

# **Pico Bonito, Inc.**

## **A Multi-faceted Forestry Based Carbon Offset Project in Northern Honduras**



**STRUEVER BROS. ECCLES & ROUSE, INC.**

Date: 2004-05-17

## NON-DISCLOSURE STATEMENT

This Non-Disclosure Statement (“**Statement**”) is provided by Ecologic Development Fund, located at 25 Mount Auburn Street, Suite 203, Cambridge, MA 02138 (“**EcoLogic**”) to the person or entity receiving this document (“**Recipient**”).

1. **EcoLogic intends to disclose to the Recipient documents, material and other information which has commercial and other value in EcoLogic’s operations and is confidential in nature, hereinafter referred to as “Confidential Information” of EcoLogic.**

2. Recipient agrees (a) to hold the Confidential Information in strict confidence and to take all reasonable precautions to protect such Confidential Information; (b) not to voluntarily disclose any such Confidential Information or any information derived therefrom to any person or entity, unless authorized to do so by EcoLogic; and (c) not to make any use whatsoever at any time of such Confidential Information except for the sole limited purpose of evaluating the Confidential Information.

3. The Confidential Information shall remain, as between the parties hereto, the sole and exclusive property of EcoLogic and no license is granted to Recipient with respect to the Confidential Information.

4. Immediately upon a request by EcoLogic at any time Recipient will cease all use of and return to EcoLogic all Confidential Information and all documents or other media containing any such Confidential Information and any and all copies or extracts thereof.

5. Recipient acknowledges and agrees that any breach of this Statement would cause immediate and irreparable harm to EcoLogic, and that upon any such breach or any threat thereof, EcoLogic shall be entitled to appropriate legal and equitable relief. Recipient will notify EcoLogic in writing immediately upon the occurrence of any such unauthorized release of Confidential Information or other breach of this Statement of which it is aware.

6. This Statement will be binding upon the parties’ respective successors and assigns. This Statement shall be governed by the laws of the State of Massachusetts without regard to the conflicts of law provisions thereof. In the event that any of the provisions of this Statement shall be held by a court to be unenforceable, such provisions shall be eliminated to the minimum extent necessary so that this Statement shall otherwise remain in full force and effect. This Statement supersedes all prior discussions and writings and constitutes the entire agreement between the parties with respect to the subject matter hereof. No waiver or modification of this Statement will be binding upon either party unless made in writing and signed by a duly authorized representative of such party and no failure or delay by either party in enforcing any right under this Statement will be deemed a waiver of such right.

# Pico Bonito, Inc.

## Tax Credit and Equity Participation Request for Proposals

### Table of Content

<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>PROJECT LOCATION .....</b>	<b>5</b>
<b>DETAILED MAP OF PROJECT AREA.....</b>	<b>5</b>
<b>PROJECT OVERVIEW.....</b>	<b>6</b>
<b>FORESTRY INVESTMENT WITHOUT CARBON SEQUESTRATION VALUE .....</b>	<b>7</b>
SOURCES.....	7
SUSTAINABLE COMMERCIAL FORESTRY – NON-CARBON SOURCES.....	7
COMMODITY PRICES.....	7
SUSTAINABLE COMMERCIAL FORESTRY – NON-CARBON USES.....	7
<b>CARBON OFFSET INVESTMENT .....</b>	<b>8</b>
CARBON SEQUESTRATION PROJECTIONS .....	8
SPECIES SELECTION.....	9
<b>COMMUNITY .....</b>	<b>10</b>
<b>PROJECT PARTICIPANTS .....</b>	<b>11</b>
ECOLOGIC DEVELOPMENT FUND .....	11
FOUNDATION FOR PICO BONITO NATIONAL PARK (FUNDACIÓN PARQUE NACIONAL PICO BONITO) .....	11
HONDURAN FORESTRY ADMINISTRATION (CORPORACIÓN HONDUREÑA DE DESAROLLO FORESTAL - CODEHFOR) .....	11
INTERNATIONAL COMMERCIAL FORESTRY BUSINESS.....	11
LOCAL COMMUNITIES.....	12
STRUEVER BROS & ECCLES INC.....	12
WOODRISING CONSULTING INC.....	12
WORLD BANK: THE BIOCARBON FUND.....	13
PRIVATE INVESTORS:.....	13
<b>PROJECT FINANCIALS .....</b>	<b>14</b>
SOURCES.....	14
USES.....	14
COMMERCIAL AND NON-COMMERCIAL COMBINED PROJECT .....	14
ITEM .....	14
COMMERCIAL PORTION ONLY.....	15
NON-COMMERCIAL PORTION ONLY .....	16
ASSUMPTIONS.....	16
<b>WHAT NGO PARTNERS OFFER A PRIVATE INVESTOR IN PICO BONITO INC.</b>	<b>17</b>
<b>REASONS WHY A BUSINESS SHOULD SUPPORT PICO BONITO INC &amp; FORESTRY BASED CARBON OFFSETS.....</b>	<b>18</b>

---

This document from contains CONFIDENTIAL INFORMATION for the use ONLY of the intended recipient. If you are not the intended recipient or a person responsible for delivering it to the intended recipient, you are hereby notified that any use, distribution, or copying of this communication or its contents is strictly prohibited.

## Executive Summary

The U.S. non-profit EcoLogic Development Fund (EcoLogic) and the Honduran non-profit Foundation for Pico Bonito National Park (FUPNAPIB) in collaboration with Honduran government authorities and local community groups are implementing a program to preserve biodiversity, stimulate the local economy, improve social conditions around Pico Bonito National Park, and produce viable investment opportunities for the local and international financial community.

Pico Bonito, Inc., the entity which will launch this project, will have a unique business structure that combines sustainable forest management, community development, and forest restoration and conservation. The project will be financed through a combination of private investment for timber and sale of long-term certified greenhouse gas emission reductions (ICERs) created through carbon sequestration.

EcoLogic and FUPNAPIB are currently seeking funding from foundations, carbon credit investors and commercial forestry investors for a program that has three broad components:

- 1. Sustainable Forest Management** – acquire denuded private lands for commercial forestry.
- 2. Agroforestry** – increase sustainable agroforestry among private and usufruct landowners in the park's buffer zone.
- 3. Restoration and Protection of the Buffer Zone** – expand and protect the park's buffer zone by restoring deforested state-owned land and acquiring and restoring abandoned private farms. To date an initial 315 hectares (7800 acres) of land has already been purchased near Olancito on the southeast edge of the park

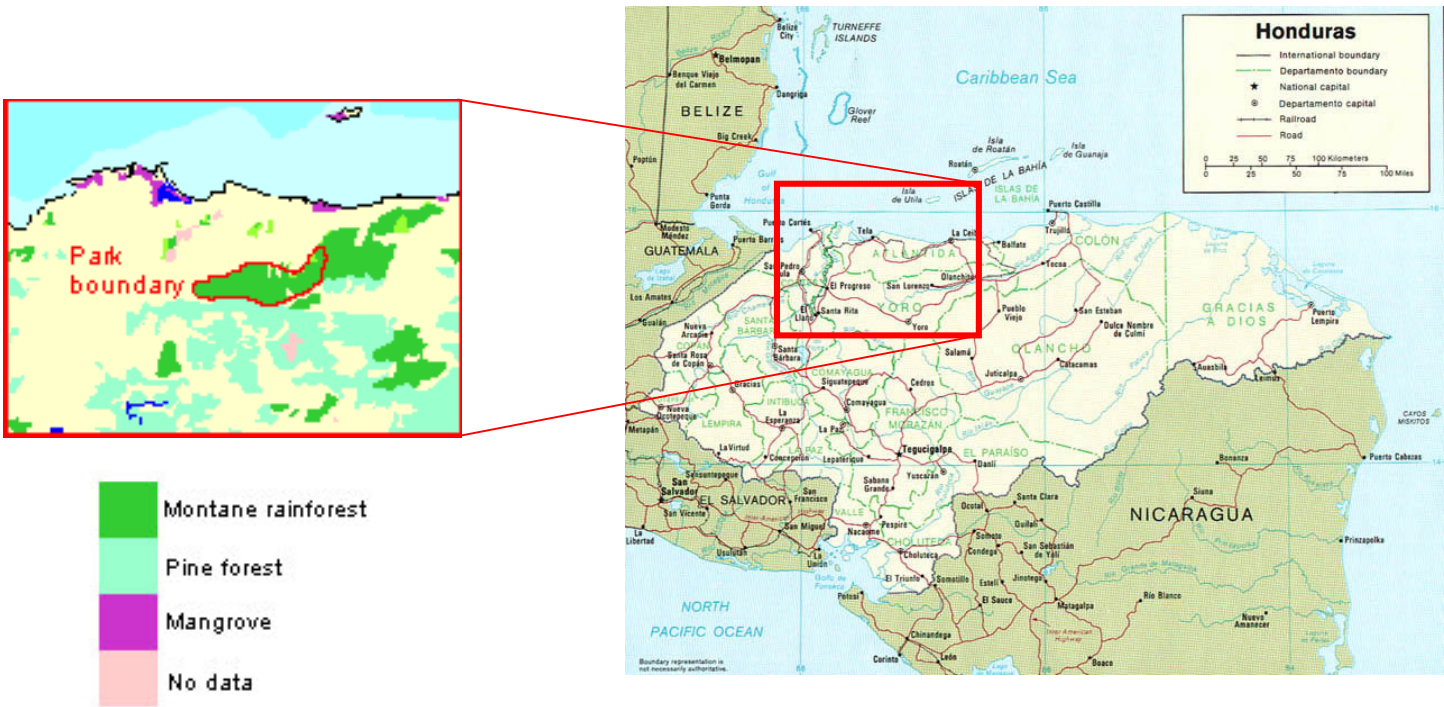
Experts predict that the carbon market will become a more than \$10B market in 2005-8 in Europe alone, and increase more than tenfold increase in the next 5 years.<sup>1</sup> This trend is being reinforced as carbon products are now considered beyond their role as a compliance tool as a new energy derivatives hedging instruments. Now is the time to recognize that climate change is a serious business driver with significant strategic, financial, and environmental implications.

<b>PROJECT SUMMARY</b>	Total area	2,950 hectares (7,290 acres)
	Project lifetime	29 years
	Certified Emission Reductions (ICERs)	931,162 tonnes CO <sub>2</sub> e
	Income from the sale of ICERs	US\$ 3,346,055
	Average price	US \$3.59 per tonne CO <sub>2</sub> e
	Additional Investment required	US\$ 2,367,568
	Internal rate of return (with ICERs)	43%
	Internal rate of return (without ICERs)	18%

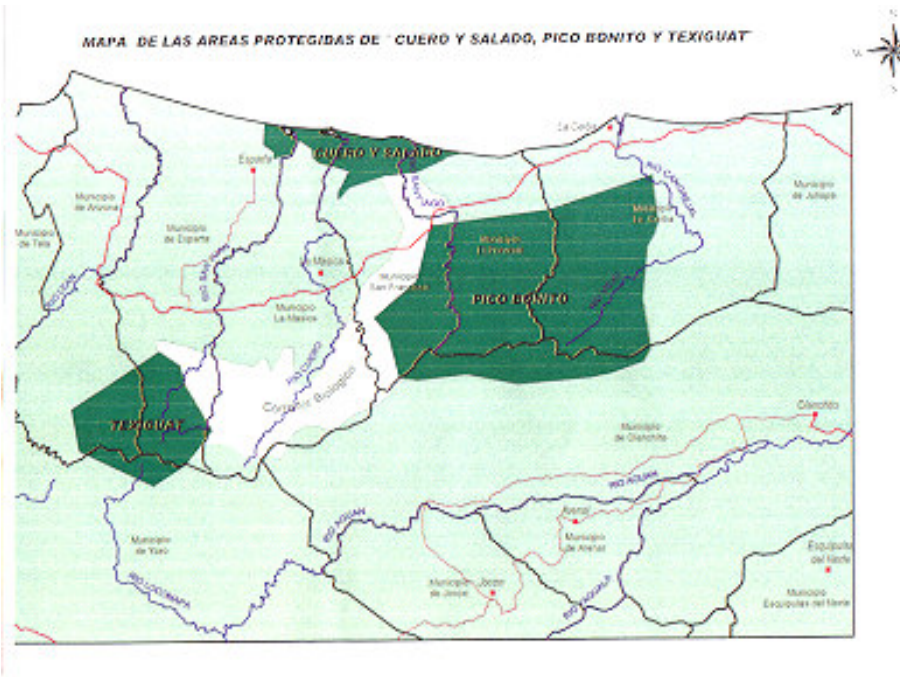
---

<sup>1</sup> PricewaterhouseCoopers, Climate Change Services,  
<http://www.pwc.com/Extweb/service.nsf/docid/C8D421710CECF5E185256B6B0059287C>.

Project Location



Detailed Map of Project Area



This document from contains CONFIDENTIAL INFORMATION for the use ONLY of the intended recipient. If you are not the intended recipient or a person responsible for delivering it to the intended recipient, you are hereby notified that any use, distribution, or copying of this communication or its contents is strictly prohibited.



## Project Overview

Funding for the project will be generated through the sale of carbon credits to international businesses committed to the environmental goals of the Kyoto Protocol and through the loans or the sale of equity in a commercial forestry business. Pico Bonito, Inc., a for profit subsidiary of locally based FUPNAPIB, will act as master developer of the project and will partner with a sustainable commercial forestry investor to operate the sustainable forestry business. A total of 2,950 hectares (7,300 acres) of rainforest will be managed as described below:

- 1. Reforestation for Sustainable Commercial Forestry – 1,000 hectares (2,500 acres).** Pico Bonito Inc. will purchase and reforest privately held degraded farmland.
- 2. Agroforestry for Small Scale Producers – 600 hectares (1,500 acres).** Pico Bonito Inc. will promote community-based development of alternative agricultural practices on privately owned and usufruct lands in 20 villages. As a result there will be an increase in forest cover on agricultural lands.
- 3. Restoration and Protection of Buffer Zone – 1,350 hectares (3,350 acres)**
  - a. Reforestation of Degraded Land – 1,000 hectares (2,500 acres).** Pico Bonito Inc. will reforest private land and degraded public land adjacent to the national park.
  - b. Forest Preservation through Land Acquisition – 250 hectares (600 acres).** Pico Bonito Inc. will purchase key forested private lands surrounding the park for buffer zone conservation purposes. To be held and managed by Pico Bonito.
  - c. Community-based Sustainable Management of Existing Forests – 100 hectares (250 acres).** Working with existing communities Pico Bonito Inc. will promote sustainable management of existing forests on private lands.



## Forestry Investment without Carbon Sequestration Value

If the sustainable forestry portion of the project were pursued strictly as a forestry investment, then a loan of \$6,347,653 would be required. This loan would be repaid in full by 2015. A financial summary is given below.

### Sources

Sources of income from thinning the plantations (beams, charcoal and posts). The price for each commodity as assumed by the CIDA supported studies by COHDEFOR (PDBL/COHDEFOR, 1997) on page 7.

### Sustainable Commercial Forestry – Non-carbon Sources

Item	Value (US\$)
Loan	6,347,653
Wood Products	21,076,808
<b>Total</b>	<b>27,424,461</b>

### Commodity Prices

Item	Value (US\$)
Beams (each)	2.50
Charcoal (33 lbs sacs)	2.50
Lumber (bdft)	0.94
Posts (each)	0.50

### Sustainable Commercial Forestry – Non-carbon Uses

Item	Value (US\$)
Development fee	287,937
FSC certification	24,000
Land purchases (1000 ha)	233,750
Legal fees	50,000
Loan interest	6,659,724
Loan repayment	6,347,653
Operations	10,700,198
Operational contingency	509,533
Residual Profit <sup>1</sup>	2,611,665
<b>Total</b>	<b>27,424,461</b>

---

<sup>1</sup> Residual profit is the amount remaining in 2015 after the loan has been repaid.

## Carbon Offset Investment

Sites will be chosen that were cleared for agriculture before December 31, 1989.

Forest preservation and sustainable management of existing forests increase carbon sequestration or reduce deforestation but are not recognized under the current international agreements (Marrakech Accords). They are not included in the following carbon sequestration projections.

As well, the increase in carbon storage in harvested wood products from sustainable commercial forestry is not included under the current international agreements (Marrakech Accords) and thus not included in the following projections.

### Carbon Sequestration Projections

<b>Project duration (years)</b>	29
<b>Net Emission Reductions by 2017 (metric tonnes CO<sub>2</sub>e)</b>	
Reforestation for Sustainable Commercial Forestry	248,850
Reforestation of Degraded Land	312,121
<b>Total</b>	<b>560,971</b>
<b>Net Emission Reductions by 2032 (metric tonnes CO<sub>2</sub>e)</b>	
Reforestation for Sustainable Commercial Forestry	415,860
Reforestation of Degraded Land	515,302
<b>Total</b>	<b>931,162</b>
<b>Sustainable Commercial Forestry Carbon Value</b>	
Sequestration by 2017 @ US\$ 4.15	\$ 1,032,727
Sequestration post 2017 @ US\$ 2.75	\$ 459,278
<b>Total</b>	<b>\$ 1,492,005</b>
<b>Complete Project Carbon Value</b>	
Sequestration by 2017 @ US\$ 4.15	\$ 2,328,030
Sequestration post 2017 @ US\$ 2.75	\$ 1,018,024
<b>Total</b>	<b>\$ 3,346,055</b>



## Species selection

This pilot project plans to plant ~ 2.2 million seedlings of various indigenous species over three years. Species considered are:

### Reforestation for Sustainable Commercial Forestry

Caoba - Mahogany (*Swietenia macrophylla* G. King), Cedrillo (*Huertea cubensis* Griseb), Granadillo – Rosewood (*Dalbergia glomerata*), Redondo (*Magnolia yoroconte* Dandy), Marapolán (*Guarea grandifolia* Dc.), Rosita (*Hyeronima alchorneoides* Fr. All), Santa María (*Calophyllum brasiliense* Camb), Barba de Jolote (*Cajoba arborea* [L.] Brithand Rose.), San Juan, and Varillo (*Symphonia globulifera* Linn. F.).

### Agroforestry for Small Scale Producers

Guama, Laurel Negro (*Cordia megalantha* Blake), Jamacuago, Madreado, Leucaena, Pito, Cacao, Café, Rambután, Canela, Mangostán, Avocado, Mango, Orange, Lime, Morera, Caoba (*Swietenia macrophylla* G. King), Cedrillo (*Huertea cubensis* Griseb) and Eritrina.

### Reforestation of Degraded Land

Guama, Indio desnudo, Tamarindo de Montaña, Paleta (*Dialium guianensis* Sand), Zapotón, Guarumo de Montaña, Zorra, El Tambor, Ocomico, Cenizo, Trompa de Mono, Nance, Nogal (*Juglans olanchana* Standl & L. O. Williams), Aguacatillo

## Community

The project will directly involve partnering with local communities. There are approximately 160 villages in the buffer zone around Pico Bonito National Park. FUPNAPIB has recommended focusing in three distinct regions of the buffer zone which include in total about 20 villages. Representative villages in the Cangrejal region are: San Isidro (pop: 150), San Rafael (pop: 250), San Antonio (pop: 100), Quebrado Plano (pop: 100), La Laguna (pop: 100). The second region is El Aguacate (near indigenous communities living in the Park). Representative villages from this region include: Colindaria (pop: 250), De Lanza (pop: 50), La Memoria (pop: 50), Tamarindo (pop: 50). The third region is El Portillo, near the La Vega River. Towns from this region have an average of 100 inhabitants and include: La Lomita, La Esperanza, Las Americas, Aguas Sarcas, San Felix and El Cartón. FUPNAPIB has had close communication with communities in the first and second regions and they have expressed interest in participating in the project and expanding their agricultural production to include agroforestry.

Recent studies have indicated that over 40% of families in the region live in extreme poverty. In many of these villages there is no access to education or healthcare. FUPNAPIB has provided school teachers to work in San Isidro and Quebrado Plano. Farming is the principle economic activity in these communities. Subsistence farming as well as bean and corn production are the most common farming activities. A typical family would cultivate approximately 100 pounds of beans twice a year, which would sell for approximately \$15. In order to survive under these circumstances families have been forced to turn to cutting down trees and selling wood.

The Pico Bonito Inc. Project will bring tree cover to agricultural and cattle farms as well generate new sources of revenue for these communities. The opportunity to participate in the sale of carbon credits, and wood from agroforestry projects will contribute greatly to the economy of the local and regional communities, as well as provide clear environmental benefits.




---

This document from contains CONFIDENTIAL INFORMATION for the use ONLY of the intended recipient. If you are not the intended recipient or a person responsible for delivering it to the intended recipient, you are hereby notified that any use, distribution, or copying of this communication or its contents is strictly prohibited.

## **Project Participants**

### **EcoLogic Development Fund**

Established in 1993, EcoLogic Development Fund (EcoLogic) works to protect the wildlife and wildlands of Central America and Mexico by advancing community-based economic development and natural resource management. The key to EcoLogic's success is its local partners—those organizations that most closely reflect the vision and values of the communities they serve. EcoLogic provides these local grassroots organizations with the technical assistance and financial resources they need to become powerful advocates for environmental conservation and for their communities. EcoLogic is a US 501(c)(3) charitable, not-for-profit, organization based in Cambridge, Massachusetts. EcoLogic, in partnership with the Foundation for Pico Bonito National Park, is leading the initial stages of the project.

Website: <http://www.ecologic.org>

Contact: Shaun Paul – email: [spaul@ecologic.org](mailto:spaul@ecologic.org)

### **Foundation for Pico Bonito National Park (Fundación Parque Nacional Pico Bonito)**

The Foundation for Pico Bonito National Park (FUPNAPIB) is a Honduran nonprofit organization founded in 1993. The main objectives of FUPNAPIB are (1) supervising the protection, conservation, and appropriate natural resource use in Pico Bonito National Park and (2) fostering sustainable rural development to improve the quality of life in the communities surrounding the park.

Contact: Gerardo Rodrigo – email: [fupnapib@laceiba.com](mailto:fupnapib@laceiba.com)

### **Honduran Forestry Administration (Corporación Hondureña de Desarrollo Forestal - CODEHFOR)**

COHDEFOR is the national forestry administration of Honduras responsible for overseeing national forest resources. It lists among its responsibilities: (1) ensuring that forest resources and biodiversity are conserved and managed efficiently, (2) encouraging sustainable forestry, (3) reforestation of deforested regions, and (4) contributing significantly to the socio-economic development of all Hondurans, especially those facing extreme poverty by including rural populations in forest management. COHDEFOR has given its approval to the Pico Bonito Inc project and has agreed to serve on the governing board of Pico Bonito Inc.

### **International Commercial Forestry Business**

EcoLogic is in negotiations with several international commercial forestry operators to join this project as a general operating partner.

## **Local Communities**

As discussed in the previous section, local communities will be critical partners and beneficiaries of the Pico Bonito Inc. Project. Communities will be most active in agroforestry, however there will be significant employment opportunities provided to local communities in the execution of other components of the project.

### **Struever Bros & Eccles Inc.**

Ted Rouse, principal of Struever Bros & Eccles Inc, a sustainable real estate firm has invested initial capital to secure site control for the sustainable forestry component.

Struever Bros & Eccles Inc began in Baltimore, Maryland in 1974 and in 1984 became Struever Bros Eccles and Rouse. After starting with gross annual revenues of \$45,000 it has grown to employ 230 people with an annual volume of \$180 million in the construction and real estate development business.

By giving hope to buildings that others had abandoned, the company gave hope to the city and its neighborhoods. Today, while Struever Bros., Eccles & Rouse's projects populate Baltimore's neighborhoods, their portfolio of environmentally sensitive projects includes developments in communities in Delaware, Rhode Island, Massachusetts and elsewhere on the East Coast.

Struever Bros., Eccles & Rouse, a market leader in historic renovation and public private partnerships, continues to play a key role in the revitalization of urban neighborhoods as the company builds a reputation for excellence through its passion, creativity and commitment to quality.

Website: <http://www.sber.com>

Contact: Ted Rouse – email: [wr@sber.com](mailto:wr@sber.com)

### **Woodrising Consulting Inc.**

Woodrising Consulting Inc. is a Canadian environmental consulting firm that has been developing and assessing international and domestic projects that reduce greenhouse gas emissions since 1995. Climate change initiatives have been undertaken in Australia, Canada, Chile, Mexico, Peru and Zimbabwe. Woodrising has produced an initial feasibility study for the Pico Bonito, Inc. project as well as providing technical support and greenhouse gas emission management strategies.

Website: <http://www.woodrising.com>

Contact: Neil Bird – email: [nbird@woodrising.com](mailto:nbird@woodrising.com)

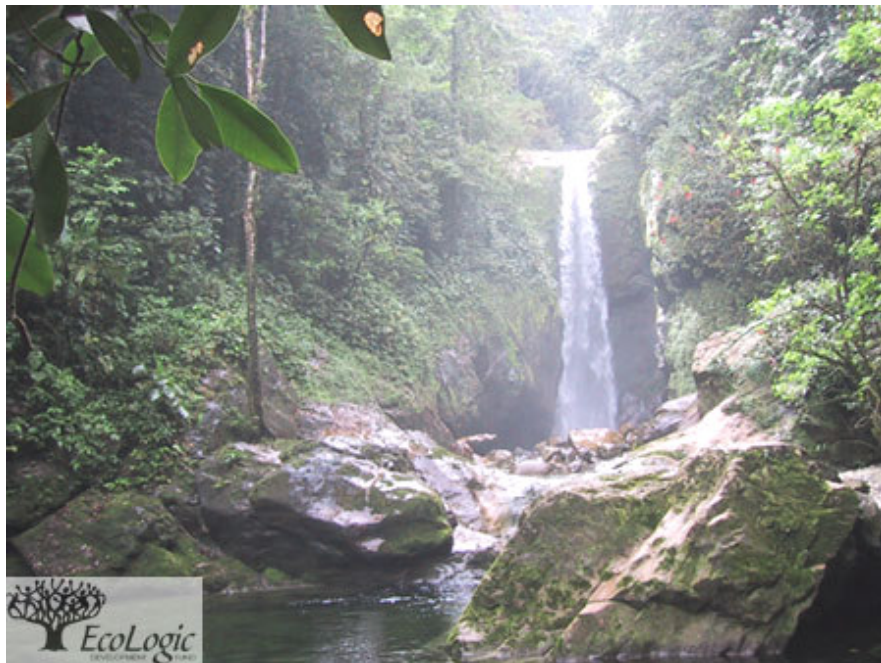
## World Bank: The BioCarbon Fund

The BioCarbon Fund is a public-private initiative established as a trust fund administered by the World Bank to provide carbon finance to demonstrate and test projects that sequester or remove greenhouse gases in forest and agro-systems. The goals of the BioCarbon Fund are to deliver (1) cost-effective emission reductions, (2) local environmental and biodiversity benefits; and (3) improved livelihoods for local people. A project summary was submitted to the WorldBank in December of 2002 and the Pico Bonito Inc. project has been used as an example of the type of project the BioCarbon Fund would finance. Representatives of the World Bank and the BioCarbon Fund have been in communication with EcoLogic and have indicated a strong interest in committing \$3 million to purchase carbon credits that reforestation activities of the Pico Bonito Project.

### Private Investors:

Additional private investors are required and anticipated for funding the commercial component. Prospective investors have been contacted from:

- Honduran Banks;
- Honduran Forestry Companies;
- Inter-American Development Bank ([www.iadb.org](http://www.iadb.org));
- Other Forestry Companies;
- Overseas Private Investment Corporation ([www.opic.gov](http://www.opic.gov)); and
- Struever Bros & Eccles Inc.



## Project Financials

The original principal of the loan with interest at 15% is returned to the investor in 2015.

### Sources

Sources of income from thinning the plantations (beams, charcoal and posts) before 2015. After 2015 income is derived from selective harvesting of the mature plantations (beams, charcoal, lumber and posts). The price for each commodity as assumed by the CIDA, Canadian International Development Agency, supported studies by COHDEFOR (PDBL/COHDEFOR, 1997) is listed on page 7. As well, the project expects income from the selling of carbon (emission removal units – RMUs) from the entire project lifetime.

### Uses

Besides the uses for the establishment, maintenance and harvesting of a commercial plantation, the project requires other uses as a result of the carbon component. These include increased planting and operating costs for the reforestation for conservation component, legal and development fees, as well as monitoring costs, and the CDM fee.

### Commercial and Non-commercial Combined Project

#### Sources

Item	Value (US\$)
Emission Reductions <sup>1</sup>	3,346,055
Investment Income	209,394
Loan	2,367,568
Wood Products	21,076,808
<b>Total</b>	<b>26,999,825</b>

#### Uses

Item	Value (US\$)
Carbon brokerage fee	0
CDM fee	66,921
Development fee	421,779
FSC Certification	24,000
Land purchases (2250 hectares)	525,938
Legal fees	125,000
Loan interest	2,734,065
Loan repayment	2,367,568
Monitoring	160,000
Operations	11,810,439
Operational contingency	555,643
Self-insurance	836,514
Residual profit	7,371,958
<b>Total</b>	<b>26,999,825</b>
Trees planted	2,222,222

---

<sup>1</sup> We have assumed that the carbon sequestration value for the entire project lifetime (50 years) is paid when the project is initiated.



## Commercial Portion Only

### Sources

Item	Value (US\$)
Emission Reductions <sup>1</sup>	1,492,005
Investment Income	47,592
Loan	2,367,568
Wood Products	21,076,808
<b>Total</b>	<b>24,983,974</b>

### Uses

Item	Value (US\$)
Carbon brokerage fee	0
CDM fee	29,840
Development fee	347,617
Donation to FUPNAPIB <sup>2</sup>	231,517
FSC certification	24,000
Land purchases (1000 ha)	233,750
Legal fees	75,000
Loan interest	2,734,065
Loan repayment	2,367,568
Monitoring	80,000
Operations	10,700,198
Operational contingency	509,533
Self-insurance	373,001
Residual profit	7,277,884
<b>Total</b>	<b>24,983,974</b>
Trees planted	1,111,111

---

<sup>1</sup> We have assumed that the carbon sequestration value for the entire project lifetime (50 years) is paid when the project is initiated.

<sup>2</sup> The commercial portion subsidizes the non-commercial portion of the project. We have included the subsidy as a donation to FUPNAPIB.

## Non-Commercial Portion Only

### Sources

Item	Value (US\$)
Emission Reductions <sup>1</sup>	1,854,049
Donation from Pico Bonito Inc. <sup>2</sup>	231,517
Investment Income	161,802
Loan	0
Wood Products	0
<b>Total</b>	<b>2,247,368</b>

### Uses

Item	Value (US\$)
Carbon Brokerage fee	0
CDM fee	37,081
Development fee	74,162
FSC Certification	0
Land Purchases (1250 ha)	292,188
Legal fees	50,000
Loan interest	0
Loan repayment	0
Monitoring	80,000
Operations	1,110,241
Operational contingency	46,110
Self-insurance	463,512
Residual profit	94,075
<b>Total</b>	<b>2,247,368</b>
Trees planted	1,111,111

### Assumptions

Carbon dioxide value / tone (< 2017)	\$4.15
Carbon dioxide value / tone (> 2017)	\$2.75
Carbon dioxide value / tonne (entire project)	\$3.59
Loan rate	15%
Investment interest rate	10%

Self-insurance accomplished by purchase of carbon credits elsewhere. Value of carbon 25%

Carbon in harvested wood products is assumed to have no value.

<sup>1</sup> We have assumed that the carbon sequestration value for the entire project lifetime (50 years) is paid when the project is initiated.

<sup>2</sup> The commercial portion subsidizes the non-commercial portion of the project. We have included the subsidy as a donation from Pico Bonito Inc.

## **What NGO partners offer a private investor in Pico Bonito Inc.**

EcoLogic Development Fund (EcoLogic) and The Foundation for Pico Bonito National Park (FUPNAPIB) provide a powerful partnership and basis to add significant value to private investors in Pico Bonito Inc.

### **Minimize start up costs**

All the groundwork has been conducted resulting in minimizing start up costs.

1. Government support secured.
2. Community support assured, which can be costly and difficult to secure in a country that has strong laws favoring community and labor rights.
3. Land purchase made possible in most cost efficient manner that avoids speculative pricing that is usually inevitable when land is purchased by foreigners.

### **Immediate access to talent and local expertise**

1. Investors gain immediate access to an international team of seasoned professionals that includes local professionals with 20 years of relevant experience in the project region.
2. Access to highly cost effective services including operational support services.

### **Raising the investor's profile**

1. As investments would build upon a web of pre-established relationships, ample opportunities exist to gain positive publicity and branding both internationally and within Honduras.
2. In addition to help investors, in necessary, gain exposure and potential access among multilateral lenders and investors.

### **Do well by doing good**

Mission-driven investors have huge opportunities in this investment vehicle where their financial return is complemented by dramatic environmental and social returns only possible by partnering with EcoLogic and FUPNAPIB.

### **Model the way for environmentally sustainable investing in natural resources**

This project offers an opportunity to expand the field of forestry to create new models that more effectively value and protect ecosystem services in the context of commercial forestry.

## **Reasons Why A Business Should Support Pico Bonito Inc & Forestry Based Carbon Offsets**

**Now is the time to recognize that climate change is a serious business driver with significant strategic, financial, and environmental implications:**

1. **Economic Return** – Tropical hardwoods such as Mahogany and Rosewood grow an astounding 10-feet per year. Usually large, upfront costs for forestry related investments deter investors' appeal for long-term returns. The consideration of fast timber growth rates and the benefit of carbon credit funding create prospects for a great return on investment.
2. **Purchase Carbon Offsets Inexpensively.** The cost of entry into Carbon Offsets is dramatically reduced when purchasing credits through Pico Bonito Inc. as the company principals have already established very significant groundwork where the investor is able to piggy back on the experience, expertise and relations established by the project principles.
3. **Marketing Opportunities with the Conscientious Consumer** - Over 80% of Americans believe that we need to do more for the environment. Increasingly consumers choose products and brand loyalty based upon environmental concerns as reflected by the boom in the natural foods industry where organic products are the fastest growing segment of the food industry.
4. **Triple Bottom Line** - Becoming a zero emissions company can often result in a costs savings and the purchase of Pico Bonito Inc Carbon Credits will have a direct and immediate impact on protecting a national park that is home to rare and endangered biodiversity while creating direct benefits for extremely poor populations. Thus Pico Bonito Inc offers investors a triple bottom line offering financial, environmental and social benefits.
5. **Become a Climate Neutral Company** - by purchasing emission offsets to complement a company energy efficiency program to become a zero emissions company.
6. **Establish leadership in your industry** by becoming an industry leader in environmental responsibility by demonstrating best practices in purchasing carbon credits.
7. **Foster good will and image building within Honduras.** For companies that have a presence in Honduras, purchasing carbon credits offers an opportunity to foster goodwill and public relations with government, NGOs and the society at large by demonstrating best practices and corporate responsibility.
8. **Reap tax benefits** - some companies can secure tax credits for the purchase of carbon credits. All US and Canadian companies can receive a tax benefit if the company chooses to purchase carbon credits as a tax deductible, charitable donation to the US non-profit, EcoLogic Development Fund which is one of the project principles.