

DATED

2014

[INVESTOR]

- and -

STAFFORD TIMBERLAND VII INVESTMENT NOMINEE LIMITED

SALE AND PURCHASE AGREEMENT
relating to a limited partnership interest in the
Sustainable Woodlands Fund II, LP

Wedlake Bell

52 Bedford Row
London
WC1R 4LR



STA/0210/00056/WB1-9441787-1

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PARTIES

1. **[INVESTOR], a company incorporated in [JURISDICTION], with company number [NUMBER] whose registered office is at [ADDRESS] (the "Seller");** and
2. **STAFFORD TIMBERLAND VII INVESTMENT NOMINEE LIMITED**, a limited company registered under the laws of England and Wales with company number 09010487 whose registered office is 4th Floor, 24 Old Bond Street, London W1S 4AW ("**Purchaser**").

RECITALS

- (A) The Seller is the registered holder of the Interest.
- (B) The Seller has agreed to sell and the Purchaser have agreed to purchase the Interest on Closing on the terms and conditions contained in this Agreement.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement unless the contrary intention appears:

"Business Day" means a day that is not a Saturday, a Sunday, a public holiday or other day in which the banking institutions in London, England are authorised or obligated by law to be closed.

"Claim" means a claim for breach of any of the Warranties.

"Cleared Funds" means deposit by electronic funds transfer to the Seller's account specified:

Bank name:

ABA

Account Number

Account Name

For Credit to:

Attn:

"Closing" means the completion of the sale and purchase of the Interest in accordance with the terms of this Agreement.

"Closing Date" means the date which is 5 Business Days after the satisfaction the Conditions or such other date as the parties agree.

"Conditions" means the conditions described in clause 2.1 of this Agreement.

"Encumbrance" means any mortgage, charge, pledge, lien, encumbrance, assignment, security interest, title retention, preferential right, trust arrangement, contractual right of set-off or any other security agreement or arrangement in favour of any person by way of security for the payment of a debt or any other monetary obligation, (but does not include those, if any, described in the Investment Fund Documents).

"End Date" means 30 January 2015.

"Fund" means Sustainable Woodlands Fund II, LP, a Delaware limited partnership.

"General Partner" means the general partner of the Fund, being at the date of this Agreement, Sustainable Woodland Partners LLC, a Delaware limited liability company.

"Interest" means the interest of the Seller in the Fund (represented by a capital commitment of US\$[] which shall for the avoidance of doubt include the benefits of such interest from and including Closing, subject always to the assumption of the burden thereof.

"Investment Fund Documents" the Limited Partnership Agreement and Seller's subscription documents in relation to the Fund.

"Limited Partnership Agreement" means the amended and restated limited partnership agreement relating to the Fund entered into on 1 May 2008 (as amended from time to time).

"Purchase Price" means 85.1% (eighty-five point one per cent.) of net asset value of the Seller's Interest as at 30 June 2014 which is the sum of \$16,144,559 (sixteen million, one hundred forty four thousand, five hundred fifty nine US Dollars), adjusted as follows:

- (a) reduced by an amount, if any, equal to all cash or other distributions (whether in the form of income or capital) paid in respect of the Interest in the period from 30 June 2014 and up to Closing; and
- (b) increased by the amount (if any) paid by the Seller in respect of the Interest in the period from 30 June 2014 and up to Closing in respect of any capital calls made or any other amount outstanding on the Interest

and which shall be paid by the Purchaser to the Seller on Closing in accordance with clause 4.3.

"Substantiated Claim" means a Claim that has been:

- (a) agreed in writing by the parties to the Claim, both as to liability and quantum; or
- (b) finally adjudicated by a court of competent jurisdiction and no right of appeal lies in respect of such adjudication, or the parties are debarred by passage of time or otherwise from making an appeal.

"Warranty" means each warranty respectively set out in Schedule 1 or Schedule 2 or where the context requires, any one or more of them.

1.2 Interpretation

In this Agreement unless the contrary intention appears:

- 1.2.1 the expression "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- 1.2.2 a reference to any "party" includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of the trustee, includes any substituted or additional trustee;
- 1.2.3 a reference to any "document" (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- 1.2.4 a reference to any "statute" or to any "statutory provision" includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;

- 1.2.5 words importing the singular include the plural (and vice versa);
- 1.2.6 words importing gender include every other gender;
- 1.2.7 references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Agreement, and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- 1.2.8 where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- 1.2.9 the word "includes" in any form is not a word of limitation; and
- 1.2.10 a reference to "\$" or "dollar" is to United States currency.

1.3 **Headings**

The headings in this Agreement are not part of it and do not affect its meaning.

2. **CONDITIONS**

2.1 **Conditions to Closing**

The obligations of each party under clauses 3 and 4 in relation to the sale and purchase of the Interest are conditional on the following Conditions having been satisfied on or before the End Date:

- 2.1.1 the successful completion of the Purchaser's due diligence on tax matters pertaining to the Fund; and
- 2.1.2 the General Partner of the Fund consenting to the transfer of the Interest from the Seller to the Purchaser in accordance with the provisions of clause 7.2(a) of the Limited Partnership Agreement.

2.2 **Termination for failure of Conditions**

2.2.1 This Agreement may be terminated prior to Closing and the transactions contemplated by this Agreement terminated by written notice from the Seller to the Purchaser or from the Purchaser to the Seller:

- (a) in the event of a material breach by the Purchaser, on the one hand, or the Seller, on the other hand, of any representation, warranty, covenant or agreement contained in this Agreement which cannot be, or is not, cured within five Business Days after notice of such breach is given to the party committing such breach; and
- (b) if the Conditions have not been satisfied on or before the End Date.

2.2.2 Neither party shall be entitled to terminate or rescind this Agreement except as set out in this sub-clause.

2.3 **Release**

If this Agreement is terminated under clause 2.2 then, in addition to any other rights, powers or remedies provided by law:

- 2.3.1 save in respect of clause 6.13, each party is released from its obligations to further perform this Agreement; and

2.3.2 each party retains the rights it has against the other party in respect of any antecedent breach of this Agreement.

3. SALE OF INTEREST

3.1 Sale of Interest

The Seller will sell to the Purchaser free from Encumbrances and the Purchaser will purchase from the Seller on the Closing Date, the Interest.

3.2 Purchase Price

The Purchase Price in respect of the Interest will be paid by the Purchaser in accordance with clause 4.3.

3.3 Purchaser's Acknowledgements

3.3.1 The Purchaser acknowledges that the Interest is a speculative investment which includes a high degree of risk of loss by the Purchaser. The Purchaser understands that the Fund has not been registered under the Securities Act. The Purchaser will not offer to sell or otherwise transfer any part of the Interest in violation of the Securities Act or any other United States federal or state securities law.

3.3.2 The Purchaser acknowledges that the Seller makes no representation or warranty with respect to, and shall have no responsibility with respect to, the solvency, financial condition or statements of the Fund. The Purchaser acknowledges that it has made its own due diligence analysis, credit analysis and decision to purchase the Interest and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Fund.

3.3.3 In entering into this Agreement, the Purchaser has not been induced by and have not relied upon any representations, warranties or statements, whether express or implied, made by Seller or any affiliate of Seller or any agent, employee or other representative of Seller or by any broker or any other person representing or purporting to represent Seller, which are not expressly set forth in this Agreement, whether or not any such representations, warranties or statements were made in writing or orally. It is understood that any cost or financial estimates or projections provided to the Purchaser are not and shall not be deemed to be representations or warranties of Seller. The Purchaser acknowledges that there are uncertainties inherent in attempting to make such estimates and projections, that the Purchaser is familiar with such uncertainties, that the Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of estimates and projections so furnished to it, and that the Purchaser shall have no claim against the Seller with respect thereto.

4. COMPLETION

4.1 Closing place and date

Closing will take place at the offices of the Purchaser at 11.00 am (GMT) on the Closing Date or such other time, date and place (whether in person or by electronic means) as the parties agree in writing.

4.2 Obligations at Closing

4.2.1 Subject to the Purchaser satisfying its obligations under clause 4.3, the Seller shall on the Closing Date:

- (a) give and deliver to the Purchaser completed transfer documents in a form satisfactory to the General Partner as required pursuant to clause 7.1(b)(f) in the Limited Partnership Agreement, for the Interest duly executed by the Seller in favour of the Purchaser;
- (b) deliver to the Purchaser all information which has not already been supplied prior to the Closing Date concerning the Interest which the Seller has received from the General Partner in the Seller's capacity as a limited partner of the Fund which is in the Seller's possession (or which is within the Seller's control) which the Seller reasonably considers, or ought reasonably to consider, that the Purchaser may require as an investor in the Fund; and
- (c) deliver to the Purchaser satisfactory evidence that any Encumbrance over the Interest has been released,

4.2.2 without prejudice to clause 3.3, on or prior to the Closing Date, each party shall execute and deliver any additional documents required by the General Partner or otherwise reasonably necessary to consummate the transactions contemplated by this Agreement.

4.3 **Purchaser's obligation to pay**

Subject to the Seller fulfilling its obligations under clause 4.2, the Purchaser will pay the Purchase Price in respect of the Interest to the Seller in Cleared Funds in accordance with clause 3.2 on the Closing Date.

4.4 **Title**

At the Closing, beneficial ownership and all risks associated with the Interest will pass to the Purchaser. Legal title shall pass to the Purchaser on the registration of the Interest by the General Partner.

4.5 **Events after Closing**

4.5.1 After Closing, and until registration of the Interest in the Purchaser's names, the Seller agrees to procure that such person as the Purchaser shall direct shall be entitled to exercise all rights attaching to the Interest as if the Purchaser were the registered holders of the Interest, and for such purpose the Seller agrees to undertake all actions necessary or desirable to enable the Purchaser to so exercise those rights and not itself exercise any such rights after Closing other than in accordance with the written instructions of the Purchaser.

4.5.2 The Seller will immediately notify the Purchaser in writing if the Seller receives any cash or other distributions (whether in the form of income or capital) in respect of the Interest which relate to the period after Closing. Within 5 Business Days after receipt of written directions from the Purchaser, the Seller undertakes to bank all money so received into the bank account nominated by the Purchaser, or otherwise deliver to the Purchaser the distribution so received, as directed by the Purchaser (whether such distribution relates to a period before, on or after Closing). The Seller shall at all times after receipt hold any such cash or other distributions on trust for the Purchaser.

4.6 **Apportionment**

4.6.1 The Seller shall be responsible to pay all calls and other amounts payable in respect of the Interest where such calls or other requests for payment are made on or before

Closing (including any such calls made after 30 June 2014) and shall indemnify the Purchaser in respect thereof.

- 4.6.2 The Purchaser shall be responsible to pay all calls and other amounts payable in respect of the Interest where such calls or other requests for payment are made after Closing and shall indemnify the Seller in respect thereof.

5. WARRANTIES

5.1 Warranties

The Seller warrants to the Purchaser in the terms set out in Schedule 1. The Purchaser warrant to the Seller in the terms set out in Schedule 2.

5.2 Repetition

Each Warranty is given as at the date of this Agreement and will be repeated at a time immediately before the Closing with reference to the facts and circumstances then subsisting, as if made at that time.

5.3 Construction

5.3.1 Each Warranty is to be construed independently of each other warranty in, and each other provision of, this Agreement.

5.3.2 The meaning of each Warranty will not be limited by reference to any other Warranty.

5.4 Notification of breach

Prior to the Closing Date, each party must notify the other party of any breach of a Warranty as soon as is reasonably practicable after the party becomes aware of that breach.

5.5 Maximum Liability

5.5.1 The aggregate liability of the Purchaser in respect of the Warranties in Schedule 1 shall in no event exceed the Purchase Price.

5.5.2 The aggregate liability of the Seller in respect of the Warranties in Schedule 2 shall in no event exceed the Purchase Price.

5.6 De Minimis

Neither party shall be liable for a Claim made by the other party (save for Warranty No 8 (Distributions subject to return to which this clause 5.6 shall not apply) unless:

5.6.1 the liability in respect of such Claim (together with any connected Claims) exceeds £1,000; and

5.6.2 the amount of the liability in respect of such Claim (together with any connected Claims), when aggregated with the liability of that party for all Substantiated Claims that are not excluded under clause 5.6.1, exceeds £50,000, in which case that party shall be liable for the whole amount claimed (and not just the amount by which the threshold in this clause 5.6.2 is exceeded).

For the purposes of this clause 5.6, a Claim is connected with another Claim if the Claims arise from the same event or set of circumstances, or relate to the same subject matter.

5.7 Time Frame

Neither party shall be liable for a Claim save for Warranty No 8 (Distributions subject to return to which this clause 5.7 shall not apply) unless notice in writing of the Claim, summarising the nature of the Claim (in so far as it is known to that party) and, as far as is reasonably practicable, the amount claimed, has been given by or on behalf of the party making the Claim to the other party on or before the second anniversary of Closing.

6. MISCELLANEOUS

6.1 Notices

Any communication under or in connection with this Agreement:

6.1.1 must be in writing;

6.1.2 must be addressed as shown below:

For the Seller:

Name:

Address:

Email: [■] (with a delivery receipt request)

For the Purchaser:

To: Mr Vince Cao

Address: Stafford Timberland Limited

24 Old Bond Street

London W1S 4AW

United Kingdom

Email: vincecao@staffordcp.com

(or as otherwise notified by that party to the other party from time to time);

6.1.3 must be delivered or posted by prepaid post to the address, or sent by email to the email address , of the addressee, in accordance with clause 6.1.32; and

6.1.4 will be deemed to be received by the addressee:

(a) (in the case of prepaid post) on the third Business Day after the date of posting to an address within the United Kingdom, and on the fifth Business Day after the date of posting to an address outside the United Kingdom;

(b) (in the case of email) at the local time (in the place of receipt of that email) which equates to the time at which that email is sent as shown on the delivery receipt response email, unless that local time is not a Business Day, or is after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day; and

(c) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1.2, unless that delivery is made other than on a Business Day, or after 5.00 pm on a Business Day, when that communication will be deemed to be received at 9.00 am on the next Business Day.

6.2 **Governing law**

This Agreement is governed by and will be construed according to the laws of England and Wales.

6.3 **Jurisdiction**

6.3.1 Each party irrevocably submits to the exclusive jurisdiction of England and Wales and the courts competent to determine appeals from such court, with respect to any proceedings which may be brought at any time relating in any way to this Agreement.

6.3.2 Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3.1.

6.3.3 The Seller irrevocably appoints [redacted] of [redacted] with fax number [redacted] as its agent to receive on its behalf in England and Wales service of any proceedings under 6.3.1 above. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Seller and shall be valid until such time as the Purchaser have received prior written notice from the Seller that such agent has ceased to act as its agent. If for any reason such agent ceases to be able to act as agent or no longer has an address in England and Wales, the Seller shall forthwith appoint a substitute acceptable to the Purchaser and deliver to the Purchaser the new agent's name, address and fax number within England and Wales.

6.4 **Amendments**

This Agreement may only be varied by a document signed by or on behalf of each of the parties.

6.5 **Waiver**

6.5.1 Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Agreement.

6.5.2 Any waiver or consent given by any party under this Agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.

6.5.3 No waiver of a breach of any term of this Agreement will operate as a waiver of another breach of that term or of a breach of any other term of this Agreement.

6.6 **Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this Agreement.

6.7 **Consents**

Any consent referred to in, or required under, this Agreement from any party may not be unreasonably withheld, unless this Agreement expressly provides for that consent to be given in that party's absolute discretion.

6.8 Assignment

No party may assign, novate or transfer its rights or obligations under this Agreement without the prior written consent of the other party.

6.9 Counterparts

This Agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this Agreement, all of which together constitute one agreement.

6.10 Costs and Expenses

6.10.1 Except as otherwise provided in this Agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this Agreement.

6.10.2 Each of the Seller and the Purchaser shall pay 50% of the costs and expenses of the General Partner of the Fund in relation to the consent to the transfer contemplated by this Agreement pursuant to clause 7.2(a) of the Limited Partnership Agreement.

6.10.3 The Seller shall pay 100% of the costs and expenses of the brokers appointed by the Seller to market the Interest arising from this transaction.

6.11 Stamp or Other Transfer Duties

The Purchaser will bear all stamp or other transfer duties (apart from financial institution duties or bank account debit taxes which will lie with the party on which they fall) in respect of the transfer of the Interest.

6.12 Entire agreement

To the extent permitted by law, in relation to the subject matter of this Agreement, this Agreement:

6.12.1 embodies the entire understanding of the parties, and constitutes the entire terms agreed on between the parties; and

6.12.2 supersedes any prior written or other agreement between the parties with respect to the matters addressed herein.

6.13 Confidentiality

Neither the Seller nor the Purchaser will make any media or public press releases disclosing the content or the existence of this Agreement unless the Purchaser give their prior written consent, provided that this clause 6.13 does not prohibit any release or disclosure:

6.13.1 required by law or judicial or administrative process or made for the purpose of exercising or enforcing the rights of a party under this Agreement; or

6.13.2 required by any reporting requirements of the Seller or the Purchaser.

This clause 6.13 will survive termination or Closing.

SCHEDULE 1

WARRANTIES - SELLER

1. The Seller is not insolvent or in liquidation and no proceedings have been brought or threatened for the purpose of winding up the Seller. The Seller has the power, and has taken all actions required, to execute and deliver this Agreement and perform its obligations under this Agreement.
2. The Seller is the registered holder and the legal and beneficial owner of the Interest free of any Encumbrance (except for any obligation to pay any amount on the Interest pursuant to the Limited Partnership Agreement, including any capital calls in respect of any of the Interest which capital calls are due to be made before the Closing Date but are not at the date of signature of this Agreement overdue for payment).
3. Neither the execution and delivery of this Agreement, nor the performance or consummation of the transactions hereby contemplated by the Seller conflict with, result in the breach of, constitute a default under or accelerate or delay the performance required by the terms of any law, rule or regulation of any government or governmental or regulatory agency, or any judgment, order, writ, decree, permit or license of any court or governmental or regulatory agency to which the Seller is subject, which would restrain or prohibit the Seller's ability to consummate the transactions contemplated hereunder in any material respect.
4. Any registration, filing, qualification consent or approval needed by the Seller prior to performance and consummation of this transaction has been obtained or shall be obtained on or prior to Closing as contemplated by this Agreement.
5. There is no litigation, prosecution, mediation, arbitration or other proceeding in progress, pending or threatened against the Seller in respect of the Interest or the Fund and, to the best of the Seller's knowledge and belief, there are no circumstances which are likely to give rise to any such litigation, prosecution, mediation, arbitration or other proceedings.
6. The Seller is not in breach of any provision of the Investment Fund Documents.
7. The copies of the Investment Fund Documents initialled by the parties for the purpose of this Agreement constitutes a complete and accurate and up to date copies of the Investment Fund Documents as at the date of this Agreement.
8. The Seller has not received any Distributions subject to Return (as provided for in clause 5.5(a) of the Limited Partnership Agreement, or notice of the intention of the General Partner to make any Distributions subject to Return.

SCHEDULE 2

WARRANTIES – PURCHASER

1. The Purchaser is duly incorporated and validly exists under the laws of England and Wales, is not insolvent or in liquidation and no proceedings have been brought or threatened for the purpose of winding up the Purchaser. The Purchaser has the power, and has taken all corporate actions required, to execute and deliver this Agreement and to perform its obligations under this Agreement.
2. Neither the execution and delivery of this Agreement, nor the performance or consummation of the transactions hereby contemplated by the conflicts with, result in the breach of, constitute a default under or accelerate or delay the performance required by the terms of any law, rule or regulation of any government or governmental or regulatory agency, or any judgment, order, writ, decree, permit or license of any court or governmental or regulatory agency to which the Purchaser are subject, which would restrain or prohibit the Purchaser' ability to consummate the transactions contemplated hereunder in any material respect.
3. Any registration, filing, qualification, consent or approval needed by the Purchaser prior to performance and consummation of this transaction has been obtained.
4. There is no action, suit, claim, proceeding arbitration, governmental inquiry or investigation pending, or to the Purchaser' knowledge, threatened against the Purchaser, in law or in equity, before or by any governmental or regulatory department which, if adversely determined, would call into question the validity or prevent the consummation of the transactions contemplated by this Agreement.
5. The Purchaser is acting as nominee for parties which are "accredited investors" within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers" within the meaning of Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.
6. The transfer of the Interest to the Purchaser will not result in any of the circumstances set out in clause 7.1(c) of the Limited Partnership Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Seller:

[INVESTOR]

By: _____

Name:

Title:

Purchaser:

STAFFORD TIMBERLAND VII INVESTMENT NOMINEE LIMITED

By: _____

Name:

Title: