



CP Holdings, LLC, PO Box 787, Stillwater, MN 55082 Phone/Fax 888-640-9848

Date: _____

Please select **Years of Participation**

- "Look Back" or Pre-existing Years 2003 to 2007
 - Forward Contracts for years of 2008-2012
 - Other: _____ (Explain)
- (Contract Number will be assigned once submitted to CP)*

Contract # _____
 Contract # _____
 Contract # _____

Please select **CSO Project** you will be participating in:

CSO Project Type (select Project(s))

List Project **Acreage Breakout** to the best of your ability

- "R" = Rangeland CSO's
- "G" = Grassland CSO's
- "N" = No-Till CSO's

List Acreage: _____
 List Acreage: _____
 List Acreage: _____

Your Name Here as the "Offset Provider" (OP) _____

Address _____

City/State/Zip _____

Phone – Home () ____ - _____ **Phone other** () ____ - _____

I, _____ hereby apply to participate in a Carbon Sequestration Offset Pool (CSOP) which will be managed and aggregated by CP Holdings, LLC.

TERMS:

Aggregated CSO credits will be collected by the Aggregator who will verify and certify all CSO's based on the protocols and requirements of the Chicago Climate (CCX) for the years listed above (See "Years of Participation" section above) on property that I own and/or control.

I also hereby agree that _____ total acres (See "Acreage Breakout" above) will participate in all required management programs as defined by the CCX for the selected CSO projects covered under this agreement (i.e. - Rangeland CSO's, Grassland CSO's, or No-Till CSO's – See "CSO Project" Section above) and as defined by the rules of the CCX. I further agree to abide by the rules of the CCX as they pertain to this CSO Project within this contract and contract period as well as to the conditions for participation as set forth in this agreement. Credits are non-transferable without written permission from the Aggregator.

Date _____
Seller's Signature

Date _____
Signature Purchaser - CP Holdings, LLC

Upon completion of documents, please forward to: CP Holdings Attn: Offset Manager, PO 787, Stillwater, MN 55082



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INTRODUCTION:

This is your Contract for participation within the CP Holdings, LLC (all future references for CP Holding, LLC will be as “CP”) Offset program for Carbon Sequestration Offsets (CSO’s) which are classified as either “Rangeland CSO’s, Grassland CSO’s and/or No-Till CSO’s”. This program is managed in conjunction with Chicago Climate Exchange (CCX) its rules, guidelines and 3rd party verification and certification requirements. It will function as a Carbon Sequestration Offsets Pool (CSOP) and is designed to aggregate CSO’s from multiple providers using CCX protocols.

APPLICATION / SALES CONTRACT:

This application is also a sales contract, which stipulates that you will be aggregating and transferring the title for all CSO’s generated thru this program, which can be verified using CCX protocol, to the aggregator of this program, namely CP Holdings, LLC.

CONDITIONS:

Purchaser agrees to buy and seller agrees to sell and deliver to purchaser free from liens and encumbrances at PO Box 787, Stillwater, MN 55082 rights to all CSO’s created during the contract period, as defined above and submitted in the Rangeland Enrollment Worksheet.

IMPORTANT – All Offset Providers (OP’s) must have a representative available or be there in person during the physical verifications performed on each piece of Rangeland/Grassland/No-Till contracted property as required by CCX protocols. This verification is required by the CCX and will take place during the contract period as arranged by the Aggregator. As an example a 10,000 acre ranch takes about ½ a day to physically verify and per CCX rules all Ranches within a pool will need to be verified at least once during the contract period and possibly more dependent on pool requirements and performance.

IN ORDER TO COMPLETE YOUR ENROLLMENT IN THIS PROGRAM YOU WILL NEED TO REVIEW THE “RANGELAND, GRASSLAND AND/OR NO-TILL CHECKLIST” AND COMPLETE THE “REQUIRED WORKBOOK”, BOTH OF WHICH CAN BE FOUND ON OUR WEBSITE.

RESERVE REQUIREMENT:

20% of the accrued CSO Credits shall be held in reserve by the Aggregator until December 31, 2012 or the end of the contract term, as determined by the CCX, whichever comes first. Seller warrants that the CSO Project covered by this contract shall fully participate in a rangeland management program for the entire term of the contract, as defined above.

NON-COMPLIANCE:

In the event that the Project owner perpetrates fraud or knowingly fails to meet the necessary requirements, as defined by CP Holdings and the CCX, all future CSOs from such land may be considered null and void of any and all future payments on CSOs delivered prior to January



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1, 2012. If The Project owner has knowing perpetrated fraud and/or knowing failed to purposely meet the necessary requirements, as defined above, then the Project Owner may be required to repay past CSO earnings as well as possible penalties, interest, applicable legal fees as well as subject to liens and/or legal actions to retrieve such CSO's.

CONTRACT PRICING:

The transfer price of the CSO's covered by this contract shall be the net sales price as determined when all credits issued are traded within the CFI/CFE markets on the Chicago Climate Exchange (The timing of all trades is at the sole discretion of the Aggregator), less a 10% service fee payable to the Aggregator (CP), applicable CCX exchange and trading fees (Currently \$.20 per MT), Project Verification fees (Not to exceed \$2,000 per Contract and subject to CP approved Verifiers availability and timing) as well as a \$500 Origination fee per contract. Sale of CSO's covered by this contract shall be at the sole discretion of the Aggregator, per CCX rules and regulations.

CONTRACT PAYMENT:

Payment for all forward contracted CSO's covered under this or any contract shall be made on an annual basis, or at the discretion of the Aggregator which ever is more acceptable due to market conditions and as stated in the CCX rules and guidelines. Look Back Contracts, as defined above, will become payable to the OP within 6 months of final CFI issuance to the Aggregator from the CCX per CCX protocols and procedures and as is required and/or necessary per this contract. The parties to this contract hereby agree that the title of the CSO's created during this contract shall be delivered to the Aggregator, in this case CP, once the project has been verified and approved by the CCX per CCX protocols and procedures. By signature hereto, Seller irrevocably and immediately conveys title for all CSO's, created during this contract and as stated above, upon CCX issuance, to the Aggregator. Seller further warrants compliance with the terms and conditions contained in the Agreement for the period as defined above. Please attach a voided check to this Application/Contract so that we can setup a direct transfer of funds into your account.

TERMINATION:

In the event that the CSO Project Owner wants to terminate his agreement he may do so by submitting a written request to the Aggregator (CP). This request will take 30 days to process and is effective the date received by CP. Furthermore the CSO Project Owner will forfeit all reserve funds and/or credits, current partial year credits as well as all future contracted CSO credits. CP is required to notify the CCX of any change in status of a CSO Project Owner.