

**COMMUNITY FORESTRY MANAGEMENT AGREEMENT  
BETWEEN THE**

**GBA COMMUNITY ASSEMBLY INCORPORATED  
AND**

**LTTC THANRY (T) LIBERIAN TIMBER TRADING  
COMPANY THANRY (T)**

**APRIL 12, 2016**

**SANNIQUELLIE  
NIMBA COUNTY  
LIBERIA**

REPUBLIC LIBERIA ]  
NIMBA COUNTY ]

This Community Forestry Management Agreement is made and entered into this 12 day of April A.D. 2016 by and between the Gba Community Assembly Incorporated (Inc.) a legally Incorporated entity organized under the Liberian Business Association Law hereinafter known and referred to as the Party of the first part or the offeror or the owner of Gbapa Town, Yarmein Administrative District, Nimba County, Republic of Liberia and the **LTTC THANRY (T) LIBERIAN TIMBER TRADING COMPANY THANRY(T)** business entity organized in pursuant to and existing under the Liberian Business Association Law hereinafter known and referred to as the party of the second part, or the offeree or the company of the City of Samiquellie, Nimba County, Republic of Liberia; hereby

**WITNESSETH:**

WHEREAS, the party of the first part is owner of four hundred fifty (450) acres of land lying, being and located in Gbapa Town, Yarmein Administrative District, Nimba County, Republic of Liberia; and

WHEREAS, the said four hundred fifty (450) acres is rich with varying species of marketable logs that the party of the first part offers to the party of the second part for logging purpose; and

WHEREAS, the party of the second accepts the offer of the party of the first part to harvest all of the species contained within the four hundred fifty (450) acres; and

WHEREAS, the parties have mutually agreed to honor and respect all of the terms as contained in this Logs Extraction Contract;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS TO BE KEPT AND PERFORMED, the parties agreed as follows to wit:

1. That the party of the first part grants forest harvesting rights to timber currently found within its four hundred fifty (450) acres of land lying, being and located in Gbapa Town, Yarmein Administrative District, Nimba County, Republic of Liberia to the party of the second part. The map depicting the metes and bounds of the subject land is herewith incorporated by reference to form a part of this agreement.
2. The party of the first part hereby authorizes the party of the **second** part to exploit, fell and or harvest all of the logs contained on the four hundred fifty (450) acres of land subject to a monetary value of **thirty-five United States Dollars (US\$35.00)** per cubic meter of log payable to the party of the first part through its Liberian Bank for Development and Investment (LBDI) account as specify in **count** four below. Cubic Meter as indicated herein refers to the volume or size of a log,
3. That the parties agreed that an independent surveyor (a Technician from the FDA) with the technical expertise in forestry will be contracted by the party of the first part in addition to SGS and paid by the party of the second part to work along with representative of the party of the first part to ensure that a complete pre-felling survey is conducted on total number of harvestable species as well as their sizes; and that such independent surveyor shall verify the accuracy of the species felled and their cubic meters and report same to the party of the first part.
4. It is further agreed that the total monetary value of the harvestable logs shall be made available and communicated in writing by the Party of the second part to the party of the first part prior to the commencement of exportation; and that 20% of the US\$35.00

5. It is further mutually agreed that the party of the second part shall post a performance bond procured from a reputable Liberian bank or non-bank financial institution valid until one hundred and twenty (120) days after the end of this agreement for the balance 80% of the total cost of all logs harvested as calculated by the pre-felling survey provided for in clause 3 of this agreement; and that the failure of the party of the second part to perform as in keeping with the payments as contained herein shall be ground for the party of the first part to seek indemnification from the financial institution posting the performance bond on behalf of the party of the second part.
6. Both the party of the first part and the party of second part agree and consent that in the event the logs harvested are not shipped/exported by the party of second part prior to end of this agreement, the party of the second part shall pay or cause to be paid the balance 80% to the party of the first part within ninety (90) days of the end of this agreement, and the failure to do so shall be considered a breach of this agreement, for which indemnification from the bank or non-bank financial institution shall be sought through the courts.
7. It is further agreed and understood that the period of this agreement shall be the maximum of One (1) Year, commencing the 12 day of April A.D. 2016 and ending the 12 day of April A.D 2017; and that any extension thereof shall be agreed in writing by the parties.
8. That the party of the second part shall assume the following responsibilities:
  - a. Pay all Government taxes and fees levied against or to be levied against the demised land by reason of the existence of this contractual agreement between the parties to include but not limited to income tax, withholding tax, stumpage fees, forest product fees, export fees, royalties and any other tax or costs or fees that are legally applicable in the instant case; the party of the second part shall also assume full responsibility of all costs associated with the felling, transporting, relocating and exporting of the logs.
  - b. Settle all environmental related damage or damages if any that may arise as a result of the harvesting of the logs or work done on the four hundred fifty (450) acres that may affect bio-diversity within or outside the demarcated area.
  - c. Carry out harvesting in environmentally sound ways with the primary objective of minimizing threats to bio-diversity. The logging procedures shall conform to FDA rules in this respect.
  - d. Ensure that it operates within the perimeter of the 450 acres of forest land, See Map In Appendix.
  - e. Hire 80% of the workers/laborers from the communities of the Party of the first part who are qualified for such employment, and paid all salaries and wages due monthly and in keeping with the Labor Law of Liberia.
  - f. Provide safety tools, materials, equipment and transportation as well as medical insurance to laborers/workforce and conduct itself under the labor practices laws of Liberia relative to its employment relationships.
  - g. Ensure that all FDA pre-felling requirements are fully adhered to or complied with which include but are not limited to performance bond, environment permit, management plan, annual operational plan, boundary demarcation

- i. Clear and maintain a landing site to be identified by the party of the first part for the piling up of harvested logs.
  - j. Harvest and transport to the landing site for the party of the first part's utilization all species that are in the pathway or access-way of harvestable logs.
  - k. Provide one (1) power-saw, full training in its safe use and one (1) full set of personal safety equipment for the party of the first part for the use by the community.
9. **The parties agreed** that the party of the first part shall perform and discharge its responsibilities under this agreement under the following conditions:
- a. that the party of the first part shall agree with ArcelorMittal which of its roads may be used by the party of the second part that shall then be granted unhindered access to these original roads and/or pathways for its transportation needs to and from the four hundred fifty (450) acres absence any payment for the usage excepting that before removing logs from the landing site the party of the second part shall restore the roads to their pre-existing condition as agreed before use by representatives of the two parties and ArcelorMittal and failing this the party of the first part shall pay to ArcelorMittal whatsoever costs are needed to rehabilitate the roads and shall reclaim this money from the party of the second part if necessary by stopping the removal of logs from the landing site before it is paid or calling in the performance bond; the map containing or depicting the drawings of access roads is herewith incorporated (*See Map in Appendix*) by reference to form a part of this agreement.
  - b. that the party of the first part shall further provide and locate for the party of the second part a place or area to be cleared and maintained and afterwards restored by the party of the second part at its own cost a landing site for storage of the harvested/exploited logs prior to the exportation of same for marketing without any additional charge from the party of the first part;
10. THAT the parties also mutually agreed that in the event of force majeure that shall create a state of impossibility of performance and not attributed to either of the parties, this agreement shall discontinue until as such time when the condition(s) that have given rise to the impossibility of performance is cured, except that the party of the second part shall make payment of logs already exploited and intentionally abandoned.
11. THAT in the event the party of the first part creates or occasions a situation that causes disruption in the work activities of the party of the second part and such disruption engenders delays in contract performance, this agreement shall be extended by the time lost.
12. THAT the parties shall implement this contractual agreement in straight adherence to the 2006 Forestry Law of Liberia, the Decent Work Bill, the Revenue and Finance Law of the Republic of Liberia.
13. THAT the parties further covenant that any and all mutually unmanageable disputes arising between the parties to this contract, from implementation in part or in whole by a party shall be referred to a three-man arbitration team comprising of a representative of the Forestry Development Authority, a representative of the Community preferably the District Commissioner of Gbaa and a nominee of the Liberian Timber Trading Company Thany whose findings and recommendations shall be binding on all parties, their respective agents, representatives, assigned and enforce before any and all courts of competent jurisdiction within the Republic of Liberia.

causes harm and injury to the party of the first part, which harm cannot be cure by arbitration, the party of the first part shall reserve the right to immediately terminate this agreement and institute the appropriate legal proceedings in a court of competent jurisdiction against the party of the second part.

15. THAT the parties hereby covenant that should the party of the second part fails to perform as in keeping with this contract or should it be discovered that the party of the second part is incapable of performing under the contract, the Party of the first part shall immediately notify the party of the second part, and give a two (2) week period for performance; the party of the first part shall move to terminate the contract should the party of the second part fails to cure this defect; and by this instrument, the party of the second part relinquishes any right to the demised premises, and authorizes the party of the first part to proceed and engage other interested party(ies) for the harvest of the 450 acres forest land.

16. THIS contractual agreement shall have a binding effect upon all parties, their respective agents, representative, assigned successors and absence prior knowledge of its existence shall not constitute a defense.

In witness whereof, the parties herein have set their hands and affixed their signatures on the date and time first written above.

AUSTIN KAI

NAME

Austin Kai

SIGNATURE

Akay

CHIEF EXECUTIVE OFFICER OF THE GBA CFMB  
REPRESENTING PARTY OF THE FIRST PART

TERRANCE LARKPOR

NAME

Terrance Larkpor

SIGNATURE

T. Larkpor

EXECUTIVE COMMITTEE CHAIRMAN, GBA COMMUNITY ASSEMBLY INC.  
REPRESENTING PARTY OF THE FIRST PART

AYOUBA JAWARAKA

NAME

Ayoubu Jawaraka

SIGNATURE

Ayoubu Jawaraka

DEPUTY DIRECTOR FOR ADMINISTRATION  
REPRESENTING PARTY OF THE SECOND PART

TO Agy Kromah

ATTESTED BY: LOUISE MERKLI

DIRECTOR GENERAL REPRESENTING PARTY OF THE SECOND PART

Done and executed in the presence of:

NAME

Samuel S. Bontor

SIGNATURE

Samuel S. Bontor

NAME

Hassim Karamwa

SIGNATURE

Hassim Karamwa

**PRIORITY OF CLEARANCE OF TMF AREAS WITHIN THE GBA COMMUNITY FOREST**

Updated in March 2016

Approximate clearance areas are delineated by red lines

