

HERDADE DO PASSO

Climate & Education Regenerative Investment Summary

Portugal – Land Restoration & Intergenerational Stewardship

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Project Purpose

Herdade do Passo is a land-based regenerative ecosystem designed to restore ecological balance while cultivating intergenerational education and community resilience.

The project integrates:

- 25 long-term resident members
- 25 long-stay regenerative program participants
- Eco-bungalow hospitality (phased, low-impact)
- Regenerative agriculture and biodiversity restoration
- Farmshop & rural enterprise
- Digital knowledge platform for ecosystem education

The model connects **climate restoration with lived education**, embedding environmental learning directly into daily land stewardship.

Climate & Ecological Impact

The project is structured to deliver measurable ecological outcomes:

- Soil regeneration and increased organic matter
- Biodiversity enhancement across cultivated and rewilded zones
- Water retention and landscape resilience
- Reduction of extractive agricultural practices
- Long-term land protection from speculative development

The financial model supports ecological permanence rather than short-term tourism turnover.

Education & Community Impact

Herdade do Passo integrates climate literacy with practical participation:

- Hands-on regenerative agriculture programs
- Intergenerational learning environment
- Resident-led stewardship initiatives
- Digital platform sharing knowledge beyond the site
- Youth and family-centered ecosystem immersion

The site functions as a living laboratory for regenerative practice.

Governance & Mission Protection

The project operates under a dual-entity structure:

Associação Herdade do Passo

Non-profit governance entity and mission guardian

↓ 100% ownership

Herdade do Passo Lda

Land-holding and operating company

- Land is held within the Lda for clean collateralization.
- Governance stability is protected during a 10-year Foundational Protection Period (or until full debt repayment).
- Transition to resident-elected governance occurs only after all debt obligations are fully satisfied.
- No private extraction of profits.

This ensures long-term ecological and educational continuity.

Capital Structure

Total Capital Deployment: **€2.036M**

Layer	Amount	Position
Land Loan	€1.200M	Senior Secured
Operational Loan	€706k	Secured
Pre-Phase Loan	€130k	Subordinated

Loan Terms

Land Loan

- 3% simple interest
- 10-year balloon
- First mortgage on land

Operational Loan

- 6% interest
- 3-year interest-only
- 8-year amortization

Pre-Phase Loan

- €130k subordinated
- 8% simple interest
- 24-month term
- Rolls into operational stack at close

Investor exit = full repayment of principal and accrued interest.

No equity participation structure.

Financial Profile (Base Case)

Year 5 Stabilized Revenue: ~€417k

Year 5 EBITDA: ~€237k

Debt Service Coverage Ratio (DSCR):

- Year 3: 1.47x
- Year 5: 1.62x
- Year 10: ~1.90x

Refinance readiness from Year 7 onward.

Primary revenue anchor: resident stability, not transient tourism.

Risk & Stability Measures

- Phased infrastructure build
- 6-month liquidity reserve covenant
- Share transfer and land disposal restrictions
- Grant income subject to senior debt
- Reduced management compensation during ramp phase
- Resident-manager model stabilizing operations

Primary risk window: Years 1–2 ramp period.

Strategic Positioning

Herdade do Passo represents:

- Asset-backed climate-aligned rural infrastructure
- Education-centered regenerative land stewardship
- Grant-leveraged ecological development platform
- Patient capital deployment into measurable environmental and social impact

It is structured for conservative repayment discipline while embedding long-term climate and education outcomes.

Detailed financial model, governance framework, and impact measurement methodology available upon request.

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