

Brazil

Contract Agreement - Harvest Year of _____

Contract for purchase and advance sales of passion fruit

(through advance payment of the total value)

SELLER:
Address:
City:
CPF (federal taxpayer number):

henceforth designated SELLER

BUYER - NAME OF THE COMPANY., established at _____, in the municipal district of _____ enrolled in CGC (general taxpayer roll) (MF) under n°. and in the State under the n., henceforth designated BUYER .

1. The SELLER is a legitimate proprietor of a rural property with area of..... hectares, located in the municipal district of..... State of..... denominated, enrolled in the Register of Deeds of..... under the n..... and in IBAMA (Brazilian Institute for the Environment) under n.

1.1. In the rural property herein referred, the SELLER explores the culture of PASSION FRUIT, whose fruits, in the harvest periods, are marketed for industrial ends or "in natura" consumption.

2. BUYER is a company whose social objective is, among others, the industrial production of fruit juices.

2.1. As it does not possess its own plantation, it acquires the needed prime matter from third parties, adopting the modality of advance purchase of PASSION FRUIT in order to comply with its production / sales timetable purposely prepared.

3. THE SELLER and BUYER, mutually, agree to celebrate the present legal transaction of advance sale and purchase, through advance payment, bound by the terms and conditions stated hereinafter:

3.1. The SELLER commits to deliver to BUYER, at the venue indicated, under the condition FOB ____ kg of ripe PASSION FRUIT from good quality harvests, conditioned in sacks of approximately 30 kg that shall be object to gauging in the occasion of delivery.

3.2. BUYER, in turn, commits to receive the fruits compatible with its needs and that are found in agreement with the quality and identity standards demanded by juice industries.

3.3. Fulfilled the obligation assumed in sub-item 3.1, in case there is interest, the surplus of the referred harvest can be acquired by BUYER, being henceforth established that, in that case, the price shall be the one effective for industries in general.

3.4. THE SELLER commits to deliver all their production to BUYER until the total clearance sale of their debit, discounting 50% of the weekly delivery value starting from the onset of their harvest.

4. BUYER, for the advance purchase, in this action, pays THE SELLER the right and total sum of corresponding to kg of PASSION FRUIT at the price of..... per kg, price effective in the industrial market, on this date, in the municipal district of..... State of..... .

5. For the purposes of the present legal transaction, THE SELLER shall be held responsible for the preparation of the land, defrayal, inputs, fertilizers, herbicides, insecticides, machinery, labour, labour and social duties and everything else necessary for the plantation, conservation and harvest of the passion fruit to be delivered when ripe at the amount established in item 3.

5.1. THE SELLER commits to plant and trellis the PASSION FRUIT until 90 days after receiving the inputs and the cash instalment.

6. THE SELLER commits to communicate the state of maturation of fruits in order to allow BUYER to establish its reception timetable, as foreseen in sub item 3.4.

7. THE SELLER shall not donate or give in payment any of the PASSION FRUIT they commit to deliver, whose total price will have been paid in advance, as well as submit, as any form of collateral security, the fruit now negotiated.

7.1. The disposal or the lease of the property configures hypothesis of rescission attributed to THE SELLER, unless the buyer or tenant subrogates the rights and obligations set out in the Agreement through an Annex to this agreement and provided they are considered technically qualified in BUYER's judgement.

8. The term of this agreement is 22 months, starting on and finishing on, and may be extended for the next harvest in the event of fortuitous case or *force majeure*, duly proven and accepted by BUYER.

8.1. Fortuitous case or *force majeure* are considered, for effect of this contract, all occurrences of unexpected nature which jeopardise the exact execution of the duties now assumed, highlighting, among other, the following events: strikes, revolutions, inundations, storms or, still, government or syndicalist resolutions, or of any other power that may hinder the fulfilment of this contract.

9. BUYER assumes the obligation, until the term of this agreement, to supply THE SELLER the necessary technical support for the production, involving periodic visits of their technicians, providing guidance to The SELLER on management matters, cultural treatments, identification of pests and diseases, or other technical problems that may appear and are proven to be within reach of existing research, provided legally and economically feasible and, at the same time, within the limits of execution and knowledge of the Technical Team of the Agricultural Department of BUYER, in accordance with usual practice.

THE SELLER commits to receive the guidance and technical recommendations in this item and to use their best diligence and care in following the appropriate cultivation practices for the object of this contract.

9.1. For the fulfilment of the duties described in the caput of this item, the right of free access for BUYER’s technicians to the planting areas shall be assured.

10. The present contract shall be null and void, regardless of any warning, judicial or extrajudicial notification, in case of default of any of its items. The offended part can demand from the other, alternatively, the losses and damages resulting from the rescission or in the form articles 918 and 920 of the Civil Code, penalties equivalent to the value of the capital, corrected.

10.1. In case the breach of contract is caused by THE SELLER, they commit to return the value received in advance, duly corrected, according to the IGP (General index of Prices) of the period plus interest of 12% a year, added to the fine mentioned in item 10.

10.2. Refund shall be paid immediately, being otherwise liable to court action, being charged, still, for the payment of legal costs and fees at the base of 20% (twenty percent) of the value of the debit and other expenses made by BUYER until total quittance of the debt.

11. Any document fixed among the parts becomes integral part of this contract, starting from the date of signature, as well as authorization for payment of inputs to third parties, proof of purchase of items, and receipts.

12. Any omissions or tolerances of the parts in the demands for the faithful execution of the terms and conditions set out in this contract, or the non-compliance with privileges resulting from it, do not constitute novation or renouncement, nor shall it affect the right of the party of exercising their rights at any time.

13. The present contract binds the parties, their heirs and successors, at any level, being at BUYER discretion the right of, in case of death of THE SELLER and if there is not any heir properly qualified to carry on the execution of this contract, to advise them technically until the end of the PASSION FRUIT crop.

And for thus finding fair and agreed, the parties have executed this agreement in 2 (two) copies of equal value and with one single effect, before the witnesses below, for its legal effects to be produced.

WITNESSES

_____ BUYER

_____ PRODUCER

Date: