

THE JOURNEY TO SUSTAINABLE WEALTH WITH TEAK FOREST



TEAK
HARDWOODS

“If anything will be worthy 25 years
from now, that’s nature”

UNKNOWN



THE CON TENT

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WISE INVESTMENT.

Teak trees are known for their durable hardwood, commonly used in furniture and boat construction. They're native to Southeast Asia but are also cultivated in other tropical regions like Nicaragua and Panama. Teak wood is prized for its extreme hardness and natural oils, which make it resistant to pests and decay. Teak's durability and versatility have made it a valuable resource for centuries. Teak adapts to various uses and environments in an ever-changing world.

Investing in sustainable resources like Teak trees is a **wise choice**, especially given the growing awareness of environmental conservation and the increasing demand for eco-friendly products. The trees offer long-term benefits like carbon sequestration and habitat preservation, making them solid assets for the future. Owning Teak is a simple and straightforward means to a permanent residency, as well as a strong and secure asset in and of itself. Finally, Teak lumber is exceptionally valuable in the marketplace, generating outsized returns for investors.

For just \$6,880 USD, you can secure ownership of a 1,000-square-meter parcel of land, roughly equivalent to 1/4 acre. This investment includes the planting of 110 Teak trees on your land.

SIZE	INITIAL INVESTMENT	AGE
0.1 HECTARE	\$6.880	0

FIXED BOARD FOOT PRICE (\$ 4.88)

Age *	Board Feet	Value per board foot	Gross Harvest Proceeds	Annual Maintenance Fees	Processing Cost	Management Harvest Fee	Total Proceeds	
12	369	\$4,88	\$1.799	\$1.800	\$270	\$360	-\$631	IRR
18	559	\$4,88	\$2.730	\$900	\$409	\$546	\$874	5,4%
20	740	\$4,88	\$3.612	\$300	\$542	\$722	\$2.048	ROI
25	7977	\$4,88	\$38.928	\$750	\$5.839	\$7.786	\$24.553	290,2%
							\$26.845	

1

YOU OWN THE LAND

2

YOU OWN THE TREES

3

YOU HAVE REGISTERED TITLE

MARKET DEMAND.

OVER THE CENTURIES, THE WORLD HAS BEEN CHANGING RAPIDLY, BUT Teak LUMBER REMAIN STEADFAST, ADAPTING TO THE EBBS AND FLOWS OF TIME WITH GRACE AND DIGNITY. ITS NATURAL OILS PROTECTED IT FROM PESTS AND DECAY, ENSURING ITS LONGEVITY IN A WORLD CONSTANTLY IN FLUX.



Teak furniture, often crafted from plantation-grown Teak such as ours, fits market demand as it supports sustainable forestry practices and environmental stewardship.



Teak has long been prized in the marine industry for its ability to withstand the harsh marine environment. As consumers become more environmentally conscious, there is a growing demand for sustainably sourced Teak for use in boat building and yacht construction.



Teak wood is also popular in the construction industry for applications such as decking and outdoor structures.



Teak flooring and interiors are sought after for their durability and aesthetic appeal.



Eco-lodges, resorts, and tour operators that incorporate Teak wood in their facilities and offerings appeal to environmentally conscious travelers seeking authentic and eco-friendly experiences.

**A BROAD MARKET MAKES HARDWOODS UNLIMITED
WELL-POSITIONED TO CAPITALIZE ON THIS
GROWING DEMAND AND GAIN A COMPETITIVE
ADVANTAGE IN THE MARKETPLACE.**



CURRENT INVESTMENT OPPORTUNITIES

NEWBORN PANAMA TEAK


\$6,880

TEENAGE PANAMA TEAK

\$21,866

NEWBORN NICARAGUA TEAK

\$6,880



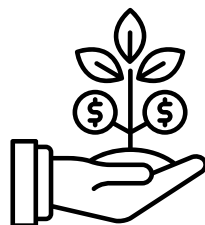
INVESTMENT OVERVIEW.

Owning Teak represents more than just an investment—it's tangible ownership of a valuable agricultural asset. With Teak, you're not just acquiring land; you're growing a commodity that has demonstrated high demand for centuries.

Hardwoods Unlimited is a conservative yet forward-thinking company. We operate on a 25-year harvest cycle, aligning our projections with the full growing period of Teak trees.

Over the the past 52 years, Teak prices have seen steady growth, averaging 5.5% per year. With harvest rates currently 8-10 times faster than replanting, supply and demand imbalances will likely widen. Any future increase in Teak prices above this rate promises even greater harvest yields for our investors.

Once you've made your initial investment, you'll enjoy peace of mind knowing that your ongoing expenses are minimal. With an annual maintenance fee of just \$125 per 1/4 acre, you'll cover general upkeep costs until harvest. It's a small amount to pay for the significant returns and long-term benefits of owning a Teak plantation.



PROJECTED ROI

NEWBORN TEAK PARCEL

SIZE 0.1 HECTARE	INITIAL INVESTMENT \$6,880	AGE 0
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FIXED BOARD FOOT PRICE (\$ 4.88)

Age *	Board Feet	Value per board foot	Gross Harvest Proceeds	Annual Maintenance Fees	Processing Cost	Management Harvest Fee	Total Proceeds	
12	369	\$4.88	\$1,799	\$1,800	\$270	\$360	-\$631	IRR
18	559	\$4.88	\$2,730	\$900	\$409	\$546	\$874	5.4%
20	740	\$4.88	\$3,612	\$300	\$542	\$722	\$2,048	ROI
25	7977	\$4.88	\$38,928	\$750	\$5,839	\$7,786	\$24,553	290.2%
							\$26,845	

INITIAL BOARD FOOT PRICE OF \$4.88 WITH AN ANNUAL GROWTH RATE OF 5.5%

Age *	Marketing Board Feet	Value per board foot	Gross Harvest Proceeds	Annual Maintenance Fees	Processing Cost	Management Harvest Fee	Total Proceeds	
12	369	\$9.05	\$3,338	\$1,800	\$501	\$668	\$370	IRR
18	559	\$12.48	\$6,983	\$900	\$1,047	\$1,397	\$3,639	11.6%
20	740	\$13.89	\$10,285	\$300	\$1,543	\$2,057	\$6,385	ROI
25	7977	\$18.16	\$144,864	\$750	\$21,730	\$28,973	\$93,411	1408.8%
							\$103,805	

PROJECTED ROI

TEENAGE TEAK PARCEL

SIZE 0.1 HECTARE	INITIAL INVESTMENT \$21.866	AGE 18
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FIXED BOARD FOOT PRICE (\$ 4.88)

Age *	Board Feet	Value per board foot	Gross Harvest Proceeds	Annual Maintenance Fees	Processing Cost	Management Harvest Fee	Total Proceeds	
12	369	\$0.00	\$0	\$0	\$0	\$0	\$0	IRR
18	559	\$0.00	\$0	\$0	\$0	\$0	\$0	3.0%
20	740	\$4.88	\$3,612	\$300	\$542	\$722	\$2,048	ROI
25	7977	\$4.88	\$38,928	\$750	\$5,839	\$7,786	\$24,553	21.7%
							\$26,601	

INITIAL BOARD FOOT PRICE OF \$4.88 WITH AN ANNUAL GROWTH RATE OF 5.5%

Initial Board Foot Price of \$4.88 with an annual growth rate of 5.5%

Age *	Marketing Board Feet	Value per board foot	Gross Harvest Proceeds	Annual Maintenance Fees	Processing Cost	Management Harvest Fee	Total Proceeds	
12	369	\$0.00	\$0	\$0	\$0	\$0	\$0	IRR
18	559	\$0.00	\$0	\$0	\$0	\$0	\$0	8.4%
20	740	\$5.30	\$3,923	\$300	\$588	\$785	\$2,250	ROI
25	7977	\$6.93	\$55,261	\$750	\$8,289	\$11,052	\$35,169	71.1%
							\$37,419	

WEALTH WITH TEAK.

Imagine turning a small investment of just \$6,880 today into a projected value of over \$90,000 in just 25 years. With an incredible potential Internal Rate of Return (IRR) of 11.5%, investing in baby Teak trees offers not only financial growth but also a chance to make a positive impact on the planet. The teenage Teak, with just 8 years until the first harvest, delivers an impressive 8.7% IRR with a shorter term to initial maturity.

Teak prices have soared over the last five decades, and the demand for this coveted hardwood continues to outstrip supply. Teak Hardwoods is poised to harness this growth sustainably, placing investor interests at the forefront.

Not only will your investment produce at harvest, but it will also has the potential to generate revenue during thinning periods. By investing early in the plantation's growth, investors maximize returns and witness the rising value of this precious commodity during the growth period.

The Hardwood Unlimited plantations, nestled along the Pacific coast of Panama and Nicaragua, promise exceptional returns over the 25-year harvest cycle. At harvest, a new crop of Teak trees will be planted on your land, starting the next growing cycle. Perhaps the proceeds from that harvest will belong to your children, and the next cycle after that to your grandchildren.

INVEST IN TEAK. BUILD A LEGACY. EXPERIENCE THE REALITIES OF A TEAK PLANTATION FIRSTHAND BY VISITING OUR LOCATIONS IN PANAMA AND NICARAGUA. JOIN US IN CULTIVATING A SUSTAINABLE FUTURE WHILE REAPING THE REWARDS OF OWNING YOUR OWN TEAK FOREST.

ADDITIONAL PERKS.

DIVERSIFICATION

Owning a Teak plantation in Panama or Nicaragua offers more than just financial benefits—it provides geographic and asset class diversification. Your investment in Teak is a unique opportunity outside of traditional markets and beyond the borders of North America. International diversification is essential for a robust asset protection strategy.

RESIDENCY

Securing your global mobility with a second residency in Nicaragua (\$35,000) or Panama (\$21,860) opens the door to unmatched personal and financial benefits, complementing your Teak investment beautifully. This opportunity enhances not only your global mobility but also offers a potential Plan-B. It's an invitation to blend investment growth with lifestyle enrichment set against the backdrop of these nations' rich cultural and natural beauty.

FLEXIBILITY

While many investors choose to hold their parcel for multiple harvest cycles, there are also opportunities for resale if needed. Rest assured, your investment in a Teak plantation offers both long-term growth potential and flexibility for the future.

AUTONOMY

What you own are long-term assets—the land and the Teak trees themselves. Your assets, the trees, 'grow' tax deferred, similar to a growth stock. There are no dividends or cash flow to be taxed along the way. For specific tax questions regarding harvest proceeds, consult with a tax advisor.

INVESTING IN TEAK – A PATHWAY TO SECOND RESIDENCY

In today's uncertain world, securing a second residency has become more than just a luxury – it's a necessity for many individuals and families seeking safety, stability, and freedom. At TEAK HARDWOODS you'll find a unique opportunity to combine the benefits of Teak investment with the advantages of obtaining a second residency in countries like Panama and Nicaragua.

REASONS TO SECURE A SECOND RESIDENCY:

SAFETY + PEACE OF MIND

In times of political, social, and economic instability, as well as concerns about personal safety, many individuals seek residency or citizenship in other countries. This is particularly true for those living in regions facing turmoil, as they search for a safer environment for themselves and their families.

In today's unpredictable world, having a Plan B is increasingly crucial. A second residency functions as insurance for your freedom, offering a secure refuge during times of crisis or uncertainty. With legal residency secured, you can have peace of mind, knowing that you have a reliable backup plan for both yourself and your loved ones.

RETIREMENT

Many consider a second residency or citizenship for retirement purposes, seeking a comfortable and cost-effective place to live that offers a high quality of life during their retirement years.

TAX OPTIMIZATION

A key factor for many non-U.S. citizens is the potential for tax optimization. Some countries offer favorable tax regimes for foreign residents or citizens, including lower tax rates, no taxation on worldwide income, or incentives for investors, which can be attractive for high-net-worth individuals.

LIFESTYLE ENHANCEMENT

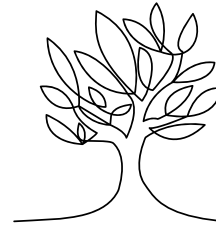
A second residency opens doors to new lifestyle opportunities, from exploring vibrant cultures to enjoying year-round sunshine and natural beauty. Whether you're looking for a retirement haven or a part-time escape, our Teak investment programs offer the flexibility to create the lifestyle you desire.

DIVERSIFICATION

Diversifying your assets is essential for mitigating risk and safeguarding your financial future. Obtaining a second residency diversifies options for the most valuable asset you possess: you. With a second residency, you spread your risk across different geographic regions, reducing dependence on any single location.



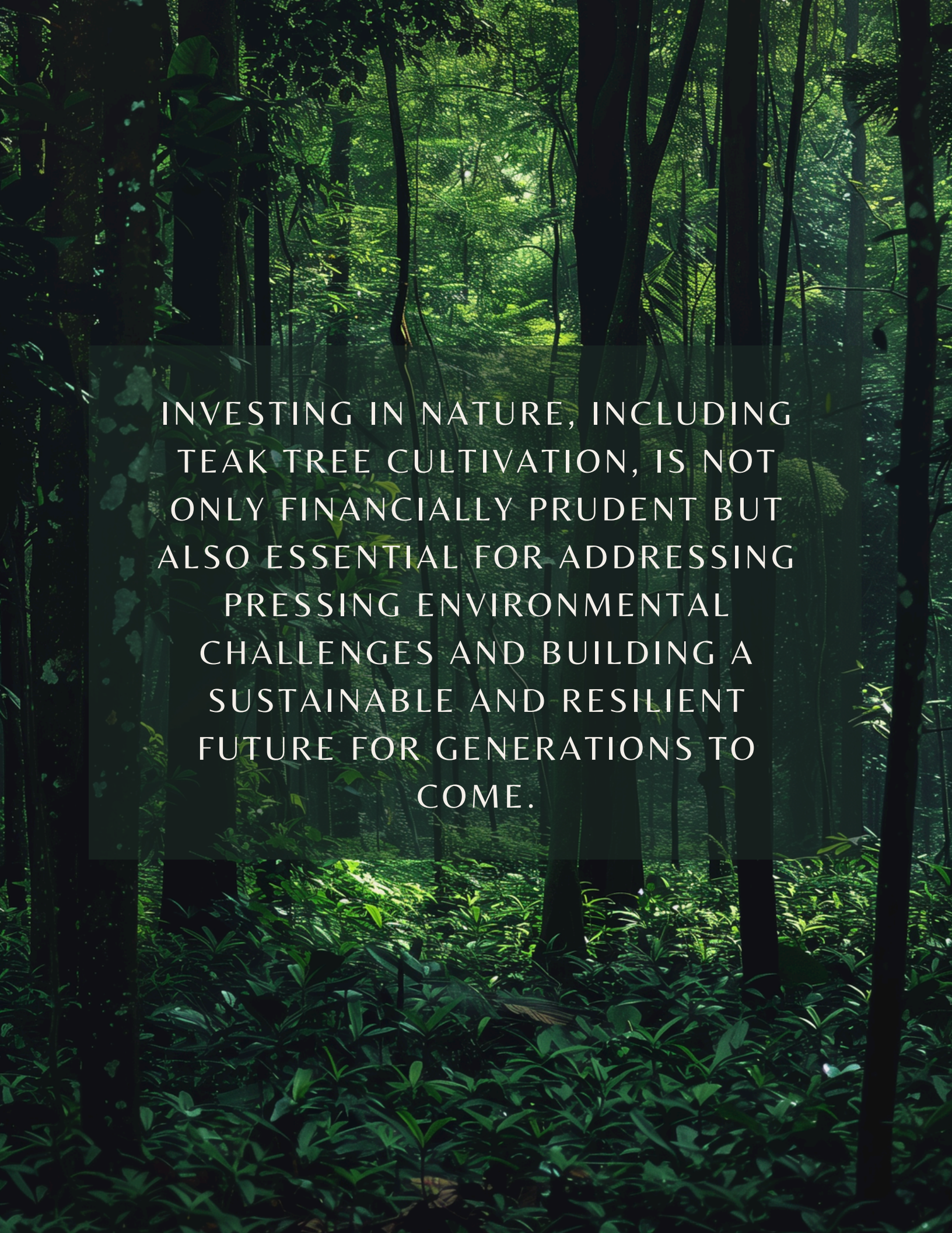
BEYOND MONEY.



As consumer awareness and demand for sustainable products soar, investing in Teak forests emerges as a prime opportunity within the world of nature-based enterprises. Teak cultivation embodies the principles of sustainability and environmental stewardship, offering investors the chance to participate in a burgeoning market for eco-friendly wood products.

By investing in Teak forests, you are not only contributing to the preservation of natural ecosystems but also tapping into a **lucrative market** driven by the growing preference for sustainable materials. Teak wood, renowned for its durability and versatility, is in high demand across industries such as furniture, construction, and marine craftsmanship.

As the market continues to prioritize sustainability, Teak forests stand out as a strategic investment choice. By aligning financial objectives with environmental values, investors can position themselves to reap the rewards of an expanding market for sustainable goods and services, all while fostering the long-term health and vitality of our planet.



INVESTING IN NATURE, INCLUDING
TEAK TREE CULTIVATION, IS NOT
ONLY FINANCIALLY PRUDENT BUT
ALSO ESSENTIAL FOR ADDRESSING
PRESSING ENVIRONMENTAL
CHALLENGES AND BUILDING A
SUSTAINABLE AND RESILIENT
FUTURE FOR GENERATIONS TO
COME.

THE IMPACT.

At Hardwoods Unlimited, our mission is rooted in a deep concern for Central American forests, a commitment to addressing the world's dwindling hardwood supply, and generating an exceptional legacy of returns for our investors over many generations to come.

Our philosophy centers on forging lasting partnerships with investors who share our long-term vision. We understand the importance of transparency, ensuring that plantation owners are fully informed about the potential risks and time commitment associated with Teak cultivation.

Projections for lumber sales forecast a continued historical 5.5% annual growth in the value of Teak lumber over the next 25-year growth period. However, even a modest increase in Teak values upon harvesting could significantly boost the harvest value, delivering substantial higher returns to investors

Owning Teak is also about making a positive impact on the environment and local communities. Teak cultivation enhances ecosystems, contributing to oxygen generation and reducing carbon dioxide levels in the atmosphere. Additionally, it provides natural habitats for wildlife and creates much-needed employment opportunities for some of the poorest people in the Western Hemisphere. By owning a plantation, investors become stewards of sustainable and eco-friendly development, leaving a lasting legacy of environmental and social responsibility.

**JOIN US IN REAPING THE REWARDS OF INVESTING
IN TEAK, WHILE MAKING A MEANINGFUL
DIFFERENCE FOR THE PLANET AND ITS
INHABITANTS.**

RESPONSIBLE GROWING

BUSINESSES THAT ADOPT SUSTAINABLE PRACTICES AND PRIORITIZE ENVIRONMENTAL STEWARDSHIP ARE LIKELY TO GAIN A COMPETITIVE ADVANTAGE IN THE MARKETPLACE.

As a company involved in growing Teak trees and selling them, we take pride in having a significant positive impact on the planet, the environment, and people in several ways:

CARBON SEQUESTRATION

Teak trees absorb carbon dioxide from the atmosphere as they grow, helping to mitigate climate change by sequestering carbon in their wood and roots.

SUSTAINABLE WOOD PRODUCTION

By cultivating Teak trees in a sustainable manner, our company ensures a steady supply of high-quality wood while preserving natural forests and ecosystems.

SOIL PROTECTION

The extensive root systems of Teak trees help prevent soil erosion and improve soil fertility, reducing the risk of land degradation and desertification.

BIODIVERSITY CONSERVATION

Teak plantations can habitat for various species of plants and animals, contributing to biodiversity conservation, especially in regions where natural habitats are fragmented or degraded.

COMMUNITY DEVELOPMENT

Teak plantations create employment opportunities and support local economies, particularly in rural areas where alternative livelihoods may be limited.

IN 25 YEARS, ESPECIALLY WITH DEVELOPMENT OF AI AND TECHNOLOGY, THERE WILL BE INCREASING RECOGNITION, AND MUCH HIGHER AWARENESS OF THE CRITICAL ROLE THAT NATURE PLAYS IN SUSTAINING LIFE ON EARTH.

AS THE IMPACT OF CLIMATE CHANGE BECOMES MORE SEVERE, THE MASS POPULATION IS AWARE OF THE IMPORTANCE OF NATURAL ECOSYSTEMS IN MITIGATING ITS EFFECTS.



A vibrant, sun-drenched forest scene. Tall, slender trees with dense green foliage fill the frame. Sunlight streams through the canopy, creating a bright starburst effect in the upper left. The forest floor is covered in lush green undergrowth and ferns. The overall atmosphere is bright and natural.

APPENDIX

INTRODUCTION TO TEAK

The Teak tree is a tropical hardwood that grows to a height between 150 and 160 feet with a trunk diameter of 6-8 feet. The tree is native to Thailand, Burma, and Java. Optimal growing conditions for the Teak tree include fertile soil and an elevation below 600 meters. High quality Teak is produced with alluvial soil that is deep, flat, well-drained and rich in calcium. A mean annual temperature of 22 to 27 degrees Celsius and annual rainfall of 1,500 to 2,500 millimeters are also important requirements to produce quality Teak. It is also essential that the Teak plantation receives 3 to 5 months of dry season because too much moisture will result in a sappy, low-quality wood. Negative characteristics such as lower average density, lesser quality color, poor texture, and a loss of strength are a result of too much precipitation.

At one time Thailand had 39,536,861 acres of Teak forests. The ancient kings of Burma and Thailand regarded the Teak as a royal tree and strictly regulated its harvest. These forests have now become almost nonexistent. This problem has led to strict government regulation in most of the countries which have the ability to produce Teak. The lone remaining natural Teak forest was in Burma but has been destroyed to fund their civil war. This has led to a drop in supply for Teak and a climb in prices.

The median wholesale price of Teak has increased an average of 5.5% per year since 1972

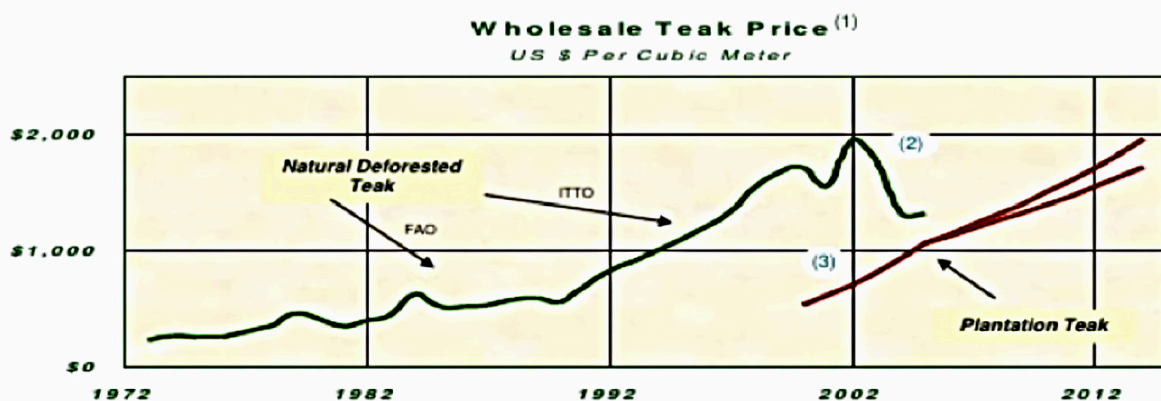


CHART NOTES

- 1) Source International Tropical Timber Organization (www.itto.or.jp). FAO (www.fao.org) and UTMG analysis
- 2) Drop in deforested Teak price is related to political situation in Myanmar and international deforestation laws
- 3) Plantation Teak prices steadily increased the last five years with projected long term annual growth of 5.5% to 7%

As the chart shows, the value of plantation Teak overtook the value of wild Teak in the early 2000's. This was in response to conservation efforts to ensure socially responsible and sustainable forestry. Plantation owners are rewarded for their foresight and investment into a long-cycle cash flow investment by rising prices for Teak generally, but plantation grown Teak specifically.

Teak lumber itself is a tawny golden color with streaks of dark brown when harvested. The wood of the tree is exceptionally hard, heavy, strong and oily. The natural oil in the wood makes it very durable and makes it unnecessary to treat the wood. The natural preservative makes the wood resistant to insects, fungus, marine borers, rot, and moisture damage after year 3. Teak has become the lumber of choice because of its ability to avoid rust and corrosion when in contact with metals. This trait makes the lumber very valuable to shipbuilders for expensive boats and yachts. The oil of the Teak also prevents the wood from warping, cracking or becoming brittle. It is also used for exterior decking, trim, windows, garden furniture, park benches, and various marine applications. Teak can also be used indoors for flooring and paneling in banks and office buildings. Teak lumber can even be found in the oil fields of the Middle East. This is because it is the only wood, which can survive the conditions of the desert without becoming dry and susceptible to conducting electrical sparks.



The popularity of Teak lumber has been steadily increasing over recent years. The supply, however, has not kept pace with the demand and this has led to global shortages of the tree. The North American Hardwood Association reported that there was a 625% percent increase in the price of Teak from 1986 to 1992. The plantation has certain advantages over the natural Teak forests because it is easier and more economical to harvest Teak from the plantation.

TREE VALUE TERMS

The following terms are used to describe the logs and lumber and the calculations for the projected ROI to investors.

A **thinning** is the planned removal of a percentage of trees that may or may not have commercial value depending on the age of the tree and the reason for removal.

M3 is the abbreviation for cubic meters, a standard measurement for raw log quantities. The **market grade** determines the market for raw log sales.

The **height and diameter** growth estimates are based on growth rates obtained in plantations in the Caribbean and Central America.

The estimated amount of **marketable board feet** is a standard measure of wood used in the U.S. One board foot of wood is one foot square by one inch thick (1' x 1' x 1"). There are 12 board feet in a cubic foot of lumber and 423 board feet in a cubic meter of lumber according to the National Hardwoods Lumber Association. The estimate of marketable wood is based upon the estimated volume per tree in cubic feet, multiplied by 12 to obtain the number of board feet, and then reduced by the estimated amount of processing waste, which is sawing losses and damage to the logs while being harvested, transported and processed. The inefficiency of sawing smaller diameter logs into lumber results in a greater sawing loss on younger, smaller trees. All sales of trees prior to the final harvest in 25 years will be sold as logs.

The **value per board foot** is the estimated value of the lumber from each tree. This is arrived at by multiplying the estimated number of marketable board feet per tree, by the projected price per board foot at the time of harvest. The projected values per board foot are based only upon the value of lumber the tree may produce and do not include any estimate of the premium value that veneer logs may bring.

Gross harvest proceeds, the estimated gross proceeds from the sale of the lumber from each harvest, is arrived at by multiplying the estimated value per board foot times the marketable board feet in that thinning or harvest.

Harvest and processing costs are the direct costs of harvesting your trees, transporting your logs to the sawmill and having them sawn into marketable lumber.

By subtracting the estimated harvest and processing costs from your gross harvest proceeds, you arrive at net harvest proceeds.

For these projections we have assumed that the harvest and processing costs will be 15% of gross projected harvest proceeds.

The care and management fee is the normal charge for managing the care and maintenance of your trees and the harvest, processing and sale of your hardwoods. The care and management fee is \$125 annual maintenance per quarter acre plus 20% of the gross harvest proceeds.



RISK FACTORS

While owning a Teak plantation offers tremendous potential for growth and prosperity, it's important to acknowledge and address potential risks. Factors such as fire, insects, disease, droughts, theft, and political instability can pose challenges to a successful harvest.

Among these risks, fire is often cited as a primary concern for Teak plantations. During the initial stages of growth, especially in the first dry season after planting, young trees are particularly vulnerable to fire damage. However, proactive measures such as meticulous maintenance and removal of ignitable undergrowth can significantly mitigate this risk.

It's worth noting that Teak trees naturally become more resistant to fire as they mature. By the fourth year of growth, the trees develop bark that offers increased protection.

While risks are inherent in any investment, we are committed to ensuring the safety and security of our plantation. Through careful management and proactive measures, we strive to safeguard your investment and maximize the potential for a successful harvest.

While insects pose a potential risk to a Teak plantation, it's important to note that this risk is relatively small. The unique characteristics of the Teak tree render it naturally resistant to most insects. In fact, there are no known species of insects that have caused significant damage to mature Teak plantations in Panama.

However, it's worth mentioning that there is one type of insect that may pose a threat to young plants by feeding on their roots. Fortunately, this issue can be effectively addressed with the use of simple organic pesticides, ensuring the health and vitality of the plantation.

Disease presents another potential risk to our Teak plantation. While mature Teak trees exhibit high resistance to pests and diseases, there is a slight susceptibility to fungal infections during the initial growth stages. However, pre-planting treatments with anti-fungal compounds can effectively mitigate this risk, ensuring the health and vitality of our plantation.

Political instability in Central America remains a concern, with past periods of upheaval reminding us of the region's vulnerability. Natural disasters such as droughts and earthquakes could also impact harvest yields, posing additional challenges for plantation owners.

Furthermore, fluctuations in Teak prices present a degree of uncertainty, as market conditions and competition from cheaper lumber substitutes may influence value.

While our company is committed to employing advanced pest control techniques and maintaining a dedicated security force to safeguard the plantation, the risk of pests, diseases, and theft from illegal timber operations or squatters remains a potential threat to our investment.



THE COMPANY

HARDWOODS UNLIMITED

In today's world, maintaining a healthy sense of skepticism is paramount for both success and consumer protection. At Hardwoods Unlimited, we encourage thorough research and due diligence before making any investment decisions.

Hardwoods Unlimited was founded by a group of business people already substantially involved in the region for over 30 years. It is important for the investor to understand the people who stand behind the company.

We warmly invite you to visit our original plantation in Panama and witness firsthand the realities of a Teak plantation. Seeing our operations up close will provide you with valuable insights into our commitment to excellence and sustainable practices.

Our Teak plantation is under the expert management of GeoForestal, a reputable third-party reforestation and forestry management company. Established in 1994 following the regulation of reforestation activity in Panama, GeoForestal specializes in providing comprehensive reforestation services and the cultivation of forest plants, with Teak being a primary focus for clients like Hardwoods Unlimited.

Their services encompass a wide range of expertise, including environmental impact assessment, reforestation planning and management, project supervision, and more. With GeoForestal at the helm, we ensure meticulous care and sustainable practices are applied to every aspect of our plantation operations.



PANAMA

OVERVIEW AND ECONOMY

Panama is the isthmus linking South America with Central and North America. The country, which is bisected by the Panama Canal, is bounded on the north by the Caribbean Sea, on the east by Colombia, on the south by the Pacific Ocean, and on the west by Costa Rica.

According to 2023 estimates, Panama's population is just over 4.4 million, giving the country an overall population density of about 150 persons per sq. mile. About one-quarter of all Panamanians are concentrated in the two metropolitan areas, Panamá and Colón. Panamá is divided into nine provinces—Bocas del Toro, Chiriquí, Coclé, Colón, Darién, Herrera, Los Santos, Panamá, and Veraguas—and one special territory, Comarca de San Blas.

The capital, Panama City, has approximately 2 million inhabitants and is the principal commercial and transportation center; San Miguelito (population totaled with the capital) is a suburb of the capital. Other important cities are Colón, the northern terminus of the Panama Canal, and David, a farming center near the Costa Rican border.



In Panama, the Balboa, which is divided into 100 centésimos, is the basic monetary unit. Nonetheless, U.S. paper money and coinage are widely circulated, is the normal legal currency, and no exchange control is exercised. The National Bank of Panama (1904) is the Social bank.

The major source of government revenue in Panama is associated with the operation of the Panama Canal, which was turned over by the United States to the Government of Panama in 2000.

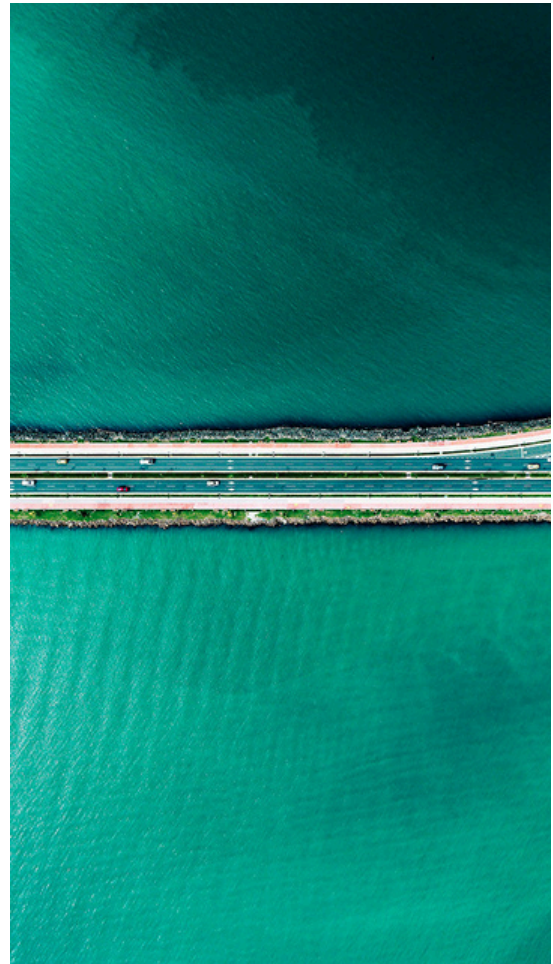
The country's chief exports are gold, bananas, petroleum products, shrimp, raw sugar, and coffee. The U.S. receives more than 60% of Panama's exports. Imports, mostly from the United States, Mexico, and Japan, consist primarily of mineral fuels, machinery, chemicals, transportation equipment, and basic manufactured products.

The wage labor force in Panama includes less than one-third of the total population. About 30% of this labor force is employed in agriculture, forestry, and fishing, and approximately 47% works in commerce, finance, and services. Approximately 17% of the work force belongs to labor unions.



INFRASTRUCTURE

Panama has about 6,040 miles of roads, including a section of the Pan-American Highway which connects the Teak plantation in Darien with Panama City. The country also is served by about 280 miles of railroad. The main railway line crosses the isthmus and connects Cristóbal to Panamá. The Panama Canal links the Caribbean to the Pacific coast, and the country's main ports are Balboa, Cristóbal, Bocas del Toro, Almirante, and Puerto Armuelles. The Panamanian merchant fleet is one of the largest in the world, although many of the ships registered here are foreign owned and maintain foreign crews. There is also a major international airport, which is located near Panamá with another under construction near Rio Hato to serve the Western beach communities.



NATURAL RESOURCES

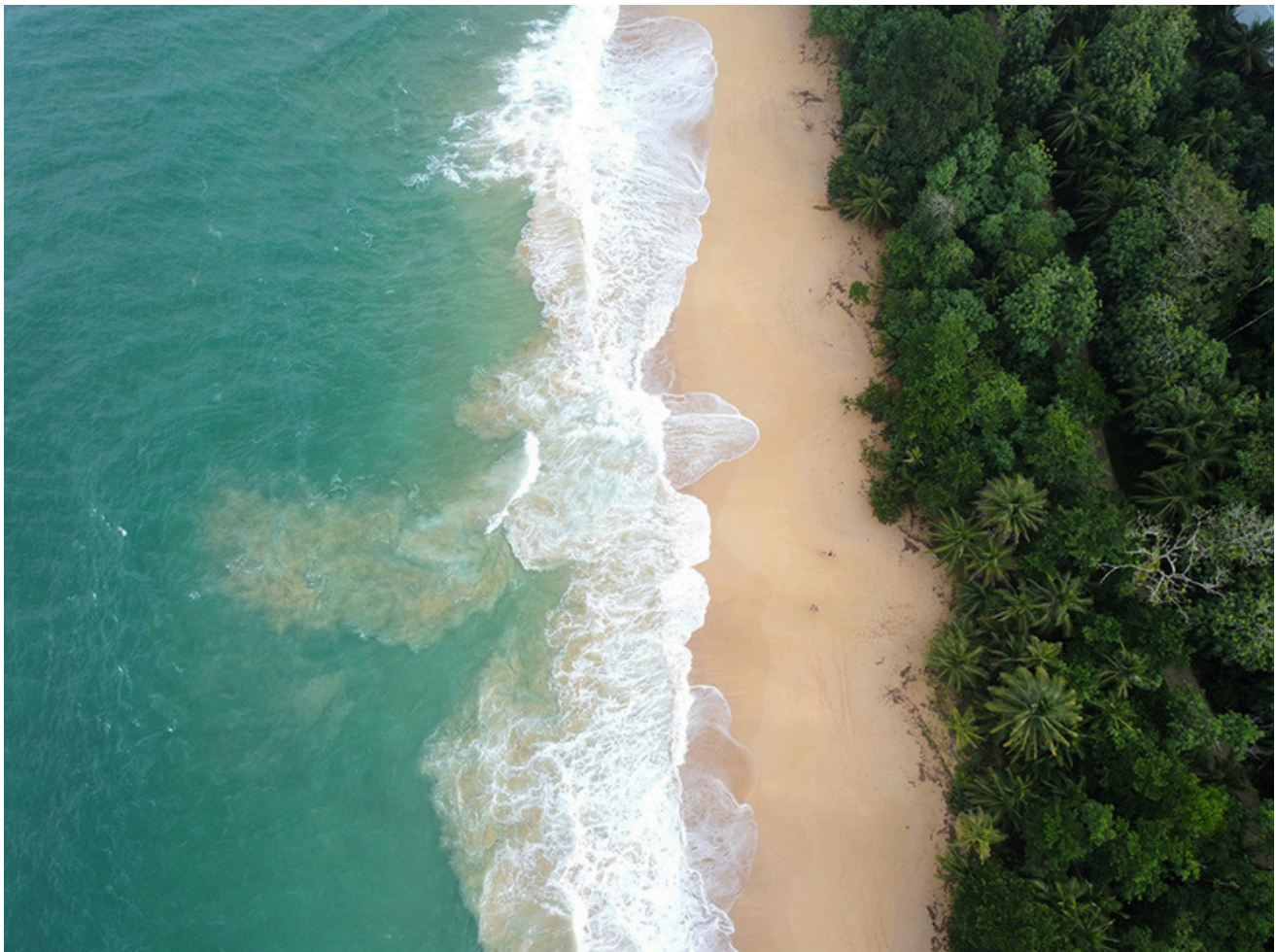
Panama is traversed lengthwise by two mountain systems. The loftier Serrania de Tabasará crosses into Panama from the west. The range averages 5,000 ft. in elevation, with its tallest peak, Barú, an extinct volcano, reaching 11,401 ft. The Cordillera de San Blas and the Sierra del Darién, which form the lower range, average about 3,000 ft. and are almost entirely situated within the country. The mountain ranges enclose fertile, well-drained valleys and plains.

The region between the two mountain systems consists of hills, ranging from about 300 to 1,500 ft. in height, and valleys. It is thickly matted with forest and tangled undergrowth and is studded with ridges, crests, and occasional plains and high plateaus. The two mountain ranges are watersheds within which rise some 325 rivers and streams emptying into the Pacific and 150 descending to the Caribbean. The largest and most important river, the Tuira, flows into the Golfo de San Miguel on the Pacific coast. Another large river, the Chagres, rises in central Panama and is dammed at Gatun into an artificial lake that forms an important section of the Panama Canal and provides the majority of potable water for Panama City.

Both Panamanian coasts are indented by lagoons, bays, and gulfs. The Gulf of Panama lies on the Pacific side and contains the Archipiélago de las Perlas (Pearl Islands), consisting of more than 100 islands of varying size with a total area of some 450 sq. miles.

Panama has a tropical climate with average annual temperatures ranging from 83 degrees to 95 degrees in coastal areas. In the interior, at the higher altitudes, the average temperature is 66 degrees. The rainy season extends from April to December. On the Caribbean coast the average annual rainfall is about 117 inches; on the Pacific side it is about 65 inches.

Panama has been slow to develop its natural resources such as mineral deposits of manganese, copper, iron, and asbestos. About 8% of Panama's land is under cultivation. The main crops are bananas, plantains, sugarcane, rice, maize, and coffee. Forest products of Panama include a variety of woods, notably mahogany.



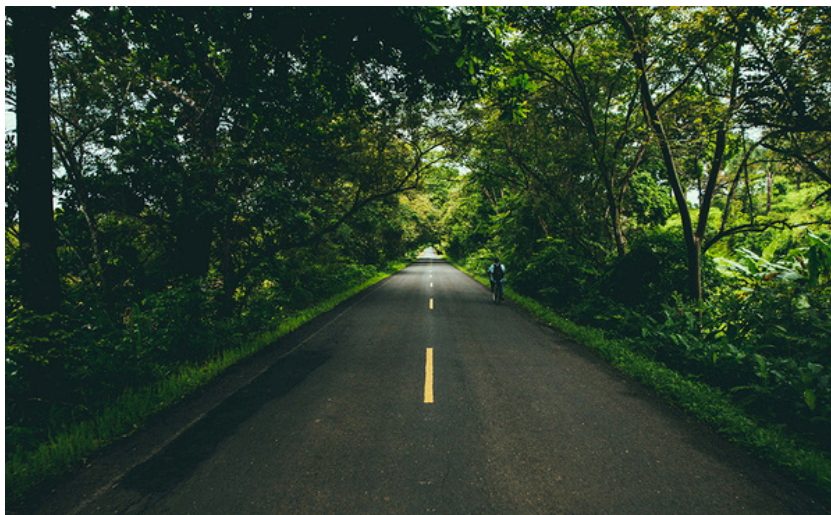
PANAMA REFORESTATION INCENTIVES

Panama has recently intensified its efforts to preserve and restore its forests, introducing an incentives program aimed at attracting investors to reforestation projects. Investors have the opportunity to become direct stakeholders in plantation operations, unlocking various project incentives:

- Import materials to Panama tax-free.
- Exemption from income taxes on reforestation income and forest product commercialization.
- No real estate transfer or value tax on properties exceeding 200 hectares or with over 50% of land dedicated to reforestation.
- Tax credits for firms utilizing plantation-derived raw materials in manufacturing.
- 100% capital investment deduction for income tax purposes.

Remarkably, the state allows flexibility in land use, provided it aligns with soil compatibility and selected tree species. To qualify for incentives, investors must register with the Forestry Registry (INRENARE), submit a business plan, scaled land maps (for projects over 100 hectares), and provide proof of legal interest in the land, such as lease agreements or titles.

Additionally, an annual report consisting of financial statements and engineer assessments is required. These reports undergo review by INRENARE, which may conduct on-site inspections. Upon confirmation of compliance with incentive regulations, INRENARE forwards its findings to the Revenue Directorate at the Ministry of Housing and Treasury.



NICARAGUA

OVERVIEW AND ECONOMY

Nicaragua is a Central American nation located North of Costa Rica and South of Honduras. It is one of the first places on mainland America to be colonized, and home to the oldest colonial city in the Americas, Granada. The climate of Nicaragua is tropical, with a dry season from November to April, and a rainy season from May to mid-November. While this is not entirely consistent throughout the country, the variation is relatively slight.

The country of Nicaragua is divided into what are called departments and consists of three distinct regions: Pacific Lowlands, Caribbean Lowlands, and Central Highlands. These regions are defined by their geographic qualities, as well as their level of development. The Pacific Lowlands encompass the majority of metropolitan areas in Nicaragua, including the capital city Managua, and the colonial cities Granada and León. The Pacific Lowlands also serve as the primary tourist region of the country, and are where Gran Pacifica's Teak plantation is located. High temperatures are generally between 85-91oF (28-32oC) throughout the year.



The Central Highlands have a slightly cooler climate, with highs between 75- 80oF (23oC-27oC), and receive more rain throughout the year than the Lowlands. Much of the country’s agriculture is centered in this region, and coffee is grown in the higher altitudes. The climate of this region is often called “eternal spring” due to the mild temperatures and frequent misting of rain. This region is primarily rural, with several towns but no major cities.

The Caribbean Lowlands are primarily rainforest, and are characterized by high temperatures and humidity. Much of this region is protected from development by the government, and the two largest departments on this coast are special autonomous regions. This is due to the historic land rights of the indigenous, as well as the country’s desire to preserve its biodiversity. There is also a Creole population on the Caribbean coast, but the area overall is sparsely populated.

The national currency of Nicaragua is the Córdoba, which is tied closely to the US Dollar in terms of inflation. United States paper money is accepted almost universally and is available for withdrawal as well.

Businesses will not accept U.S. coins, damaged bills, or bills over \$20. If paying with U.S. currency, you will receive your change in Nicaraguan Córdobas. The Nicaraguan economy is fairly open when it comes to international trade, and plans for a possible canal show the government’s willingness to work with partners in America as well as overseas.

The primary export of Nicaragua is agriculture, which was also the country’s biggest industry until 2006, and is still the top source of formal employment. Since then, tourism has been Nicaragua’s most lucrative business. The tourism industry is growing by an average of 10% yearly, which has led to the creation of many businesses offering associated services, hospitality schools, and construction. Nicaragua’s economy is one of the smallest in the Americas, and workers receive one of the lowest minimum wages in the region.

INFRASTRUCTURE

The infrastructure in Nicaragua has been receiving a lot of attention from the government, particularly due to the ever-increasing tourist and expat populations in the country, as well as the desire for expanded international investment. There are 14,933 miles of road in Nicaragua, the majority of which are surfaced for all seasons.

Cities are connected by modern highways, and transportation to major destinations throughout the country is straightforward via car, bus, or taxi. Augusto C. Sandino International Airport is fifteen minutes from Managua and within hours of the Pacific and most major cities.

Nicaragua has only one deep-water port, El Corinto, but also has several cities along the coastline. Nicaragua is connected to other Central American countries by the Pan-American Highway, and buses are available to Costa Rica and other countries daily.

NATURAL RESOURCES

Nicaragua has diverse, verdant landscapes, as well as important natural resources. Nicaragua is home to many gold mines, and its many active volcanoes form a great source of geothermal energy. Currently, about 52% of Nicaragua's electricity is provided by renewable sources. Much of the country's rainforest and coastline is protected, and Lake Nicaragua is the largest, most biodiverse lake in Central America. Fruit trees such as mango, lime, and pineapple are common for the region, and sugarcane is a popular crop in many departments OF NICARAGUA.

Nicaragua is also known for its beef and seafood. Cows are generally grass fed. In the '80s and early 90's, the Nicaraguan government has begun to regulate timber companies, requiring them to reforest the land as well. Gran Pacifica is committed to the environment and reforestation, and provides access to sustainably grown Teak. If you would like to learn the specifics of how Nicaragua's reforestation directly affect your parcel, please contact us and we can refer you to a qualified one of the country's largest sectors.

REFORESTATION INCENTIVES

Due to deforestation in the '80s and early 90's, the Nicaraguan government has begun to tightly regulate timber companies, requiring them to reforest the land as well. Gran Pacifica is committed to the environment and reforestation, and provides access to sustainably grown, high-quality Teak. If you would like to learn the specifics of how Nicaragua's reforestation incentives directly affect your parcel, please contact us and we can refer you to a qualified local attorney.



RESIDENCY

THE PURCHASE OF YOUR PARCEL
MAY QUALIFY YOU FOR
RESIDENCY. FOR DETAILS ON
HOW TO OBTAIN PANAMA OR
NICARAGUA RESIDENCY PLEASE
EMAIL
INFO@TEAKHARDWOODS.COM.

TEAM BIOS

MICHAEL K. COBB

At the height of a successful career in the computer industry, Mr. Cobb left to pursue more pioneering opportunities in the emerging real estate markets of Latin America. In 1996, he and his business partner formed a company, Exotic Caye International, to provide loans to North Americans purchasing properties in Belize, Honduras, Panama, Costa Rica, Argentina, and throughout the region. As the need for capital outstripped the supply, the mortgage company was converted to an international bank under the jurisdiction of Belize. As Caye International Bank, has expanded its services to encompass the full realm of financial products.

With a strong focus on consumer need, Mr. Cobb accurately predicted the growing need for high quality, residential product for North American vacation home buyers and Baby Boomer retirees in the region. He led the group into real estate development and created a holding company called ECI Development for several properties including a resort on Ambergris Caye, Belize in development as a Marriott Resort.

ECI is now a multi-country developer with projects in 5 countries of Latin America and one in Europe: Belize, Nicaragua, Costa Rica, Honduras, El Salvador, and Panama. Communities are planned in Ecuador, Argentina, and Chile as well. The model pursued is based on the Del Webb Resort communities in the U.S. with a focus on serving these consumers in multiple countries and geographies in the region.

In August of 2000, ECI Development purchased 3.5 miles of Pacific Beachfront property due west of Managua, Nicaragua. Residents of this master planned community enjoy world-class infrastructure, a golf course, homes and condominium units. In February of 2006, the ECI Development group acquired 1100 acres and 3km of coastline in Costa Rica. In 2008, the group merged an ocean front resort in Belize with a much larger property off the water including tennis courts and fitness center to create the Baymen Gardens Residential Community, the first of its kind on Ambergris Caye. In 2012, ECI Development purchased a position in a new project in Panama adding over 700 acres and another mile of Pacific beachfront to their holdings. ECI Development is the only real estate development company in the region to adopt the proven Del Webb Model. Geographically diverse communities in

six Latin American countries and Europe. Large diversity of products serving all clients (Eco-homes, economical home sites, estate home lots, existing single-family homes, condominiums, and hotel rooms. Over 190 employees across all our locations & growing.

Mike Cobb speaks at dozens of international conferences annually about offshore real estate finance, development, and ownership. He was consultant to The Oxford Club, hosted a weekly radio program, contributes regularly to overseas publications, sits on the board of several international companies, gives counsel to projects throughout Central America.

Mr. Cobb served on the Presidents Advisory Group for the National Association of Realtors (2016), The Board of Directors for the NAR (2017), and sat on the Global Business and Alliance Committee for the NAR (2018). He also speaks at various National and International NAR events for realtors around the world. From 2002 through 2016, Mike, his wife Carol, and 2 daughters, Amanda and Emily made their home in Latin America.

GEO FORESTAL

Geo Forestal, SA, began its operations in 1994, with the production and sale of forest plants and reforestation services with a nursery located in Santa María, district of Penonomé, province of Coclé.

Starting in 1998, the company diversified its products and began the production and sale of ornamental plants, organic compounds, palms, and trees for landscaping projects, as well as offering gardening and landscaping services nationwide. In order to facilitate the sale of the products offered by the company, the sales outlets located in Penonomé, Antón, Coronado, Chorrera and Panama (Brisas del Golf) were opened.

The main strengths of Geo Forestal, SA are human resources and infrastructure and equipment. The human resource is made up of 60 professionals including technicians, operatives and administrators with extensive experience and oriented to provide our clients with professional and quality care. The most important infrastructure is the Santa María nursery, which has a surface area of 13 hectares, with permanent water that allows us to have the capacity to deal with the efficient production of mega-project plants and deliver them on time according to schedules.

Among the most important equipment we have two high capacity trucks, eight pick up trucks and four agricultural tractors.

Geo Forestal, SA throughout its 25 years has been characterized by offering the client the most competitive option in the market, at the forefront of the latest trends in gardening and reforestation.

CONFLICT OF INTEREST

The firm of Nagel & Associates represents the company, Hardwoods Unlimited, Ltd in this transaction. Mr. Joel M. Nagel is a partner in that firm and his family indirectly holds a personal stake in the plantation. He also represents personally, several of the officers and directors of the corporation, including Mr. Michael K. Cobb, the President of Hardwoods Unlimited I, L.P. A possible conflict of interest situation could arise out of either Mr. Nagel's family's ownership in the issue, or out of Mr. Nagel's representation of any person who is in anyway involved with this offering. By purchasing a plantation, a waiver of this potential conflict of interest is hereby expressly given by the individual who becomes an owner of a Teak plantation.

For additional information, questions or concerns, contact Hardwood Unlimited administrative headquarters at:

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