

Sale and Purchase Warranty Agreement - Harvest year of

Private Contract of Sale and Purchase Compromise of Pepper for Industrial Use

Brazil

NAME OF THE COMPANY, with head offices located at, in the city of, state of, Registered at the General Taxpayer Roll with the number, herein represented by its managers Mr.and Mr., from now on referred as the INDUSTRY, and Mr. living at registered as rural producer under the number, from now on denominated the PRODUCER, have established the present Agricultural Production Agreement, which is ruled by the following clauses and conditions:

FIRST CLAUSE: the PRODUCER commits to sell, and the INDUSTRY commits to purchase all the pepper production estimated by the present contracting partners resulting from the plantation of approximately ha, at the farm situated in the county of, registered at the district of, state of, The estimated production for the harvest year of istons, according to the plantation schedule below.

date of plantation	area (ha)	variety	quantity of seeds (ton)	estimated production	period of harvest	estimated daily harvest
1 st two weeks					August / October	

SOLE PARAGRAPH: In case there are adverse factors beyond the control of the parties, a new planting schedule shall be jointly elaborated. The PRODUCER will not be allowed to plant in the contracted area without the INDUSTRY's agreement.

SECOND CLAUSE: The INDUSTRY shall pay the PRODUCER the amount of R\$ (.....) per ton of pepper, provided that this value is adjusted for inflation from the date of the respective agreement using the index....., calculated by the Central Bank. Product weighing will be done at the scales located at the INDUSTRY premises, being the weight taken as the basis for the calculation of the value to be paid at the processing facility situated in the county of

THIRD CLAUSE: The INDUSTRY shall receive the product and classify it in accordance with the Quality Rules approved by the Agroindustrial Committee of the Agriculture Department of the state of, using the result of the classification for the calculation of the price to be paid to the PRODUCER.

First paragraph: The Agriculture Department of the state of is allowed to inspect and evaluate the classifiers' criteria, under its own discretion, at any moment or when requested by the signers of this agreement.

Second paragraph: The classification shall be executed at most within 24 hours after the arrival of the product into the processing facility. After this deadline, the INDUSTRY shall loose the right to inflict price discounts due to quality non-conformity. The period between 6 PM of Saturdays and 6AM of Mondays shall not be computed in the calculation of the maximum time for product classification, nor shall the holidays.

Third paragraph: The INDUSTRY is responsible for registering the day and time of the product's arrival at the processing site and provides this information to the PRODUCER whenever necessary.

FOURTH CLAUSE: The INDUSTRY, at any time, through their experts, shall be allowed to inspect the cultivated areas under the present contract.

FIFTH CLAUSE: The payment cheques shall be issued in a 15 days basis: for deliveries between the 1st and 15th payment will be made at the last day of the month; for deliveries between the 16th to 30th /31st day, payment will be made on the 15th (fifteenth) weekday of the following month.

Fourth paragraph: The expenses with sales taxes will be fully paid by the INDUSTRY, while the expenses with social security taxes will be paid by the INDUSTRY but deducted from the payment to be made to the PRODUCER, being the respective receipts presented to the PRODUCER until the end of harvest period.

SIXTH CLAUSE: The agricultural production considered under this agreement will be transported in a vehicle hired by the INDUSTRY.

SEVENTH CLAUSE: For the unloading of the trucks transporting pepper, the order of arrival at the processing plant shall be followed, but the INDUSTRY has the right to determine the priority unloading of vehicles that carry special products destined to the production of sauces, in observance of its quality control standards.

EIGHTH CLAUSE: The pepper production herein contracted, if financed, shall be considered as collateral to the financing bank, being the PRODUCER definitely forbidden to deviate or sell part of the production to other parties, and subjected civil and criminal prosecution, regardless of any sanctions considered in previous clauses of this contract.

NINTH CLAUSE: Except for *force majeure* cases, the breach of any clause of this agreement shall determine its automatic rescinding. Likewise, regardless of the obligation for compensation of losses and damages, the party that motivate the rescission shall pay the other one a fine of 20% (twenty percent) of the estimated production value, as established in the First Clause.

TENTH CLAUSE: The election forum for settling eventual disputes concerning this contract shall be the one of the judiciary district in which the processing facility that receives the product is situated, both parties declining to appoint any other forum, no matter how privileged they might be.

Being in perfect agreement, the parties commit to comply with the present contract, signing it in front of the two witnesses nominated below, in 3 copies of the same contents.

Witnesses

INDUSTRY

PRODUCER

ANNEX TO THE CONTRACT

LETTER OF AGREEMENT

TO
BANK
Branch

Dear Sir

Through this Letter of Agreement and under the pertinent legal provisions, we assume the obligation of acquiring ... kilograms of pepper from the crop planted by Mr, originated in the farm denominated, located in the county of and consigned as collateral to this Bank.

Likewise, we are committed to hand over to this bank, for the discharge of the product consigned as loan guarantee, the amount of R\$ (.....) correspondent to the debt due to the above mentioned farmer, per ton of pepper we receive. We also commit to deliver the Rural Promissory Notes as per conditions stated in the farming contract number, being agreed and understood that the obligations assumed herein shall not exceed the amount of R\$..... (.....).

This letter shall only be valid in its original form.

Yours faithfully,

INDUSTRY
IN AGREEMENT:.....

PRODUCER:.....