land claims, up to 980 acres;
- establishment of an area suitable for developing a small, high-visibility public outreach center focused on environmental education and outreach for southeast Brazil’s urban population.

This report has assessed the feasibility of the project’s objectives being achieved and concluded that the project, as designed and described herein, has a high likelihood of producing the results in terms of GHG emission reductions, biodiversity protection and favorable recognition that the project partners are seeking.

2. Project Description

The BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT is the most significant effort to date to use reforestation and forest protection strategies in Brazil's Atlantic Forest to capture and conserve atmospheric carbon and thereby reduce the threat of global climate change. Over a period of 40 years, the project will restore and protect at least 30,000 acres of partially degraded and/or deforested tropical forest within the Guaratuba Environmental Protection Area (Area de Proteção Ambiental, or APA) of southern Brazil.

With a \$10.0 million investment from General Motors Corporation, the project will promote assisted natural forest regeneration on pastures and degraded forests on the acquired lands. It will also protect standing forest that still exists within the project area but is under imminent threat of deforestation. As part of the project, SPVS (*Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental*, a Brazilian non-profit group) will acquire and manage in perpetuity a private nature reserve that contains some of the best remaining examples of Atlantic Rainforest in the world. This newly created private protected area will ensure the survival of numerous species of wildlife that otherwise would likely face extinction because of ongoing forest destruction in the region.

As a pioneer project and one of the few attempts to recover degraded areas within the Atlantic Forest, the RAINFOREST RESTORATION PROJECT will design its forest restoration activities as experiments that will contribute to our understanding of the rainforest's ultimate restoration. Reforestation and forest enhancement activities will reestablish forest cover on the areas most affected by clear-cutting for buffalo-ranching and attempt to rebuild the original forest structure on slopes and floodplain areas that have been degraded. The strategy is to plant small areas, or "islands", of native tree species that will be the source of seeds to be spread to other areas by birds, bats, other animals, the wind, etc. Careful tracking of regrowth rates will help choose the most effective methods for fast forest regrowth and proper forest composition. A nursery will be constructed on or near the project site that will produce tens of thousands of seedlings of native tree species each year. SPVS expects to work in partnership with EMBRAPA, the federal agriculture research institute, to conduct soil and vegetation surveys to determine the ideal mix of native species to plant to restore the forest to its original condition. SPVS and TNC will also be looking for opportunities to use reforestation and restoration activities for educational purposes, with volunteers, schoolchildren and others.

The project aims to produce significant net carbon benefits that are scientifically quantifiable and long-lasting. Through its forest restoration and protection activities, the project is expected to reduce or avoid emissions equivalent to approximately 1.5 to 2 million tons of carbon over the next 40 years. Through a rigorous monitoring and verification program, the carbon benefits generated by the project will be quantified and validated in such a way as to maximize the probability that they will be accepted under any future international carbon trading regime. A project endowment fund will be established to provide permanent protection and management of the project site, thus ensuring that these net carbon benefits continue in perpetuity.

3. Project Partners

The ATLANTIC RAINFOREST RESTORATION PROJECT is a collaborative effort between the General Motors Corporation, The Nature Conservancy (TNC), and Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental (SPVS), a Brazilian non-profit group dedicated to biodiversity conservation. Since its inception in 1984, SPVS has acted to protect natural areas, reverse environmentally damaging practices, and promote economic development opportunities that are compatible with conservation. SPVS brings to the project a well-respected track record of conservation action in the region, strong working relationships with the region's key environmental actors, including state and local government officials, and direct experience working with local communities on the Paraná coast to integrate economic and environmental priorities.

The Nature Conservancy is a private, non-profit organization established in 1951 to preserve the plants, animals and natural communities that represent the diversity of life on earth by protecting the lands and waters they need to survive. With a headquarters in Arlington, VA, TNC has chapters in every U.S. state and a network of international conservation partners. To date, the Conservancy and its more than 1,000,000 members have protected more than 11 million acres in the United States and have helped protect more than 50 million acres in Latin America, the Caribbean, Canada, Asia and the Pacific. Using a science-based, non-confrontational approach to environmental preservation, TNC brings extensive conservation experience and institutional capabilities that will help to ensure the project's long-term viability.

As set forth in the Comprehensive Agreement, to be signed by the project partners, the project will be governed and managed by three distinct entities: an Executive Committee, a Project Funds Manager and a Project Site Manager. The Executive Committee will be comprised of one designated representative each from GM, TNC and SPVS, and will meet annually or as necessary to monitor the progress of project implementation, approve any significant modifications to the project plan and budget, and make decisions regarding the submission of applications for carbon benefits. TNC will be the Project Funds Manager and will be responsible for keeping the project on a sound financial footing and ensuring that it meets its overall financial targets and goals. SPVS will act as the Project Site Manager and will be responsible for the day-to-day implementation of project activities in accordance with the project plan.

As Project Site Manager, SPVS will be responsible for:

- preparing and submitting annual workplans, reports, and budgets;
- hiring the staff necessary to implement the workplan;
- managing all aspects of implementation for each of these components.

SPVS will continuously monitor implementation activities and request technical support as necessary to correct any problems or deviations from project workplans. SPVS will directly manage the Land Acquisition Strategy and the Sustainable Development and Community Outreach Strategy. It will own and manage the project site lands. In

addition, in year five SPVS will assume responsibility for managing the project's carbon monitoring component. As Project Site Manager, SPVS will ensure that the project partners are kept fully informed about the status of project implementation primarily through the submission of regular financial and technical reports, and other project updates as necessary. SPVS will report to TNC, the Project Funds Manager, any unforeseen events affecting the project and their impact on project implementation. SPVS will also be responsible for organizing and convening meetings of the project's Executive Committee.

As the Project Funds Manager, TNC will:

- review the project endowment fund reports to gauge the fund's performance relative to expected returns;
- review and approve SPVS's annual workplan and budget;
- disburse project funds to SPVS in conformance with project budgets and disbursement schedules;
- review and approve SPVS's quarterly and annual financial and technical reports;
- assist SPVS in adjusting project budgets when necessary to maintain the integrity of the Project Endowment Fund

TNC will oversee all carbon monitoring activities to ensure that they are being conducted with sufficient rigor. It will also provide technical assistance to SPVS on an ongoing basis in such areas as carbon monitoring and reporting requirements, financial planning and budgeting, conservation science and land management, and organizational development. TNC will carry out its financial management and technical assistance responsibilities so as to improve the possibility that the net carbon benefits generated by the project will be recognized and credited under a future international greenhouse gas carbon trading regime, and to achieve the project's biodiversity goals. TNC will contract reputable experts to design and implement a carbon monitoring program and will oversee implementation of this program through year 5. If and when the project partners decide to submit an application to register the project's carbon benefits and/or apply for GHG offset credits under an international GHG trading regime, TNC will lead the efforts to prepare and submit this application to the relevant authorities, and will ensure that all necessary submissions are of the highest technical quality possible.

TNC investment managers manage the project endowment fund and provide quarterly updates on its performance. The project has a segregated cost center, which is used to deposit and withdraw project funds, and to track the value of the Project Endowment Fund. TNC has projected that in Year 40 the project endowment fund will have a balance of \$6,058,672; this is expected to be sufficient to finance the protection and management of the project site in perpetuity.

4. Land Acquisition Strategy

An area known as Estrela Ranch has been selected as the “core area” for the project site. It is located in the municipality of Guaratuba on the coastal plain of Paraná State in southeastern Brazil. This area is about 40 miles southeast of Curitiba, the state capital, and about 18 miles south of Paranagua, the nearest large town. Road access is by dirt road, requiring four-wheel-drive after heavy rains and involving a river-crossing at a ford in all seasons. The area lies behind and above Guaratuba Bay, a marine estuary. The beaches of the Atlantic Ocean lie just 15 miles to the east of the edge of the project site, and are separated from it by the Serra da Prata mountain range.

The acquisition of at least 30,000 acres of land and the creation there of a private nature reserve are the cornerstone of all other project activities. Three key criteria have been used to select among different land parcels and design the project site:

- 1) biodiversity importance;
- 2) potential for carbon capture; and
- 3) overall site manageability.

Once these criteria were reviewed for different properties, price and availability (the presence of a willing seller) were analyzed as well. The result has been the identification of an initial area suitable for purchase and reserve-creation, and the identification of several viable options for expanding the project site and reserve to its target size over the next 6-18 months.

The core area – Estrela Ranch – contains the largest cleared pasture area (approximately 1,800 acres) in the region. The property covers the broad, flat valley of the Cubetãozinho River and runs up mountain slopes to the west. This property has the highest carbon-capture potential of any area analyzed, and also includes areas of degraded lowland forest, relatively intact hillside and montane forest, and some permanent wetlands, including a significant part of the unique and biodiversity-rich Lagoa do Parado. The site is bordered by rivers at several key points, improving access for patrolling and thus site manageability. The properties making up Estrela Ranch measure approximately 14,000 acres, and represent the critical center of the core project area.

To complete the project site, TNC will work with SPVS to purchase an additional 17,000 acres over the next months, for a total project size of at least 30,000 acres (as much as 940 acres of the Estrela Ranch may be ceded to local communities; see below under component #8, Sustainable Rural Development). Our preferred project-site growth option involves acquiring properties to the **south and east** of Estrela Ranch. These properties total as much as 13,000 acres, and would link the project site to Guaratuba Bay; they contain large areas of selectively logged forest with high regrowth potential, and are known to contain significant biodiversity in their unique forests. These properties would also provide a continuous border between the project site and a

proposed national park in the mountains of Serra da Prata, east of the site. This would be a major boon to site management, effectively protecting the eastern "flank" from most forms of encroachment.

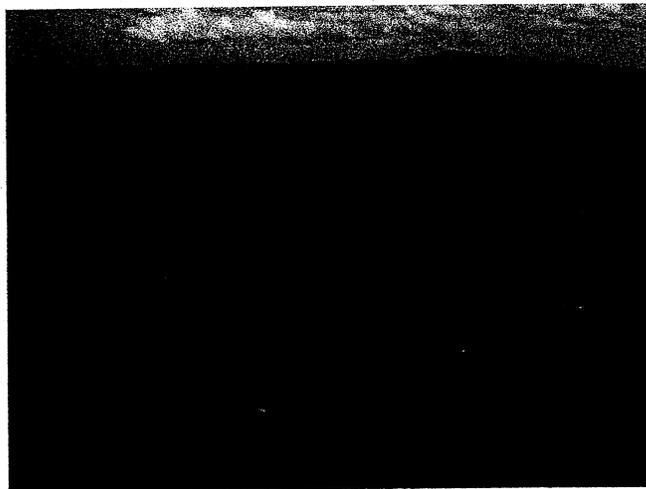
To the **north** of Estrela Ranch, meanwhile, several properties that together equal 27,000 acres could be added as necessary to reach the target project size. These areas typically contain more hillside and montane forest than open areas, and thus on average have lower value from a carbon-capture standpoint. From a biodiversity standpoint they contain excellent forest, but of a type that is less rare and at-risk than the lowland forest types found to the south and east of Estrela Ranch. Finally, these areas would also provide an even longer border with the proposed national park, and the intent is to purchase selected areas to achieve river boundaries and other advantages and thereby improve conditions for carbon capture and site management.

In addition to Estrela and the large blocks southeast and north of it, the project would purchase perhaps six to eight small (up to about 200 acres) inholdings that are scattered around the region. These inholdings would be judged on a case-by-case basis largely on the basis of their importance to site management and protection. With the purchase of the large blocks and the small inholdings, SPVS expects to purchase title to at least 28,000 contiguous acres centered on Estrela Ranch within the next 18 months. There exists a possibility that we would not be able to put together a single block of properties contiguous to Estrela Ranch; in that case, we would purchase suitable non-contiguous properties (from carbon-capture, biodiversity and land-management perspectives) as needed to reach at least 30,000 acres. Again, we prefer a contiguous site, and will work towards it, with the following proposed exception.

About 10 miles north of the project site, and connected to it through the mountain range and proposed national park but with no direct border with it, is a 2,250-acre area that has been made available to SPVS at an attractive price. The property is interesting to the project as a high-profile location for a small public outreach center showing the importance of SPVS's work and partnerships in the restoration of degraded lands. The property straddles the main four-lane highway between Curitiba and beach and port destinations, as well as the touristic rail line between Curitiba and the coast. Hundreds of thousands of Curitibaans and tourists from elsewhere pass through the property (1.5 miles of highway frontage on both sides) each year. The property is quite badly degraded and its restoration, in addition to being valuable to showcase the project's restoration efforts, would also generate considerable carbon-capture benefits. The property is more valuable than others we are looking at due to its excellent location, but SPVS expects to be offered the land at a reasonable price in return for naming the small park created there to honor a family member of the current owner. Some other costs of the center will require additional resources beyond those included in the project budget. With the addition of this area, the project site would reach the minimum of 30,000 acres.

The price of these different properties varies, of course, but we are allocating \$3.5 million for land acquisition (not counting transfer fees, lawyer fees, etc.) in the project budget. We expect average land prices to range from \$100 and \$117 dollars per acre, permitting the purchase of at least 30,000 and as many as 35,000 acres. Actual costs of

lands in Brazil are hard to estimate until actual negotiations are under way with each owner, and may vary somewhat from the estimates presented here. Dollar-to-real exchange rates may also ultimately affect dollar costs of different properties. Nonetheless, we expect to meet our goals for land acquisition at or under the present budget.



4. Conservation Importance Assessment

The project site falls within Brazil's world-renowned Serra do Mar, an area recognized by the United Nations Economic and Social Organization (UNESCO) as one of the planet's highest priorities for conservation and designated as a World Biosphere Reserve. The Atlantic Forest contains some of the greatest biological diversity registered on the planet, and an astonishing number of its organisms are found nowhere else in the world. For instance, on one 2.5-acre lot of Atlantic Forest scientists found 450 tree species – more than in the entire eastern United States. An estimated 50% of its tree species, 70% of its palm trees and bromeliads, 40% of its mammals, 60% of its reptiles and 92% of its amphibians are endemic – exclusive to this part of the world. For biologists and conservationists, the presence of so many endemic species magnifies the importance of this area, for if tree and animal species are lost here, they are perforce lost everywhere.

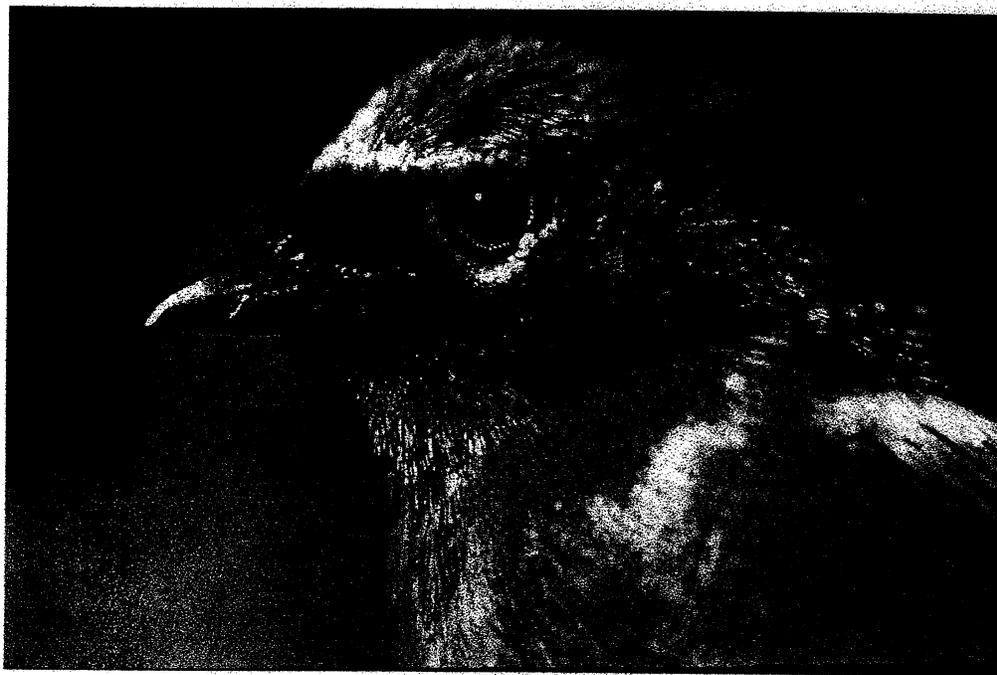
The Atlantic Forest once covered about 400,000 square miles of Brazil. Now no more than 32,000 square miles, or 8% of its original extension, remains. This region of the country has borne the brunt of European settlement, with tragic consequences for the forest. More than 50% of Brazil's population and 80% of its GNP are concentrated in the Atlantic Forest region. So, unfortunately, are 84% of Brazil's plant and animal species in imminent danger of extinction. Among scientists and conservation professionals, and as evidenced in a long series of priority-setting exercises conducted by many different groups, there is rare consensus that the conservation of the Atlantic Forest is one of our generation's highest priorities and greatest challenges.

Within the Atlantic Forest region, any remaining forest area is of great importance. But certain areas have been identified as of exceptional importance for the richness and rarity of their flora and fauna. Beyond a doubt, one of these exceptional areas is the Estrela Ranch and environs – the area chosen as the project site. While not a great deal is known yet about the flora and fauna on the property, initial studies of bird populations conducted over the last several years by ornithologists Marcos Bornschein and Bianca Reinert provide an amazing view of this area's importance. According to Bornschein and Reinert's findings, Estrela Ranch and environs has:

- the world's largest known population of the Marsh Antbird (*Stymphalornis acutirostris*), which was unknown to science until 1995
- the world's largest known population of the Kaempfer's Tody-Tyrant (*Hemitriccus kaempferi*), which was thought to be extinct until being rediscovered in the area three years ago
- a total of 42 threatened bird species and 13 *world-endangered* species of birds – more than in all of Canada, for instance.
- a total of 322 species of birds – about as many species as regularly occur in the entire eastern United States.

The creation of a permanent nature reserve at the project site will have many other benefits to a wide range of plant and animal species. With at least 30,000 contiguous

acres, the reserve will be large enough to guarantee the protection of viable populations of all but the largest carnivores. It will also create critical natural corridors between mountain ranges, making possible key species' local and altitudinal migrations. Finally, by restoring the degraded areas on the property – especially the much-eroded riverbanks – the reserve will significantly reduce erosion and downstream sedimentation and its impacts on aquatic biodiversity.



5. Estimate of Carbon Benefits

Based on preliminary projections made for the feasibility study, which were based on literature and field data for projects in similar areas, the proposed project area will yield as much as 2 million tons of carbon over 40 years. According to these projections, 48% of the carbon capture (985,018 tons) will be from forest protection, and 52% (1,054,518 tons) will be from reforestation and forest regeneration. These numbers will depend on the eventual configuration, forest cover, topography and other features of the properties ultimately chosen to make up the project site; they should be expected to vary significantly as more detailed analyses of these and other variables are completed.

<i>Landscape Type</i>	<i>hectares</i>	<i>estimated carbon capture</i>		<i>total, tons of C</i>
		<i>avoidance</i>	<i>sequestration</i>	
Pasture	3380	0	446971	
Lowland 10-15 yr forest	1420	24921	130143	
Lowland 40-yr forest	4700	513240	400440	
Lowland primary forest	930	175403	0	
Hilly 40-yr forest	1420	139302	76964	
Steep slope primary forest	2350	132152	0	
TOTAL	14200	985018	1054518	
PROJECT TOTAL		48%	52%	2,039,536

The project will monitor greenhouse gas (GHG) benefits of the project using the highest practical scientific and technical standards. It will also prepare estimates for independent evaluation by incorporating outside experts into the process through TNC's "Technical Advisory Panel," or TAP.

As soon as the bulk of land acquisitions is completed, carbon inventory and monitoring plans will be designed to quantify the changes in key carbon (C) pools for all project components, to develop baseline estimates and to track land-use change in the project region. Data from the inventory and monitoring activities are used to estimate the differences between the with- and without-project carbon cases. The difference between these pools is the basis for determination of the project's actual GHG benefits.

TNC has a partnership with the Winrock International Institute for Agricultural Development as its primary carbon monitoring contractor for climate action projects. Winrock has developed a peer-reviewed cost-effective methodology for inventorying C and monitoring C inventories on a commercial basis. This methodology was developed to provide reliable results using accepted principles and practices of forest inventory, soil science and ecological surveys. In the future, third party organizations may also be needed to verify and certify carbon-benefit claims. The TAP will help to ensure that carbon monitoring for the project performs well under future certification criteria.

With support from Winrock, TNC and SPVS will document changes in the greenhouse gases emitted, reduced, avoided or sequestered throughout the project term. To maximize the possibility that the project's GHG benefits will be creditable under a

prospective GHG emissions trading regime, the project will have a rigorous carbon monitoring component that will include the following elements:

Desk Study and Development of Provisional Carbon Monitoring Plan: This first version of the plan is used to aid sample design and guide efforts during the initial carbon inventory. The provisional plan outlines methods and procedures anticipated for the monitoring of all changes in greenhouse gases anticipated due to project activities, and identifies vegetative strata that should be inventoried to determine sample design.

Field Sampling and Data Analysis Report: The field sampling and subsequent report is developed from the initial field sampling and analysis and defines the strata and number of plots necessary within each strata for the development of the carbon monitoring plan. It is also used to improve the initial offset estimates.

Carbon Inventory and Monitoring Plan: The Carbon Inventory and Monitoring Plan provides a detailed explanation of which strata and carbon pools must be inventoried and monitored, how they will be monitored, and how often they should be monitored in both project and without-project reference areas over the life of the project.

Deforestation and Forest Degradation Trend Model: A fundamental challenge in a project that seeks to improve carbon balance through stemming deforestation is projecting the carbon balance that would have occurred if the project were *not* implemented. The Deforestation and Forest Degradation Trend Model will allow projections of “without-project” deforestation and forest degradation in the project area to be used to develop a “without-project” baseline and project offsets over the project term.

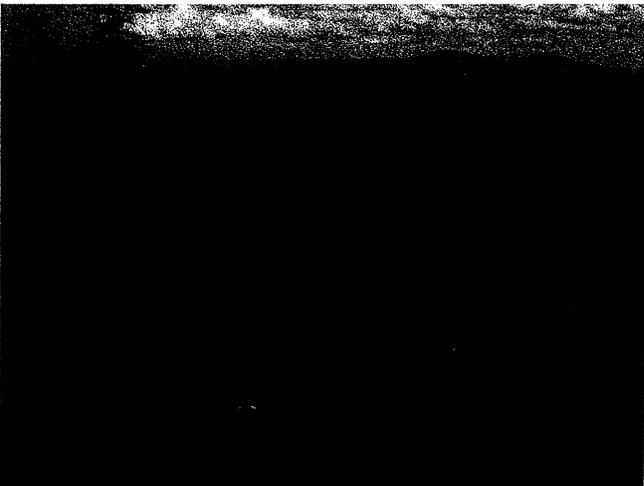
Periodic Carbon Inventories and Monitoring: Additional carbon inventories and monitoring will be conducted throughout the life of the project. Monitoring is anticipated to take place once every two years in years 1-5, and once every five or ten years thereafter. Frequent monitoring during the early stages of the project is needed to determine seedling mortality and establishment. Carbon monitoring may be conducted using advanced videography or other remote-sensing technologies if they prove to be as practical and cost-effective as anticipated.

Technical Advisory Panel Meetings and Evaluations: The Technical Advisory Panel, made up of TNC, Winrock and outside specialists, will evaluate carbon monitoring procedures and offset reports annually or as needed.

Leakage Control Strategy: To produce real GHG reductions, the project must ensure that none of the carbon benefits produced within the project's boundaries are negated by project-related impacts that might “leak” offsite, e.g. the displacement of ranching or forestry activities to another area. The Leakage Control Strategy will analyze the potential sources and magnitudes of “leakage” and develop measures to offset them.

Carbon Monitoring, Offset Creation, and Reporting Protocol: This Protocol will provide the factual basis and procedures for documenting changes over time in the greenhouse gases emitted, reduced, avoided, or sequestered by the project, including

definition of the methods, procedures, and frequency of measurement of carbon pools in and around the project site; calculation of a project reference case or baseline; calculation of leakage; carbon emissions calculations and accounting procedures; and preparation and submission of carbon offset reports.



6. Government Relations Plan

A primary goal of the project is to generate as much as 2 million tons of carbon benefits that are scientifically quantifiable and long-lasting and that will be recognized as certified carbon offsets eligible for credit under a prospective international carbon trading regime.

While the project's eligibility for carbon credits is contingent upon the outcome of international negotiations that will establish the ground rules for any such regime, the project partners will make every effort to maximize the possibility that the carbon benefits generated by the project will ultimately be accepted, credited, and available to GM to meet its emission-reductions targets.

In 1992 at the U.N. Conference on Environment and Development (UNCED, also known as the "Earth Summit") in Rio de Janeiro, the majority of the world's nations signed the U.N. Framework Convention on Climate Change (UNFCCC), an accord to limit anthropogenic greenhouse gas emissions. Under the UNFCCC, industrialized countries (referred to as "Annex I countries") committed to reduce their aggregate carbon emissions to 1990 levels, although these reduction targets were not legally binding. Both the U.S. and Brazil signed the convention in June 1992, and subsequently ratified it on 15 October 1992 and 28 February 1994, respectively. The Convention entered into force on 29 May 1994.

Since the signing of the UNFCCC, the Parties to the Convention have held an annual Conference of the Parties (COP) to discuss duties, obligations, and mechanisms to implement the Convention. At the first COP in 1993, the Parties created "Activities Implemented Jointly" as a pilot phase to define a permanent "Joint Implementation" program; this program would allow a party that took commitments to meet part of its emissions-reductions obligation through investments that reduce emissions or increase sequestration outside its borders.

To evaluate different approaches to implement the "Joint Implementation" concept, the United States Government established the United States Initiative on Joint Implementation ("USIJI"), a pilot program to promote voluntary bilateral private-sector cooperation on projects to mitigate global greenhouse gas emissions. The USIJI Program has developed a format and set of criteria that are recognized as a potential model for a formal carbon crediting regime.

In December 1997, at COP-3 in Kyoto Japan, the Parties signed the Kyoto Protocol to the UNFCCC under which industrialized nations committed to binding emissions reductions during the period 2008-2012. The U.S. emissions reduction target is 7% below 1990 levels. Both the U.S. and Brazil have signed the Kyoto Protocol, though to date neither has ratified it.

With the goal of reaching these emissions targets in a cost-effective manner, the Protocol created several "flexibility mechanisms," including greenhouse gas emissions

trading and the Clean Development Mechanism (CDM). Article 12 of the Kyoto Protocol identifies three specific goals for the CDM:

- (1) to assist in the achievement of sustainable development;
- (2) to contribute to the attainment of the environmental goals of the UNFCCC;
- (3) to assist Annex B parties in complying with their emissions-reductions commitments.

While the structure and format of the CDM have yet to be defined, members to the FCCC are attempting to finalize rules and regulations for JI-like crediting of CDM projects by COP-6 in November, 2000. At this time, the project partners expect that the CDM will be the international regime through which they will seek credit for carbon benefits generated by the project.

The following elements form the core of the project partners' strategy to obtain credits for the greenhouse gas emissions reductions generated by the project.

1. *Ensure that the project is "JI Worthy."* Criteria developed for the U.S. Initiative for Joint Implementation currently constitute the best guideline for what eventual CDM project requirements will entail. From its inception, the BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT has been designed to address each of these criteria, which consist of the following:

- Is it acceptable to the government of the host country?
- Does it involve specific measures to reduce or sequester greenhouse gas emissions initiated as a result of the USIJI Program, or in reasonable anticipation thereof?
- Will it reduce or sequester greenhouse gas emissions beyond those referred to in 5a below, and if federally funded, is or will be undertaken with funds in excess of those available for such activities in fiscal year 1993?
- Does it identify associated environmental and developmental benefits and impacts?
- Does it provides data and methodological information sufficient to establish a baseline of current and future greenhouse gas emissions:
 - in the absence of the specific measures of the project?
 - as a result of the specific measures of the project?
- Does it contain adequate provisions for tracking the greenhouse gas emissions reduced or sequestered as a result of the project, and on a periodic basis, for modifying such estimates and for comparing actual results with those originally projected?
- Does it contain adequate provisions for external verification of the greenhouse gas emissions reduced or sequestered by the project?

- Does it provide adequate assurance that greenhouse gas emissions reduced or sequestered over time will not be lost or reversed?
- Does it provide for annual reports to the Evaluation Panel on the emissions reduced or sequestered, and on the share of such emissions attributed to each of the participants – domestic and foreign – pursuant to the terms of voluntary agreements among participants?

2. *Inform key decision-makers in the climate change arena about the benefits of forest conservation projects.* Brazil is considered the “intellectual author” of the CDM concept and is a major player in negotiations to determine its structure and eligibility requirements. However, to date the Government of Brazil has been reluctant to accept the idea of allowing forest conservation projects to receive credit under a CDM, while being supportive of reforestation and forest recuperation projects. Thus, an integral part of this strategy will entail informing key decision-makers, particularly within those agencies of the federal government most active in climate change negotiations (e.g. the GOB’s Ministry of Science and Technology that takes the lead in climate change negotiations), about our efforts to demonstrate the validity and benefits of forest conservation projects in reducing atmospheric carbon levels.

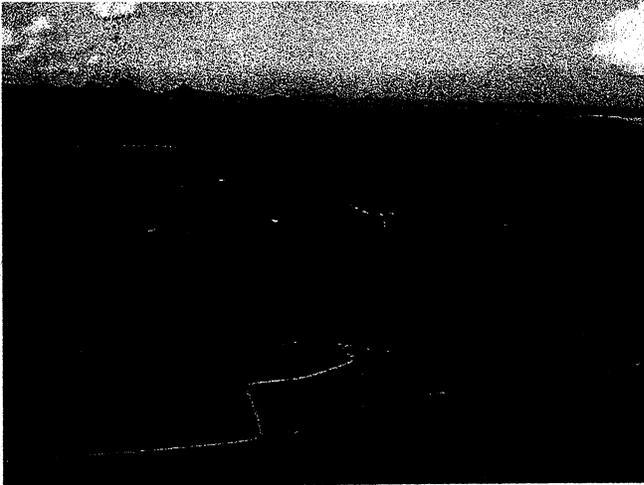
All three project partners have pre-established channels of communication with key actors within the Brazilian Government on the climate change debate. The partners will thus coordinate to engage Brazilian officials and keep them apprised of project developments and provide technical information on various aspects of the project. At the state-level, the partners will engage the state government in discussions of the investment potential for conservation projects in the state. Since municipalities within Paraná receive a portion of state sales tax revenues based on conservation areas within their district, local officials will also be approached and informed of the implications of the project.

3. *Position the project as a CDM pilot project for the Brazilian Government.* In mid-1999, the Government of Brazil (GOB) created a new Interministerial Commission on Climate Change that will be the body that oversees CDM activities. To date, little has been reported about the Commission in the press, and private conversations with officials indicate that it is still in an organizational phase. At least one expert who was active in the Commission’s formation has suggested that the GOB should undertake pilot projects to help define the issues and problems of designing the CDM structure. By keeping Brazilian officials apprised of project activities and implementation progress, project partners hope to position the project as a candidate for pilot activities the GOB undertakes. Likewise, project partners will engage and inform U.S. officials to promote the project’s acceptance under guidelines established by this government.

4. *Subject the project’s Carbon Monitoring Protocol to external technical review.* As described in the Carbon Monitoring and Verification Component, TNC and SPVS will implement a rigorous Carbon Monitoring Protocol and submit it to a Technical Advisory Panel (TAP) for review and evaluation. By subjecting the project’s monitoring activities to external review and critique, the TAP will demonstrate

methodological transparency and build credibility about the quantity and validity of the carbon benefits generated by the project.

Upon GM's approval of this project plan, the project partners will meet to discuss and design specific activities for gaining host-country acceptance of the project. Prior to COP-6 in November, these actions will focus especially on participation in the debate concerning the crediting of forest conservation projects under the CDM.



7. Public Relations Plan

The project partners recognize the value of this project in demonstrating each group's commitment to conservation and voluntary action against climate change. Upon approval of this project plan, specific actions will be discussed and designed to take full advantage of the project's broad appeal to a wide-ranging constituency, both in Brazil and internationally. Some types of actions that will be discussed include:

Press release: A mutually agreed-upon press release will describe the project's multiple benefits and the partnership of the three groups in carrying it out. The release will be made available to national and international media representatives on the occasion of the formal public announcement.

Formal public announcement (roll-out): Tentatively scheduled for late August or early September of this year (2000), the formal public announcement will be held in Brazil (Curitiba, Brasilia or São Paulo). One possibility to be explored is asking a major public figure, such as Paraná Governor Jaime Lerner or even President Cardoso, to host the announcement.

Ongoing media exposure: In addition to the "hard news" story involving the project's launch, there are expected to be numerous opportunities to publicize the project in feature stories with both print and electronic media. GM, SPVS and TNC will work together to identify, communicate with, refer and/or attend to media outlets suitable for project coverage.

In-house materials: Each group expects to give coverage and attention to the project in their in-house organs of communication, potentially including magazines, employee bulletins, websites, annual reports and other venues as deemed appropriate by each group.

Commercial advertisement: General Motors especially may consider using the project in its commercial advertisements, either in Brazil or in other countries. This will be in carried out in consultation with the other project partners.

Visits to the project site: Each group expects to give coverage and attention to the project as well by means of escorting select visitors, guests, executives, board members and other dignitaries to the project site.

On-site public outreach center: As described above, tentative plans exist for using one particularly high-profile property as a site for a small public outreach center, where the partners would inform a broad swath of Brazilian public about the goals and actions of the project. Components of the design, construction and ongoing staffing of the center will require additional resources beyond those included in the project budget, and will need to be identified and obtained by the project partners.

All dissemination strategies will be governed by the Comprehensive Agreement in terms of prior consultation and approvals, use of logos and so on.

8. Sustainable Rural Development / Community Outreach Plan

One of the key features of the Clean Development Mechanism is that projects must promote sustainable development. The sustainable development of rural communities is also a top policy priority for the Paraná state government and Brazil's federal government. The ATLANTIC RAINFOREST RESTORATION PROJECT seeks to contribute to this goal by helping communities neighboring the project site harmonize their economic activities with the environmental integrity of the area.

SPVS has worked since 1993 directly with communities on the Paraná coast to improve their health and education services and to develop environmentally compatible alternatives for income-generation and self-sufficiency. And while it is premature at this point to describe more than the general outlines of a community relations and engagement strategy, TNC and SPVS have put together a dual approach that involves two distinct target audiences.

1) Key local communities

Any effort to work with communities requires a previous period of consultation and engagement of the community in question. SPVS will work with key local communities in a participatory fashion to promote strong community buy-in from the earliest stages. As a result of this consultation, SPVS expects to help interested communities to develop economic activities that are compatible with the environmental goals of the project. The following ideas give a general feeling of the type of activities SPVS would expect to promote, budget constraints and community interest permitting, to foment organization and job creation on or around the project site. Handicraft production has potential for absorbing a part of the economically active population, and TNC and SPVS's role could be to help build linkages to marketing outlets. The reforestation effort will employ local laborers, and SPVS will study the possibility of making the project's tree nursery a locally owned and managed endeavor. Organic agriculture, sustainable heart-of-palm harvesting, ornamental and medicinal plant production and ecotourism are other examples of potentially appropriate activities for local communities.

Underlying all of the partners' project activities on the project site is a shared commitment to *no net loss of jobs* as a result of the project's implementation. In addition to direct job creation, the project will also create indirect economic benefits since SPVS will procure as many supplies as possible from the surrounding communities, and researchers and other visitors to the site will spend money on food, lodging, and local products during their visits.

Specific activities of local communities that have a deleterious environmental impact – and in many cases are in violation of environmental legislation – may be addressed as part of the sustainable development component as well. Examples include the excessive use of agrottoxins and clearing of riverbank forest, both of which affect the water quality throughout the project site and beyond. Projects promoting riverbank reforestation and organic techniques of agricultural production may be appropriate with certain communities.

SPVS's community relations on this project will be linked initially to the negotiated resolution of long-standing land claims by the community of Rasgadinho. These claims overlap by as much as 940 acres with areas that are titled to the owner of Estrela Ranch, but occupied in part by local villagers. SPVS has begun discussions with the Pastoral Land Commission, a Catholic Church-affiliated organizations that assists and advises rural communities, on how best to reach a lasting settlement of the land claims. The Commission is extremely open to SPVS's involvement in – and potential resolution of – the claims. TNC and SPVS have decided to pursue a strategy of:

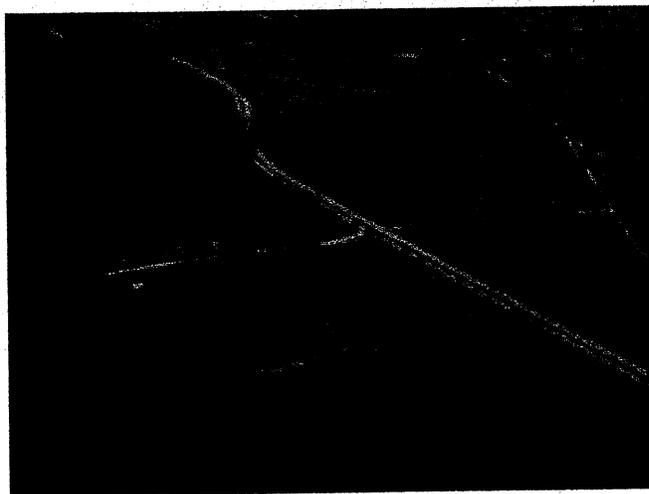
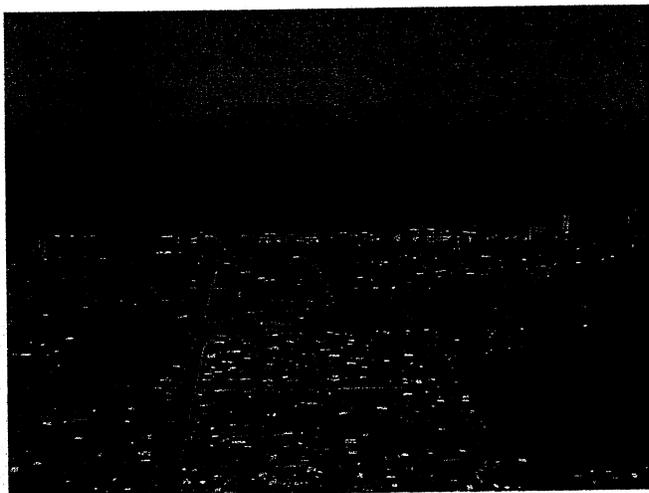
- purchasing the title to this area from the current ranch owner for a reduced price (the area in dispute represents about 6.7% of the total property being negotiated with that owner, and the owner is unwilling to consider selling only the 93.3% of the property that has no claims); a 6.7% reduction in the overall price of the property thus effectively passes the disputed area on to SPVS free-of-charge;
- SPVS would sign a blanket agreement with the Pastoral Land Commission to work together to promote environmental and sustainable development goals with rural communities, and then develop a specific agreement to work together in Rasgadinho; this would be a significant breakthrough, opening the door to a constructive working partnership between this church group and a leading environmental NGO;
- after a period of discussion and agreement with the community, SPVS would proceed to title the original members of the community only, definitively giving up title to at most 940 acres of land; SPVS may condition the cession of title to land-use restrictions (as TNC commonly does with conservation easements in the U.S. and elsewhere), and may restrict as well the resale of any of the properties, at least for a time. These and other conditions would be analyzed from a legal and sociological standpoint before being offered to the community.

Over the medium and long terms, SPVS may choose to focus some of its community outreach efforts on the Rasgadinho community, helping the community organize itself and seek resources for its compatible economic development, and perhaps helping to set up or design cottage industries or other ventures such as the ones detailed above.

2) Paraná's urban population

As a second approach to outreach, SPVS would focus on the urban public in Curitiba, seeking to inform and educate that public about SPVS's conservation projects and particularly about this climate-action project. As described above, SPVS would do this by purchasing a 2,250-acre area 10 miles north of the main project site suitable for establishing a small public outreach center. (The land would also be used for restoring the native forest in the property's degraded areas, contributing to the project's potential carbon benefit.) SPVS envisions using the outreach center to receive visitors, carry out educational activities for them, display and distribute information on this and other SPVS projects, and perhaps mount a small museum and gift shop where handicrafts

from local communities and other products can be sold. Nature trails and other exhibits may be developed as well. A key goal of this outreach component is to bring accurate information on SPVS's partnership with GM and TNC to the attention of potentially tens of thousands of visitors each year. It is important to note, however, that certain design, construction and ongoing staffing costs of the outreach center will require additional resources beyond those included in the project budget, and will need to be identified and obtained by the project partners.



9. Feasibility Assessment

As described in the "Agreement to Prepare a Feasibility Assessment and Project Plan," signed by the project partners in December 1999, the purpose of the BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT can be summarized as follows:

- to promote the protection of plants and animals
- to sequester carbon
- to achieve sustainable development through community conservation
- to receive recognition
- to generate greenhouse gas emission reduction benefits

It is our assessment that these objectives are readily attainable as a direct result of the project activities described in this project plan, and that the project is therefore eminently feasible. Plant and animal protection will be accomplished in a truly spectacular fashion by the creation of a private nature reserve of at least 30,000 acres and the protection and restoration of its natural habitats. Carbon sequestration will occur both through the avoidance of imminent deforestation and the reforestation and regeneration of forest habitats on the properties. Sustainable development in the neighboring communities will be the target and focus of specific outreach efforts and investments. Both short-term and ongoing recognition is being designed into the project, which is undoubtedly one of the most dramatic statements in favor of biodiversity protection and against climate change ever made by a corporation. Finally, a strategy is in place to prepare the project to qualify for GHG reduction offsets, and actions will be taken and protocols designed to maximize the project's eligibility in this regard.

Our assessment of project feasibility took a special look at two specific aspects that were judged to be indispensable to project success: land acquisition; and additionality, leakage and duration of greenhouse gas benefits.

1) Land Acquisition: Finding a suitable site for the project is obviously a necessary precondition for the project's implementation and success. In that regard, we considered it essential to find a combination of properties that: (a) had clear land title or the possibility of obtaining it; (b) were available for sale at a reasonable price by willing sellers; (c) were contiguous or largely so, or otherwise presented no insurmountable challenges to land stewardship and protection; and (d) were not the subject of any dispute, now or potentially, that could tarnish the reputations of the project partners. We found this combination of characteristics in the proposed project site centered on Estrela Ranch.

Over the past several months, SPVS and TNC have collected and reviewed all available title-related information pertaining to the project site's core area and other properties being considered for inclusion in the reserve. Lawyers specializing in land tenure issues and acquisition have reviewed the documentation and concluded that each constituent

property examined has either clean and legitimate title or the conditions leading to obtaining clear title. A more in-depth analysis of title history – the final safeguard in TNC’s due diligence of lands to be acquired – is under way and will be completed for key properties before May 15. It bears noting that the existence of clean title does not rule out the possibility of future claims on a particular property, but it does bode well for the favorable resolution of any such claim.

Negotiations for the acquisition of the keystone Estrela tract and adjacent properties are well under way. SPVS has reached an initial verbal agreement with the owner to purchase the 14,000-acre Estrela Ranch properties at an acceptable price (approximately US\$110/acre). By the time the historical analysis of title is completed (before May 15), SPVS will have a signed purchase option for the Estrela ranch complex, as well as for any neighboring tracts for which options can be obtained at no cost. As for most of the adjacent properties, SPVS will selectively negotiate purchase options over the coming months. For certain tracts, TNC and SPVS may wait to conduct negotiations until later in 2000 or early 2001, to guarantee time to study their title issues fully and attain the best prices. All told, an estimated 40,000 acres are available for purchase in addition to the 14,000-acre Estrela complex; of those 40,000 acres, SPVS will need to purchase at least 17,000 acres. The flexibility afforded by this “excess” supply contributes strongly to our positive assessment of the feasibility of the project’s land acquisition component.

As noted above, part of the Estrela Ranch involves a somewhat complex negotiation with a traditional community located there. As part of the purchase of the 14,000-acre Estrela Ranch, SPVS would acquire an area of no more than 940 acres where, apparently, the ranch’s boundaries were superimposed on top of an area inhabited by small farmers with no documented claim to the lands. The communities’ legal claim to the land has been disputed for several years by the current owner and is not in any way assured. But SPVS and TNC have concluded that continuing to dispute their claims is not consistent with the philosophy of the project or the organizations involved, and that in any case it would likely lead to a difficult situation and ongoing animosities that would not help the project achieve its objectives. Negotiations with the community and its interlocutors are under way, and TNC and SPVS have concluded that the situation is manageable, that a mutually agreeable solution can and will be devised, and that the community represents no risk – and indeed, a special opportunity – for the achievement of the project’s goals, in that it offers an opportunity to demonstrate techniques for sustainable rural development.

2) Additionality, Leakage and Duration of Benefits: These three features are critical to a project’s ability to generate legitimate net greenhouse gas benefits. *Additionality* refers in its simplest form to the fact that the project’s benefits are additional to what would have occurred in its absence. In the case of the BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT, we conducted an initial examination of historical and recent land-use changes around the project site and concluded that forest-destructive practices were clearly on the increase in the region and represented a direct threat to the project site itself. This analysis of land-use trends was confirmed first-hand by the project partners on a site visit in November 1999 and helicopter overflights of the project site in April 2000. In addition to the large area cleared for water buffalo

production (principally on Estrela Ranch), other large forested areas are being steadily converted to banana and rice farms, while small-scale clearing for slash-and-burn agriculture continues apace. All of the properties being reviewed for purchase are either directly in the path of fast-moving forest-conversion trends or have been degraded or deforested already. Financially as well, the project intervention is clearly additional to what would have occurred in its absence since it provides resources that otherwise would not have been available for the reforestation, conservation, and sustainable economic development activities that result in carbon benefits.

Leakage: Initial analysis suggests that the potential for the project's carbon benefits to be displaced off the project site (and thus lost) is quite low. This is mostly because the buffalo on Estrela Ranch will be sent to slaughter, and not passed on to another ranch where they would continue to have impacts. In addition, given that only 8 percent of Atlantic Forest and 4% of Paraná's forest remains, there are far more opportunities for destructive activities to be transferred to *non-forested* areas than to still-forested ones.

Nonetheless, it will be important to understand and address any potential leakage. The area where the project site is located is subject to many pressures affecting land use and forest cover. On the site itself, buffalo ranching has been responsible for most of the forest-clearing and degradation that has occurred. Other destructive land uses such as banana plantations and rice farming are also present and increasing in the area, although not on the project site itself (as currently envisioned). Finally, some parts of the project site have been used historically, and until very recently, for selective timber extraction. The project partners will need to design a leakage-control strategy that systematically considers, weighs and addresses these different threats to the forest and their respective potential as sources of leakage. As the project site begins to take final shape and as the carbon inventory work begins, TNC and SPVS will bring in specialists on leakage issues to analyze land-use patterns and recommend appropriate actions. Based on these recommendations, SPVS and TNC will design a strategy to control as much as possible any leakage that might result from the project.

Duration: The project's carbon and other benefits are expected to last *in perpetuity* through the mitigation of risks to the project site and the establishment of a permanent project endowment fund to assure management of the project site beyond the 40-year life-of-project. This issue is therefore adequately addressed in the project design.

In all, our assessment concludes that the project as designed and described herein has a high likelihood of producing the results in terms of GHG emission reductions, biodiversity protection and favorable recognition that the project partners are seeking.

10. Project Budget

The preliminary project budget is presented below. At the end of the project development phase, actual numbers on spending-to-date will be entered and the value of the project endowment fund net of these outflows will be established. Based on that exercise and on the more in-depth planning of project components that will result in the project's master plan, a revised and more detailed budget will be prepared.

ATTACHMENT 4
TO THE COMPREHENSIVE AGREEMENT FOR THE GENERAL MOTORS
ATLANTIC RAINFOREST RESTORATION PROJECT

PRINCIPAL CONTACTS

General Motors

Frederick S. Science
300 Renaissance Center
P.O. Box 300
Detroit, Michigan 48265-3000 USA

313-665-2962

General Motors do Brasil

Benno Kialka
Avenida Gioas, 1805
Sao Caetano do Sul – SP
CEP 09501-900 – Brazil

55-11-4234-7269

The Nature Conservancy

Joseph Keenan
4245 North Fairfax Drive
Suite 100
Arlington, Virginia 22203-1606 USA

703-841-4501

Sociedade de Pesquisa e Vida Selvagem e Educação Ambiental

Clovis Borges
Rua Gutemberg, 345
Curitiba, Paraná, Brazil
CEP 80420 030

55-41-242-0280

**ATTACHMENT 5
TO THE COMPREHENSIVE AGREEMENT FOR THE GENERAL MOTORS
ATLANTIC RAINFOREST RESTORATION PROJECT**

**PRIVATE INSTRUMENT OF CONTRACT OF DONATION
SUBJECT TO DUTY**

By the present private instrument of contract, the ENVIRONMENTAL CONSERVATION INSTITUTE "THE NATURE CONSERVANCY DO BRAZIL," a non-profit civil society with headquarters located at SHIN Centro de Atividades 05, Conjunto J Bloco B Salas 301-309, in the city of Brasilia, DF, represented by _____, hereinafter designated as "DONOR" and the SOCIEDADE DE PESQUISA EM VIDA SELVAGEM E EDUCAÇÃO AMBIENTAL "SPVS," a non-profit civil association with headquarters at Rua Gutemberg, 345: 80.420-030 in the city of Curitiba, Paraná, represented by _____, hereinafter designated as "DONEE," have mutually agreed and accepted what follows:

RECITALS

A. DONOR and DONEE are each non-profit organizations and have as their primary purpose the protection and conservation of land in its natural condition.

B. DONATION PURPOSE:

The donation aims at the exclusive acquisition of the real estate properties listed in Annex 1, all of them located at the city of Curitiba, in the State of Paraná, a region considered to be of relevant importance because of their biodiversity, aspects referring to their landscape, or yet because of their environmental characteristics, (hereinafter designated as "Property"), in order to establish a Private Reserve of Natural Patrimony (RPPN), according to Decree number 1.922, of June 15, 1996.

C. Property contains unique native habitat and values which both DONOR and DONEE seek to protect and conserve as a result of DONEE's acquisition of Property.

NOW THEREFORE, DONOR and DONEE agree as follows:

1. The Grant

Between [START DATE] and [END DATE], DONOR shall grant to DONEE, under DONEE's express acceptance, the amount of money needed to the acquisition of the real estate properties listed in Annex 1, equivalent in U.S. dollars, at the closing date, to R\$[AMOUNT] (the "Grant") for the purpose of entirely funding the purchase of Property.

2. Conditions to Grant

DONOR's obligation to make Grant under this Agreement is subject to and conditioned upon the following:

2.1 Before releasing the necessary funds to acquire each one of the real estate properties

will be under default, with no need for formal notice, and donation will be considered canceled. The sum granted as donation shall be returned at the sole discretion of DONOR.

If time-limits established under clauses 2.1.2, 2.1.3 and 2.2 (b) expire without the fulfillment of duties, DONEE will be considered under default, with no need for formal notice, for the matter of canceling the donation. In case that the DONEE fails to comply with duties referred to in clause number 2.2 (c), DONOR will give DONEE some time to execute specific obligations, after which, provided that DONEE fails again, donation, at DONOR's sole discretion, may be canceled, unless DONOR grant an extension to DONEE to fulfill its obligation.

(h) DONOR'S RIGHT IN CASE OF NON-COMPLIANCE WITH DUTIES:

Considering the purpose of this contract and the overall need to assure the protection of the environmental resources of the land, if donation is to be canceled, the DONOR has the right to recover real estate property. If the DONEE is removed as Project Site Manager of the Climate Action Project, Property shall revert to the DONOR.

3. Representations and Warranties

DONEE represents and warrants as of the date Grant is made that:

3.1 DONEE is a Brazilian non-profit civil association" duly organized and existing under the laws of the jurisdiction of its organization and the execution, delivery, and performance of this Agreement are within DONEE's powers, have been duly authorized, and are not in conflict with the terms of any charter, by-law, or other organization papers of DONEE;

3.2 The execution, delivery, and performance of this Agreement are not in conflict with any law or any indenture, agreement, or undertaking to which DONEE is a party or by which DONEE is bound or affected;

3.3 DONEE has complied with all national, state, and local laws, rules, and regulations affecting the existence or business of DONEE;

3.4 Property is free and clear of all exceptions to title and of all liens, encumbrances, assignments, and rights of others, except those disclosed to and approved by DONOR in writing;

3.5 There is no litigation, tax claim, proceeding or dispute pending, or, to the knowledge of DONEE, threatened, against or affecting DONEE or its property, the adverse determination of which might affect DONEE's financial condition or operations or impair DONEE's ability to perform its obligations under this Agreement. DONEE shall not use property as collateral to satisfy creditors.

4. Miscellaneous

4.1 This Agreement shall find and inure to the benefit of the parties to this Agreement and their respective successors and assigns; provided, however, that DONEE shall not assign this Agreement or any of the rights, duties or obligations of DONEE under this Agreement.

4.2 No consent or waiver under this Agreement shall be effective unless in writing. No waiver of any breach or default shall be deemed a waiver of any breach or default thereafter occurring.

4.3 DONEE agrees to pay DONOR, on demand, all out-of-pocket expenses and attorneys' fees incurred by DONOR in connection with the enforcement of this Agreement and any instrument required under this Agreement.

4.4 DONEE shall not sell, assign, convey, lease or otherwise dispose of the Property or place on, or permit to exist on or in respect of the Property any encumbrance, including but not limited to a mortgage, lien, security interest, pledge or other encumbrance of any kind or nature whatsoever, without approval from the DONOR.

4.5 In the event of the DONEE's liquidation or insolvency, Property shall revert to DONOR.

4.6 The Property shall not be available at any time for the satisfaction of any of DONEE's creditors.

4.7 This Agreement and any instrument or agreement attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings in respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement and any such instrument or agreement, the terms, conditions and provisions of this Agreement shall prevail.

In Witness Whereof, the parties to this Agreement have executed this Agreement as of the day and year first above written.

[DONOR]

[DONEE]

Witnesses:

1. _____

Name:

R.G.:

2. _____

Name:

R.G.:

ATTACHMENT 6
TO THE COMPREHENSIVE AGREEMENT FOR THE GENERAL MOTORS
ATLANTIC RAINFOREST RESTORATION PROJECT

FORM OF DEPOSIT AGREEMENT

This deposit agreement (the "Agreement") is made and entered into this ____ day of _____ 2000 by and among the following parties: as depositor **THE NATURE CONSERVANCY** ("TNC"), a District of Columbia corporation with its principal place of business in Arlington, Virginia U.S.A.; and as depositary **SOCIEDADE DE PESQUISA EM VIDA SELVAGEM EDUCAÇÃO AMBIENTAL** ("SPVS"), with its principal place of business at [•], in the City of Curitiba, State of Paraná, Federative Republic of Brazil ("Brazil"), enrolled in the National Register of Legal Entities of the Ministry of Finance (CNPJ/MF) under No. [•], herein represented by [•]

WHEREAS, TNC is principally dedicated to the protection and conservation of endangered flora and fauna within the United States, and to assisting non-governmental conservation organizations such as SPVS in other countries;

WHEREAS, SPVS is principally dedicated to the preserving the environment integrity and biodiversity of the Atlantic Forest and to facilitating sustainable economic opportunities for the communities located there;

WHEREAS, through the Comprehensive Agreement for the General Motors Atlantic Rainforest Restoration Project ("Comprehensive Agreement") dated as _____, 2000 entered by and among General Motors Corporation ("GM") an international for-profit organization incorporated under the laws of _____ U.S.A., TNC and SPVS the parties thereto have set forth the agreements regarding their participation in the environmental project denominated General Motors Atlantic Rainforest Restoration Project (the "Project") in Brazil;

WHEREAS, according to the Comprehensive Agreement, TNC, on behalf of GM, is the Funds Manager of the Project, which duties and obligations are regulated in Article VII-Project Finance- of the Comprehensive Agreement;

WHEREAS, according to Article V of the Comprehensive Agreement, SPVS is the Project Site Manager, which duties and obligations are regulated in Article V- Roles of the Parties- of the Comprehensive Agreement;

WHEREAS, TNC, under the terms and conditions set forth by the Comprehensive Agreement, desires to disburse in installments in accordance with the appropriate schedule (ANNEX 1) funds for the implementation, establishment and management of the Project;

NOW, THEREFORE, in consideration of the mutual obligations and undertaking set forth herein, it is agreed by and among the Parties as follows:

ARTICLE 1. In order to provide the implementation, establishment and management of the Project TNC will remit timely to SPVS as deposit the necessary funds in accordance with ANNEX.

ARTICLE 2. The funds deposited with SPVS will only be spent in accordance with the terms and conditions set forth by the Comprehensive Agreement and specific instructions addressed by TNC to SPVS.

ARTICLE 3. The funds to be received by SPVS shall be maintained in a segregated bank account under number [•] at Bank [•], in the city of [•], state of [•], held by SPVS with the exclusive purpose to be used for the Project.

ARTICLE 4. SPVS is aware of all its duties and obligations as the Project Site Manager under the terms and conditions set forth by the Comprehensive Agreement and therefore agrees that the responsibilities undertaken herein as depositary will be carried on for free.

ARTICLE 5. TNC at its sole discretion shall be entitled to redeem the balance of the funds deposited with SPVS in case SPVS fails to comply with any of the terms and conditions established herein and/or any of the Events of Default of Article XI of the Comprehensive Agreement occurs.

ARTICLE 6. The definitions contained in Article I of the Comprehensive Agreement shall be applicable to this agreement.

ARTICLE 7. Any notice, request, information or other document to be given hereunder shall be in writing and shall be sent via an express, overnight carrier or courier service, postage prepaid, to the intended recipient, addressed as follows:

If to the Depositor:

THE NATURE CONSERVANCY

[Address]:
Attention:
Phone:
Fax:

with a copy to GENERAL MOTORS CORPORATION

[Address]:
Attention:
Phone:
Fax:

If to the Depositary:

SOCIEDADE DE PESQUISA EM VIDA SELVAGEM EDUCAÇÃO AMBIENTAL [Address]:
Attention:
Phone:
Fax:

ARTICLE 8. This Agreement is made an integral part of the Comprehensive Agreement and shall be governed by the provisions stated therein whenever appropriate.

ARTICLE 9. This agreement shall be governed in all respects by the laws of Brazil.

ARTICLE 10. The parties elect the jurisdiction of the City of Curitiba, State of Paraná, Brazil to resolve any dispute from this Agreement, and hereby it is waived any other courts the most special or privileged they may be.

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

[•], _____ of 2000

THE NATURE CONSERVANCY
Depositor

SOCIEDADE DE PESQUISA EM VIDA SELVAGEM EDUCAÇÃO AMBIENTAL
Depositary

Witness

1. _____
Name:

2. _____
Name:

APR 05 2004

**RESPONSES TO NEW QUESTION I AND II
FUNCTIONALLY RELATED REVENUE AND
OTHER QUESTIONS REGARDING REVENUES, EXPENSES
AND FORM 990 REPORTED ITEMS
MARCH 3, 2004, LETTER
FROM U.S. SENATE COMMITTEE ON FINANCE
TO THE NATURE CONSERVANCY**

Discounted equipment price amount left for TNC to pay to Cisco	\$234
Effective discount from list price	76.90%

3. GENERAL MOTORS

In 2001, General Motors provided \$10 million to a climate action and biodiversity protection project within the Guaraqueçaba Environmental Protection Area, in the Atlantic Rainforest in southern Brazil. This project is one of several currently undertaken by The Nature Conservancy ("TNC") and its in-country partners to help protect and restore threatened forests and create a demonstrable reduction in the build-up of greenhouse gases in the atmosphere. In addition to General Motors, TNC is collaborating with the Brazilian-based nongovernmental organization Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental ("SPVS") on this project.

The project seeks to restore and protect approximately 30,000 acres of tropical forest. Deforested and degraded areas within the acquired land will be reforested with native tree species, which may sequester up to 600,000 tons of carbon dioxide over 40 years. Protection activities and improved management could sequester and avoid the emission of another 500,000 tons of carbon over 40 years. In the event that the project produces any measurable greenhouse gas benefits that could be used as offsets in a future regulatory regime, the rights to those offsets would be held by General Motors under its agreement with TNC and SPVS.

The primary objective of this project is to protect and restore one of the most threatened rainforests remaining in the world. The secondary objective is to enhance learning about the degree to which forest protection and restoration can produce measurable greenhouse gas benefits. TNC does not promise that any marketable offsets will be produced by this project activity. As of March 2004, no marketable offsets have been created by this project.

The Comprehensive Agreement for the General Motors Atlantic Rainforest Restoration Project, dated June 9, 2000, is attached as Exhibit New Question II 3.

4. INSURANCE PROCEEDS

Insurance proceeds are primarily amounts received from insurance companies for a variety of property and casualty loss claims. These amounts are, in essence, recoupment of losses, not income, and thus are not included in unrelated business income.

5. TAX EXEMPT BOND FINANCINGS

Tax-exempt bond financings reported on Statement 15 include the IDA of Arlington County, Virginia Headquarters Facility Revenue Bonds (Series 1997A) and the IDA of the City of Alexandria. Both of these borrowings were refinanced with proceeds from a December of 2002 issuance of \$25,053,000 by the Colorado Educational and Cultural Facilities Authority,

STATEMENT 24

FORM 990 - SCHEDULE A, PART III - EXPLANATION FOR LINE 2a

Mr. A.D. Correll is Chairman of the Board and Chief Executive Officer of Georgia-Pacific Corporation, which entered into the following transaction with The Nature Conservancy:

Purchased by The Nature Conservancy (TNC) in February 2000, of 9,477 acres of land in Louisiana from North American Timber Corp. (dba) The Timber Company, a subsidiary of Georgia Pacific, for \$7.5 million. This transaction occurred in three partial closings, two of which occurred in FY00 (total of 1264 acres for \$1 million). The final closing on the remaining acreage occurred in November 2000. On October 7, 1999, TNC bought 5,481.9 acres (known as Van Swamp in North Carolina) from The Timber Co., a subsidiary of Georgia Pacific).

Mr. Correll recused himself from participating in and voting upon said transaction.

Mr. Durk I. Jager, retired Chairman of the Board, former President and Chief Executive of the Procter & Gamble Co. Millstone Coffee, Inc. (a subsidiary of Procter & Gamble) entered into the following transaction with The Nature Conservancy:

An agreement executed January 10, 1997, between The Nature Conservancy and Millstone Coffee, Inc., grants Millstone the rights to use Conservancy trademarks on licensed product packaging, advertisements, point-of-purchase displays, and other material. Licensed product is defined as Millstone Exotics brand Organic Mayan/Black Onyx and Organic Aztec Star & Sky coffees. The term is five years, from December 1, 1996 to December 2001. Millstone will pay the Conservancy royalties of a minimum of \$400,000 over five years plus two percent of net sales of licensed product.

Mr. Jager did not participate in said transaction.

Mr. John P. Morgridge is chairman of Cisco Systems, Inc. which entered into the following transaction with TNC:

The Nature Conservancy acquires computer upgrades and purchases from Cisco Systems, Inc., at a substantial discount. Before any orders are placed Mr. Morgridge reviews the order and approves the discounts.

Mr. John C. Sawhill serves on the Board of Procter & Gamble. Procter & Gamble owns and controls Millstone Coffee, Inc. Millstone Coffee, Inc. entered into the following described transaction with The Nature Conservancy:

An agreement executed January 10, 1997, between The Nature Conservancy and Millstone Coffee, Inc., grants Millstone the rights to use Conservancy trademarks on licensed product packaging, advertisements, point-of-purchase displays, and other material. Licensed product is defined as Millstone Exotics brand Organic Mayan/Black Onyx and Organic Aztec Star & Sky coffees. The term is five years, from December 1, 1996 to December 2001. Millstone will pay the Conservancy royalties of a minimum of \$400,000 over five years plus two percent of net sales of licensed product.

Mr. Sawhill did not participate in said transactions.

Mr. Jack Smith, Jr., is former Chairman and Chief Executive Officer of General Motors Corp. General Motors entered into the following described transaction with The Nature Conservancy:

An agreement to support The Nature Conservancy which provides The Nature Conservancy cash for its general purposes, as it chooses; vehicles; and other miscellaneous assets of value. General Motors signed an agreement with TNC to undertake a climate change project under which TNC received \$10 million and General Motors may potentially receive greenhouse gas mitigation offsets.

Mr. Smith did not participate or vote on said transactions.

STATEMENT 24 - PAGE 1 OF 2
FORM 990 - SCHEDULE A, PART III - EXPLANATION FOR LINE 2a

Mr. A. D. Correll is Chairman of the Board and Chief Executive Officer of Georgia-Pacific Corporation, which entered into the following transaction with The Nature Conservancy:

Purchased by The Nature Conservancy (TNC) in February 2000, of 9,477 acres of land in Louisiana from North American Timber Corp. (dba) The Timber Company, a subsidiary of Georgia Pacific, for \$7.5 million. This transaction occurred in three partial closings, two of which occurred in FY00 (total of 1264 acres for \$1 million) and one of which occurred in FY01 in November 2000 (total of 8199.12 acres for \$6,489,396).

Mr. Correll recused himself from participating in and voting upon said transaction.

Mr. Durk I. Jager, retired Chairman of the Board, former President and Chief Executive of the Proctor & Gamble Co. Millstone Coffee, Inc. (a subsidiary of Proctor & Gamble) entered into the following transaction with The Nature Conservancy:

An agreement executed January 10, 1997, between The Nature Conservancy and Millstone Coffee, Inc., grants Millstone the rights to use Conservancy trademarks on licensed product packaging, advertisements, point-of-purchase displays, and other material. Licensed product is defined as Millstone Exotics brand Organic Mayan/Black Onyx and Organic Aztec Star & Sky coffees. The term is five years, from December 1, 1996 to December 2001. Millstone will pay the Conservancy royalties of a minimum of \$400,000 over five years plus two percent of net sales of licensed product.

Mr. Jager did not participate in said transaction.

Mr. John P. Morgridge is chairman of Cisco Systems, Inc. which entered into the following transaction with TNC:

The Nature Conservancy acquires computer upgrades and purchases from Cisco Systems, Inc., at a substantial discount. Before any orders are placed Mr. Morgridge reviews the order and approves the discounts.

Mr. Jeffrey N. Watanabe, is senior Partner, with the law firm of Watanabe, Ing & Kawashima. Watanabe, Ing & Kawashima, entered into the following transaction with The Nature Conservancy:

Representation of The Nature Conservancy in reviewing a fishing license agreement encumbering Palmyra Atoll and addressing related legal issues, both prior and subsequent to the acquisition of Palmyra Atoll. The law firm contributed a substantial discount on legal fees to the Conservancy. Initiated possible acquisition of Kahuka Ranch on the Big Island of Hawaii from Damon Estate, a client of Watanabe, Ing & Kawashima. Watanabe, Ing & Kawashima, retained to assist The Nature Conservancy in the acquisition and management of the Palmyra Atoll.

Mr. Watanabe did not participate in said transactions.

Mr. John Smith, Jr., is former Chairman and Chief Executive Officer of General Motors Corp. General Motors entered into the following described transaction with The Nature Conservancy:

An agreement to support The Nature Conservancy which provides The Nature Conservancy cash for its general purposes, as it chooses; vehicles; and other miscellaneous assets of value. General Motors signed an agreement with TNC to undertake a climate change project under which TNC received \$10 million and General Motors may potentially receive greenhouse gas mitigation offsets.

Mr. Smith did not participate or vote on said transactions.

**THE NATURE CONSERVANCY
990 TAX RETURN
ADDITIONAL STATEMENTS
FY02**

53-0242652

STATEMENT 24 - PAGE 2 OF 2

Mr. John Smith, Jr., is Chairman of General Motors Corp. General Motors entered into the following described transaction with The Nature Conservancy:

An agreement covering a five year (1999-2004) which provides The Nature Conservancy cash for its general purposes, as it chooses; vehicles; and other miscellaneous assets of value. General Motors signed an agreement with TNC to undertake a climate change project under which TNC received \$10 million and General Motors may potentially receive greenhouse gas mitigation offsets.

Mr. Smith did not participate or vote on said transactions.

STATEMENT 24

FORM 990 - SCHEDULE A, PART III - EXPLANATION FOR LINE 2a

Mr. Leigh H. Perkins, Jr. (TNC board member), is President and Chief Executive Officer of The Orvis Company, Inc. Orvis entered into the following transactions with The Nature Conservancy.

Orvis paid The Nature Conservancy \$59,000 for licenses to conduct two experimental ecotourist fishing trips to its acquired Palmyra Atoll property. The first trip took place from about April 5, 2003 until about April 11, 2003; the second, from about May 25, 2003 until about June 1, 2003. The major purpose of these trips was to evaluate the long-term feasibility of conducting environmentally compatible ecotourism on Palmyra.

Mr. John P. Morgridge (TNC board member) is chairman of Cisco Systems, Inc. , which entered into the following transaction with The Nature Conservancy:

The Nature Conservancy purchased computer equipment directly from Cisco Systems, Inc. for \$8,366.

Mr. John Smith Jr. (TNC board member), retired as Chairman of the Board of General Motors Corporation in March, 2003. General Motors entered into the following two transactions with The Nature Conservancy:

An agreement covering a five-year period (1999-2004) which provides The Nature Conservancy cash for its general purposes, as it chooses, vehicles, and other miscellaneous assets of value, in exchange for the right to publicize this relationship subject to Conservancy approval.

An agreement with the Conservancy to undertake a climate change project under which the Conservancy received \$10 million and General Motors may potentially receive greenhouse gas mitigation offsets.

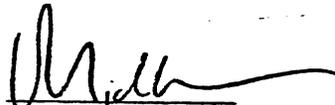
Mr. Smith did not participate in or vote on said transactions.

April 18, 2000

Dear Jack,

Enclosed you will find a fax ballot for several projects. One of these projects is the TNC/GM Brazil Atlantic Rainforest Restoration project. I'm going to ask you to recuse yourself from voting on this particular project for obvious reasons. Thanks for all of your help on this tremendous project.

Best Regards,



Mike Dennis

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date and year first above written.

GENERAL MOTORS CORPORATION

By: John F. Smith, Jr.
John F. Smith, Jr.

Date: 6/9/2000

GENERAL MOTORS do BRASIL

By: John F. Smith, Jr.
John F. Smith, Jr.

Date: 6/9/2000

THE NATURE CONSERVANCY

By: W. William Weeks
W. William Weeks

Date: 6/9/2000

SOCIEDADE de PESQUISA e VIDA SELVAGEM e EDUCACAO AMBIENTAL

By: CLOVIS RICARDO SCHRAPPE BORGES
CLOVIS RICARDO SCHRAPPE BORGES

Date: 6/23/2000

To: Jonathon Rotter, Steve Cox, Joe Keenan
Cc: Tom Fitzgerald, Greg Low, Craig Neyman, Bill Weeks, David Williamson, Kristan Beck, Mike Coda, Alec Watson, George Spicer, Dawn Murray
From: Mike Dennis
Date: 04/28/2000

FAX BALLOT FOR BRAZIL ATLANTIC RAINFOREST RESTORATION PROJECT, BRAZIL

The above referenced project was approved on 04/25/00 through a fax ballot to the Executive Committee and the Conservation Committee as follows:

Executive Committee:

Carter F. Bales	4/20/00
David C. Cole	4/20/00
Ian M. Cumming	4/22/00
Carol E. Dinkins	4/19/00
Louisa C. Duemling	4/22/00
Anthony P. Grassi	4/19/00
Philip J. James	4/20/00
Samuel C. Johnson	4/25/00
Peter M. Kareiva	4/24/00
Wendy J. Paulson	4/24/00
Leigh H. Perkins, Jr.	4/25/00
John C. Sawhill	4/21/00
Ward W. Woods	4/19/00

Conservation Committee:

Catherine G. Abbott	4/22/00
Mary Fleming Finlay	4/21/00
Christopher H. Foreman, Jr.	4/24/00
Arturo Gomez-Pompa	4/19/00
John S. Hendricks	4/22/00
William L. Horton	4/27/00
Jan V. Portman	4/20/00
John F. Smith Jr.	4/26/00
Joy B. Zedler	4/25/00

International Committee:

A.W. Dahlberg	4/21/00
Livio D. DeSimone	4/19/00
E. Linn Draper, Jr.	4/24/00
Durk I. Jager	4/19/00
Glenn C. Janss	4/20/00
Howard Stringer	4/20/00
Jeffrey N. Watanabe	4/20/00
John C. Whitehead	4/19/00

To: Mike Dennis, John Sawhill
From: Jonathan Rotter
Date: February 1, 2000

COPY

John S -
When this sent to
the Boc I will
remind Jack Smith to
recuse himself

JACK SMITH'S INVOLVEMENT IN GENERAL MOTORS CORPORATION AND ROLE AS
PRESIDENT OF THE BOARD OF DIRECTORS OF THE NATURE CONSERVANCY

W

I. Background

The Nature Conservancy signed a Memorandum of Agreement with General Motors Corporation (GM) and its Brazilian partner, Sociedade de Pesquisa e Vida Selvagem (SPVS) to prepare a feasibility assessment and project plan for a General Motors/Brazil Climate Action Project. The purpose of the Project is to develop and implement a climate change mitigation project in Brazil designed to protect approximately 25,000 acres, sequester carbon, otherwise reduce net greenhouse gases and achieve sustainable development through community conservation, while allowing GM to receive recognition and any greenhouse gas emission reduction credits or offsets which may be allowable for their participation in this Project.

The Memorandum of Agreement stipulates that GM must approve of the feasibility study, and that the Conservancy must obtain approval from its Board of Directors before they and SPVS will enter into a Comprehensive Agreement to implement the Climate Action Project.

Jack Smith is the current Chairman of The Nature Conservancy's Board of Directors, as well as the President and Chief Executive Officer of GM.

II. Analysis

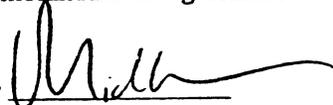
Mr. Smith has a de facto power to exercise a controlling influence in the decision to participate, as well as under which terms, for GM and the Conservancy.

III. Recommended Course of Action

Mr. Smith should recuse himself from a potential conflict of interest by not participating in the Conservancy's board decision to determine whether, and under what terms, the Conservancy will participate in the Climate Action Project with GM and SPVS.

Attachment: Memorandum of Agreement

Seen and Agreed to


Mike Dennis

Date: 2/2/00

Notes/Additions:

Seen and Agreed to


John E. Sawhill

Date: 2/2/00

Notes/ Additions:



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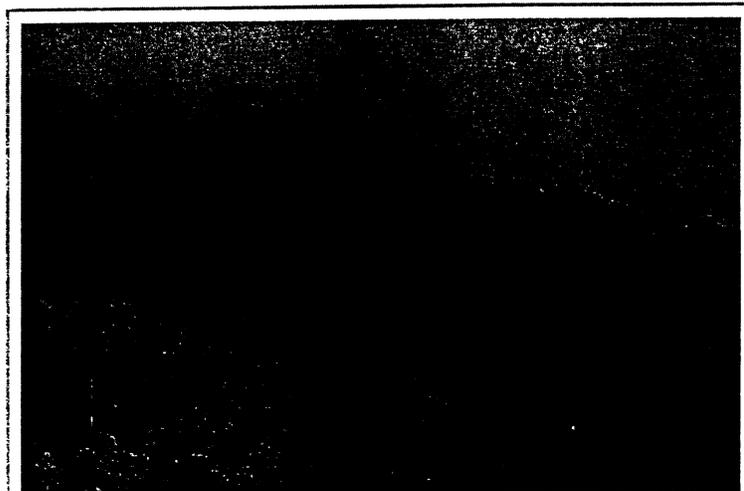
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Partnerships | The Nature Conservancy



Only 7 percent of the original Atlantic Rainforest remains. (Photo © by John Maier)

GM Partners with The Nature Conservancy and SPVS To Restore and Protect 30,000 Acres of Brazilian Rainforest

Project to protect habitats, help the global climate and support local communities

SAO PAULO, Brazil (Aug. 29, 2001) — General Motors has announced its sponsorship of the Atlantic Rainforest Restoration Project, a \$10 million partnership with The Nature Conservancy and SPVS (Society for Wildlife Research and Environmental Education) to restore and protect more than 30,000 acres of critically endangered rainforest in southern Brazil.

The majority of the funds will go toward the purchase and restoration of largely deforested sections of the Guaraqueçaba Environmental Protection Area, the largest remaining area of Atlantic Rainforest. The remainder of the funds will enable the creation of a stewardship endowment to protect and manage

More on the Atlantic Rainforest:

Video from the rainforest



Video interview with TNC's Joe Keenan

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the property, which will be designated as a nature reserve.

The Brazilian conservation organization SPVS will own and manage the reserve, which will be more than twice the size of New York's Manhattan Island. The Nature Conservancy, the international conservation organization that brought together this partnership, will provide technical assistance in the project's implementation. The \$10 million from GM marks the largest known private investment in a forest protection and restoration project.



Video interview with SPVS's Clovis Borges



- English
- Portuguese

- [Get RealPlayer to view videos](#)
- [Project description](#)
- [GM's report on greenhouse gas emissions](#)
- [The Nature Conservancy's web article on the project](#)

"GM is very pleased to partner with The Nature Conservancy, SPVS and the surrounding communities to restore and protect this important part of Brazil's natural heritage," said Dennis Minano, former GM vice president, chief environmental officer. "GM's support for this project reaffirms our overarching goal of environmental stewardship, and helps preserve a unique and invaluable portion of the world's biological diversity."

Once spanning more than 400,000 square miles from eastern Paraguay to northeastern Brazil, the Atlantic Rainforest has been reduced to less than 7 percent of its original size. Ongoing deforestation due to urban sprawl, logging and conversion to agriculture threatens to destroy the vast array of plant and animal species that call this forest home.

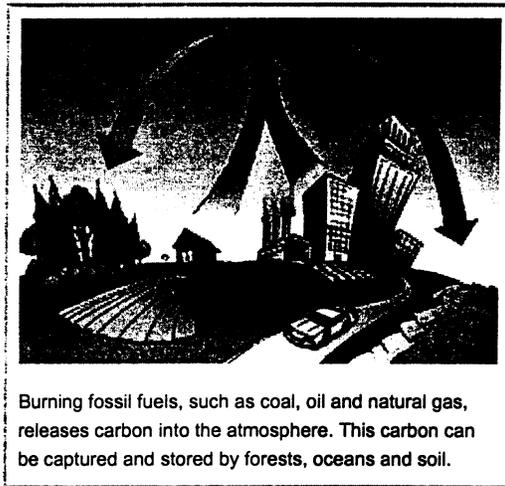
"This exciting partnership will help protect one of the most important and most threatened places on Earth," said Steve McCormick, president of The Nature Conservancy. "What's more, it will provide a replicable model for how rainforest conservation and restoration can help combat climate change. GM should be applauded for their support of this innovative effort."

The Atlantic Rainforest shelters one of the richest and most unique assemblages of life forms on the planet. A phenomenal 53 percent of its trees and 77 percent of its other plants are found nowhere else on Earth. This is also true for 50 of the region's 131 vertebrate species, 158 classifications of birds, and 17 of the 20 primate species known to inhabit the region. In addition, 171 of the 202 species on Brazil's list of endangered species list are found in the Atlantic Rainforest.

Guaraqueçaba contains the largest remaining remnant of Atlantic Rainforest. Composed primarily of private land holdings, it covers 774,000 acres (313,000 hectares) of tropical rainforests, coastal woodlands, estuaries and mangroves and stretches from the Atlantic coast to the

5,000-foot (1,500-meter) summits of the Serra do Mar mountain range. This rare treasure of plant and animal life has been threatened by the clearing of extensive tracts of forest for buffalo ranching — an activity that has proved ecologically unsustainable and economically unprofitable — as well as clearing for extractive activities such as logging, heart-of-palm gathering and illegal hunting.

The Atlantic Rainforest Restoration Project will restore many of Guaraqueçaba's deforested areas, and protect many of its pristine zones. The project will help restore and protect habitat for jaguar, tapir and hundreds of other species. The area is well known for its diversity of birds, including six globally threatened species, one of which, the marsh ant bird, was only discovered by science four years ago. It is also famed for its assortment of trees, with estimates of 200 species per hectare in the project area.



Burning fossil fuels, such as coal, oil and natural gas, releases carbon into the atmosphere. This carbon can be captured and stored by forests, oceans and soil.

In addition to the protection of biodiversity, the Atlantic Rainforest Restoration Project has as a goal the creation of a scientifically based model to better understand the role that reforestation and the prevention of deforestation can play in responding to concerns about the global climate. A growing forest absorbs the

greenhouse gas carbon dioxide (CO₂) through photosynthesis and the carbon in its plants and soils. By restoring damaged areas, preventing further deforestation and capturing carbon, the project will provide a net benefit to the global atmosphere.

The project will operate in partnership with those who live in the small communities that are its neighbors. It will create jobs in fields such as reforestation, monitoring and management. It will also include the study and promotion of economic activities — such as ecotourism and organic agriculture — compatible with conservation. In addition, the project will help make the local economy healthier by making the local environment healthier, reducing the erosion that has caused siltation problems in a nearby port and protecting supplies of clean water for consumption and production.

The Nature Conservancy's mission is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. To date, the Conservancy and its more than 1 million members have been responsible for the protection of more than 12 million acres in the United States, where it owns 1,400 preserves — the largest private system of nature sanctuaries in the world. It has helped partner organizations to preserve more than 80 million acres in Asia Pacific, Canada, the Caribbean and Latin America.

SPVS is a Brazilian non-governmental, non-profit public interest organization headquartered in Curitiba, with branch offices in the towns of Antonina and Guaraqueçaba on the northern coast of the state of Paraná. It operates in partnership with entities such as The Nature Conservancy, the Boticario Foundation for the Protection of Nature, the Ministry of the Environment and the Government of Paraná.



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Partnerships | The Nature Conservancy

The Nature Conservancy and General Motors

In 1994, The Nature Conservancy and General Motors began a relationship that was unprecedented for both organizations because of its size and scope; \$18 million in cash and trucks over 10 years. General Motors was drawn to the Conservancy because its collaborative approach promotes a healthy economy and a healthy environment. It also generates innovative initiatives within local communities that preserve our landscapes, help local economies and save precious places around the world.



Helen Taylor, The Nature Conservancy's Michigan director, accepts one of the four trucks donated by GM Cardmembers in April.

During the past 10 years, GM has donated more than \$8.3 million in cash and more than 160 trucks to aid the often-rugged conservation work of the Conservancy. GM's funding supports many different projects within the Conservancy, including five preserves in the U.S. and four abroad.

In addition, GM has provided \$10 million to the Conservancy to restore and protect about 30,000 acres of endangered land in the Atlantic Rainforest Restoration Project in Brazil.



Joint Initiatives – The Nature Conservancy and GM

The Nature Conservancy : A GM Partner at a Glance

Click for The Nature Conservancy website.

In 1999 and 2000, the GM Card Group invited its cardmembers to donate a portion of their earnings to the Conservancy through the "Cardmembers for Conservation" program. Generous cardmembers contributed 19 Chevrolet trucks, including four Chevy S-10 electric pickups, and \$175,000 in cash, for a combined donation total of \$768,000.

In 2001, The Conservancy celebrated its 50th anniversary with a photographic exhibition, "In Response to Place: Photographs from The Nature Conservancy's Last Great Places." The 4 ½-year traveling exhibit, featuring the work of 12 internationally recognized photographers, is sponsored by GM and its Cadillac division.

GM employees also have been very generous. Through the employee-giving program, employees are allowed to donate a portion of their pay to The Nature Conservancy. Since 1998, GM

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employees have pledged and donated \$395,000. GM Chairman Jack Smith sits on the Conservancy's international Board of Governors and co-chairs its billion-dollar Campaign for Conservation.

The Nature Conservancy is a private, international, non-profit organization that preserves plants, animals and natural communities representing the diversity of life on Earth by protecting the lands and waters they need to survive. To date, the Conservancy and its more than one million members have been responsible for the protection of more than 14 million acres in the United States and have helped preserve more than 80 million acres in Latin America, the Caribbean, Asia and the Pacific.



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Partnerships | The Nature Conservancy

Joint Initiatives – The Nature Conservancy and GM

Summary

During the past 10 years GM has donated to The Nature Conservancy:

- \$8.3 million in cash plus \$10 million for the Rainforest Restoration Project
- By the end of 2003, GM's total contribution to TNC will be just under \$23 million including 171 vehicles donated

Vehicle Donations - 2003

- Domestic donations – 8 vehicles
- International donations – 5 vehicles including Costa Rica, China, Canada, Brazil and Mexico
- 2003 – donation events held at Arlington, Saturn, Oklahoma City and Oshawa Assembly Plants

>> LAUNCH MAP

Click on image to launch an interactive map showing how the trucks donated by GM are at work for The Nature Conservancy. (Download and install free Flash player to view map.)

Rainforest Restoration Project

- SPVS, TNC's local partner in Brazil, has purchased two-thirds of the desired property and has offers to sell from sufficient land to complete the project, pending title search.
- Joint visitor center with AEP has been completed.

The GM Card - Two Programs

- 1999 – TNC National – 13 vehicles and \$125k cash - \$596k total value
- 2000 – TNC Michigan Shoreline Program – 6 vehicles and \$50k cash - \$172k total value
- \$768k grand total value to TNC
- Final truck was delivered to the Mich. Chapter on January 29th, 2002

GM's Employee Charitable Contributions Campaign (Fall of year)

- 2003 - \$146k – 590 employees

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- 2002 - \$112k – 484 employees
- 2001 – \$100k – 443 employees
- 2000 - \$83k – 382 employees
- 1999 - \$57k - 284 employees
- 1998 - \$43k including both GM and Delphi employees

2002 Accomplishments

- 50th Anniversary Photographic Exhibition – launched at the Corcoran Gallery of Art, Wash. – 9/10/01; 9/23/02 Cadillac reception at the High Museum in Atlanta; RenCen is host during the spring of 2005
- Chevy Suburban sponsorship of Valley Land Trust photographic contest with TNC Texas – August, 2002 awards events with 8 local Chevy dealers
- TNC Texas awarded GM their Conservation Leadership Award for 2002 in Houston on October 23rd – Beth Lowery accepted the award
- International Leadership Council

2001 Accomplishments

- April 5th – GM Card Program truck delivery ceremony in GM World
- April 5th – GM hosted TNC National Development Council in Detroit
- 6/18 – Fritz Henderson addressed the TNC Conservation Training Week in Miami
- Truck delivery ceremonies were held with TNC in North Carolina, Colorado, and Texas
- GM was featured in The Conservancy and the Natural Assets magazines



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Partnerships | The Nature Conservancy

Jack Smith Named Co-Chairman of The Nature Conservancy's Campaign for Conservation

ARLINGTON, Va. (Oct. 19, 2000) — John F. "Jack" Smith, Jr., chairman of General Motors Corp., has been named co-chairman of The Nature Conservancy's "Campaign for Conservation," a \$1 billion capital campaign that will raise money to preserve "200 Last Great Places" in more than 200 natural areas in the Americas, Asia and the Pacific. The Nature Conservancy preserves habitats and species by saving the lands and waters they need to survive.



Jack Smith

General Motors has been a prominent supporter of The Nature Conservancy for many years, and Smith has served on the board of governors for The Nature Conservancy since 1997. From 1994 through 1999, General Motors donated \$5 million in the form of financial support and trucks to the Conservancy's Campaign for the Last Great Places. In 1999, General Motors again confirmed its commitment to the Conservancy with another \$5 million pledge to The Campaign for Conservation. To date, The Nature Conservancy has received over 100 trucks from General Motors for use on Conservancy project sites in the United States. In addition, the company's Cadillac division has also agreed to help sponsor The Nature Conservancy's 50th Anniversary photography exhibit, which will feature the work of 12 well-known artists and appear in galleries worldwide starting in 2001.



"Jack Smith has been an exemplary member of our board, and under his direction General Motors has been the leading corporate contributor to our conservation work", said W. William Weeks, executive vice president for The Nature Conservancy. He is going to be a great Campaign for Conservation co-chairman."

Click for The Nature Conservancy website.

Smith said, "General Motors strongly believes in the work The Nature Conservancy is doing around the world. By preserving plant and animal species and threatened ecosystems, The Nature Conservancy is helping to make sure that our children will be able to enjoy the same natural wonders that we enjoy. Rarely does one find a nonprofit organization so dedicated to specific, measurable results."

In addition to being chairman of General Motors, Smith is a director of

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Proctor & Gamble Co., Detroit Renaissance and the U.S.-Japan Business Council. He serves as chairman of Catalyst, president of the Beta Gamma Sigma Director's Table, the Chancellor's Executive Committee of the University of Massachusetts, and the board of trustees to Boston University.



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GM Recognized as Conservation Leader

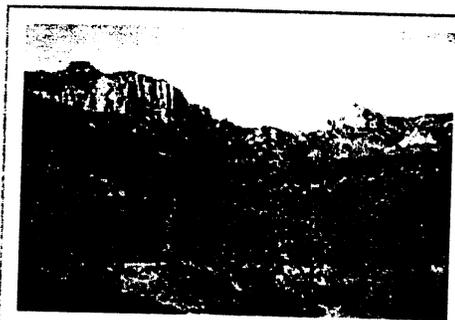
- See interactive map showing how GM trucks work for The Nature Conservancy

HOUSTON (Oct. 23, 2002) — The Texas chapter of The Nature Conservancy gathers at the Hyatt Regency today to honor General Motors with its 2002 Conservation Leadership Award for donating Chevy Suburbans and other GM vehicles to the Texas cause, helping to protect and preserve the Brazilian rainforest, its GM Card Group "Cardmembers for Conservation" program from 1999 and 2000, and other efforts from its ten year commitment to the organization that will exceed \$21 million dollars.



Elizabeth Lowery, GM VP Environment & Energy, accepts the 2002 Conservation Leadership Award from Jim Sulentich, The Nature Conservancy's Texas director

"GM has demonstrated the kind of leadership in support of conservation that sets the standard for successful partnerships between corporations and environmental organizations," said James M. Sulentich, the Conservancy's Texas state director. "GM has recognized not only our need for funds to sustain our work but has helped get the conservation message across to people far and wide. GM also clearly understands our practical needs — trucks and SUVs are essential tools that enable us to do the work we do."



Davis Mountains Preserve
© Lynn McBride/TNC

For example, the Conservancy's Davis Mountains Preserve in far West Texas is a remote and rugged wilderness area that protects habitat for black bears and elk, along with some animals and plants found nowhere else in the world. In the Davis Mountains, Chevy Suburbans and other GM vehicles enable stewardship activities

ranging from biological surveys to trail-building and also provide access to mountains and canyons for schoolchildren who learn about conservation science first hand.

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Partnerships | The Nature Conservancy

GM Issues Challenge Grant with The Nature Conservancy to Preserve Brazilian Forests

ARLINGTON, Va. (Feb. 19, 2002) — General Motors and The Nature Conservancy today pledged to raise \$400,000 in a continuing effort to preserve and reforest rainforest areas in the world through the Conservancy's Adopt an Acre program.

As part of its ongoing partnership with The Nature Conservancy, GM issued a challenge grant, pledging to match up to \$200,000 of every dollar raised by the Conservancy's Adopt-an-Acre program for the Atlantic Forest project in Brazil. The Adopt an Acre program raises funds to reforest rainforest areas around the world.



Brazil rainforest

"General Motors was drawn to The Nature Conservancy because of its dedication to preserving a variety of ecosystems," said Elizabeth A. Lowery, GM vice president of environment and energy. "The Adopt an Acre program makes it possible for us to aid in the protection of a vital area."

Funds raised through the Challenge Grant will be used to purchase an estimated 6,000 acres of mountain terrain in the Atlantic Forest along the eastern coast of Brazil. The region is home to hundreds of endangered animal and plant species that can be found nowhere else on Earth.

"This matching grant from General Motors will allow donors to protect Brazil's forests twice as fast," said Steve McCormick, president of The Nature Conservancy. "These national and international partnerships are critical in preserving the vast biodiversity of the Atlantic Forest and protecting the global environment."

The Brazilian Atlantic Forest is one of the highest conservation priorities on the planet. Once spanning more than 500,000 square miles across Brazil and into neighboring Paraguay and Argentina, the Atlantic Forest has been reduced to less than 7 percent of its original size. The region is home to 55 mammal species — including 17 primates — and 188 bird species that can be found nowhere else in the world. Of Brazil's 202 endangered species, 171 of them depend on the Atlantic Forest to survive.

The mountain terrain to be purchased under the Adopt-an-Acre and GM

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matching grant program will be part of the Atlantic Forest Restoration Project in the state of Paraná, in southern Brazil. That 30,000-acre reserve — more than twice the size of Manhattan — was originally created in 2000 with a landmark \$10 million investment from GM. A local Brazilian conservation partner owns and manages the reserve with the technical assistance of The Nature Conservancy.

The project will not only ensure the protection of endangered species in the area but also benefit the global atmosphere by capturing carbon dioxide through photosynthesis during forest growth.

The Nature Conservancy is a leading international, non-profit organization that preserves plants, animals and natural communities representing the diversity of life on Earth by protecting the lands and waters they need to survive. To date, the Conservancy and its more than one million members have been responsible for the protection of more than 14.5 million acres in the United States and have helped preserve more than 83.5 million acres in Latin America, the Caribbean, Asia and the Pacific. To learn more about The Nature Conservancy, visit its web site at nature.org.



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**GM and The Nature Conservancy:
Pronatura Strategic Alliance for Conservation**

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Click to see photos of the nature preserve and the dedication activities.

Cuatro Ciénegas, Coahuila, Mexico (June 5, 2003) — General Motors, in an alliance with The Nature Conservancy, supports the conservation projects of Pronatura Noreste, A.C. within the Natural Reserve of Cuatro Ciénegas, which is located in the Desert of Chihuahua. The alliance also includes the generation of novel initiatives for sustainable production with local communities.

The Natural Reserve of Cuatro Ciénegas is a historically, culturally and biologically valued site in northern Mexico, considered as the most relevant wetland in the eco-region and one of the nation's most important sites. Due to its variety of endemic species, it is comparable to the Galapagos Islands of Ecuador. It was declared a natural protected area in 1996, precisely because of its diversity of plant and animal species. The reserve also offers other important resources, such as its gypsum dunes, the second largest in America.

The Nature Conservancy and its partner, Pronatura, comprise Mexico's largest alliance of non-profit conservation organizations.

Background

In 1994, the General Motors Corporation established an alliance with The Nature Conservancy (TNC) in which it committed to provide, over a time period of 10 years, 10 million dollars in cash and the donation of vehicles, fundamentally for conservation efforts. However, it is estimated that GM's contributions will have reached nearly 23 million dollars by the end of 2003.

TNC is a world-leading non-profit organization devoted to the conservation of natural reserves and of endangered species.

The vehicles donated by General Motors to TNC are mainly Chevrolets: S-10 pickup trucks (four of them electric), Silverados, Suburbans and Blazers. Additionally, events for the benefit of TNC have been held with the sponsorship of Cadillac — GM's luxury brand — and of Pontiac and its Aztek model, produced in Mexico. Likewise, GM employees make voluntary contributions to the cause. Both the vehicles and the resources are allocated to the conservation of nearly 200 natural areas throughout the Americas, Asia, and the Pacific.

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Due to its sheer magnitude, a major effort is the Atlantic Rainforest Restoration project in Brazil, seeking to protect and restore 30,000 acres of endangered lands, thus protecting 171 of the 202 existing endangered species. Beyond the mere protection of such species, the project is also a boon to the atmosphere, a sort of "global lung" that captures carbon dioxide during the photosynthesis that drives the development of these forests. The location has been acknowledged by the UNESCO (United Nations Economic and Social Organization) as one of the top conservation priorities worldwide, and even designated as a Worldwide Biosphere Reserve.

Other significant projects include: the Ives Road Fen, in Michigan; the Delaware Bayshores, in New Jersey; the Edge of Appalachia, in Ohio; the preservation of the Cosumnes River in California, and Mount Davis in Texas. Internationally, GM is working on the conservation of the major rivers in China's Yunnan Province, the Komodo National Park in Indonesia, the Serra Do Divisor National Park of Brazil, and the Canaima National Park in Venezuela.

In Mexico, GM has supported actions on behalf of habitats and wildlife reserves in Yucatan, Chiapas, Tabasco and Quintana Roo, fundamentally to preserve flamingoes and other endangered species.

It is also protecting the northeastern region of Mexico, thanks to TNC, which operates in Mexico through its partners, Pronatura Noreste, A.C. This region includes the plant and animal life protection area of Cuatro Ciénegas, in the state of Coahuila, notable for its halophyte grasslands and its many endemic species of fish, reptiles, crustaceans and plants. It is therefore classified as a unique location on the planet, equal in biological importance to the Galapagos Islands. It also includes the Pozas Azules Reserves, which comprise 2,800 hectares (6,900 acres) of land and over 140 pools that are unique in the planet; so much so, that the NASA (National Aeronautics and Space Administration) and other international and domestic organizations are now conducting research here, relating to the origin of life.

Pronatura Noreste recently received several Chevrolet LUV pickups. These will be used to transport field personnel in the conservation programs for this eco-region of the Desert of Chihuahua, which extends to the states of Chihuahua, Durango, Coahuila, Nuevo León, San Luis Potosí, and Zacatecas. This second donation follows the previously delivered batch of Chevrolet S-10 pickups and Blazer SUVs.

Additionally, GM has donated resources for the construction of an onsite museum. The museum will constitute a permanent display of the historic, cultural and environmental significance of the northeastern flatlands, located along one of the busiest highways for the freight generated by the North American Free Trade Agreement. Some 60 km away from Saltillo, state capital of Coahuila, lies one of GM's most important assembly plants: the Ramos Arizpe Manufacturing Complex.

Through the above-described actions, General Motors ratifies its commitment to support any actions required to restore and preserve the environment and to help the development of the communities in which the company operates.

General Motors has operated in Mexico for 67 years, and runs three large manufacturing complexes located in Toluca, State of Mexico; Ramos

Arizpe, Coahuila, and Silao, Guanajuato, as well as its corporate headquarters in Mexico City. General Motors de México (GMM) has led the country's automotive industry since 1996. GMM has "Clean Industry" certification and all of its operations comply with an environmental management system based on the ISO 14001 international standard. GM México markets the Chevrolet, Pontiac, Fiat, Cadillac and Saab brands. Web site: www.gm.com.mx

The Nature Conservancy is a non-profit organization devoted to the conservation of natural reserves and the preservation of endangered species worldwide, established 1951. It is an international leader in conservation because it helps protect more than 120 million acres of high-priority conservation sites worldwide, as well as due to its extraordinary fund-raising efforts, which on average attract 100 million dollars in donations each year. Web site: nature.org.

Pronatura Noreste, A.C. is a Mexican non-profit organization with the mission to preserve plant and animal life and priority ecosystems by fostering the development of society in harmony with nature. Pronatura Noreste, established in 1997 to serve the conservation needs of the Mexican Northeast, is one of the seven divisions of the Pronatura organization. As a nationwide organization, Pronatura has 21 years of conservation experience and success in Mexico. The other divisions of Pronatura are: Pronatura Chiapas, Pronatura Península Yucatán, Pronatura Veracruz, Pronatura Península Baja California, Pronatura Sonora, and the Pronatura headquarters in Mexico City. Web site: www.pronaturane.org.



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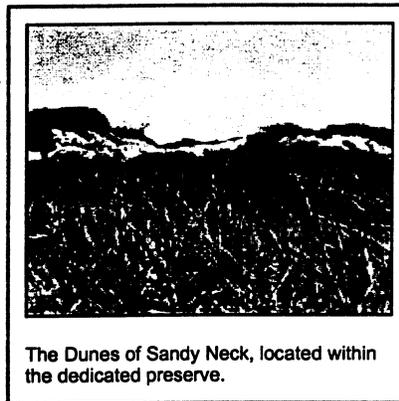
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GM and The Nature Conservancy Honor Jack Smith with Preserve

GM Ft. Wayne Assembly builds Chevrolet Silverado for use by Conservation Group

CAPE COD, Mass. (August 19, 2003) — The Nature Conservancy today announced it is naming a 12-acre Massachusetts nature preserve after newly retired GM chairman, John F. (Jack) Smith. The dedication serves as a legacy to Smith following years of personal and professional commitment to conserving our natural heritage. Massachusetts is Smith's home state.



The Dunes of Sandy Neck, located within the dedicated preserve.

The Nature Conservancy's Jack Smith Preserve at Sandy Neck is located along the coastline of Cape Cod, within a regionally significant resource area spanning the communities of Sandwich, Barnstable, Yarmouth and Dennis. The preserve is at the core of Sandy Neck, a 1,000 acre, seven-mile-long peninsula with beaches and dunes that provide nesting habitat for federally endangered piping plovers and least terns, as well as feeding habitat for other migrating shorebirds. The area also provides critical habitat for diamond back terrapin turtles and horseshoe crabs, two species in decline.



Smith along the trails in the preserve.

Smith has served on The Nature Conservancy's board of governors since 1997. Since 2000, he has been co-chairman of the Conservancy's Campaign for Conservation, a fundraising campaign that has raised close to \$1.25 billion. Under Smith's leadership, GM has been a leading contributor to the Conservancy's conservation work around the world.

"I can't think of a better recipient for this honor than Jack Smith," said Elizabeth A. Lowery, GM vice president, Environment and Energy. "He has been such an enthusiastic supporter of The Nature Conservancy's important conservation work. Although he's retiring to

Massachusetts, his commitment to preserving our precious places around the world continues, and is shared by all of us at GM."

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"Jack Smith and GM have helped the Conservancy achieve true conservation results across the United States and around the world through generous contributions of time, leadership and resources," said Steve McCormick, president and CEO of The Nature Conservancy. "The dedication of this preserve in his name is meant to honor Jack Smith's on-going commitment to the enduring conservation of some of the world's most ecologically important places."



Click to see photos of the nature preserve and the dedication activities.

GM and The Nature Conservancy have an on-going relationship that is unprecedented in size and scope. In 1994, GM made a five-year commitment to provide \$1 million per year in cash and vehicles. Since then, GM has donated more than \$8.3 million in cash and 162 trucks to aid the often rugged work of The Nature Conservancy across the U.S. and around the world. GM also provided \$10 million to The Nature Conservancy to restore and protect about 30,000 acres of endangered land in the Atlantic Rainforest Restoration Project in Brazil. In total, GM's 10-year commitment to The Nature Conservancy will reach nearly \$23 million.

The Nature Conservancy is a private, international, non-profit organization that preserves plants, animals and natural communities representing the diversity of life on Earth by protecting the lands and waters they need to survive. To date, the Conservancy and its more than one million members have been responsible for the protection of more than 14 million acres in the United States, including 23,000 in Massachusetts, and have helped preserve more than 80 million acres in Latin America, the Caribbean, Asia and the Pacific. Learn more about The Nature Conservancy at <http://nature.org>.



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Give a Unique Gift and Help GM and The Nature Conservancy Save Brazil's Atlantic Rainforest

Adopt an Acre® of endangered rain forest and GM will match your donation dollar for dollar

General Motors and The Nature Conservancy are working together this holiday season to protect the last remaining area of Brazil's once-gigantic Atlantic Forest. The Brazilian Atlantic Forest is home to a wide variety of plants, animals and birds found nowhere else. Today, only 7 percent of the original forest lands remain.



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Now you can help The Nature Conservancy 'Save the Last Great Places on Earth' -- and finish your holiday gift shopping early!

And to go the extra mile, GM will match every dollar contributed to this program, up to \$200,000 in total donations.

For your contribution of only \$75*, your gift recipient will receive:

- a personalized certificate featuring a signature photo of the Atlantic Forest;
- a set of beautiful postcards featuring rainforest species; and
- a complementary one-year subscription to *Nature Conservancy* magazine.

To donate:

- visit <http://nature.org/gmchallenge>
- or call 1-800-84-ADOPT

Your gift today that will help ensure that one of the Earth's last great natural places has a tomorrow.

* Contributions of less than \$75 will apply towards matching funds, but will not be eligible to receive the personalized certificate, postcards or complementary magazine subscription. To ensure delivery of the personalized certificates by the holidays, payments must be received by December 15th.

