

**THIRD PARTY FOREST MANAGEMENT AGREEMENT
BETWEEN**

**Ziadue & Teekpeh Community Forestry Management
Body (ZTCFMB)**

Of

**Ziadue & Teekpeh Community Forest, Rivercess County
Liberia**



FORESTRY DEVELOPMENT AUTHORITY

REPUBLIC OF LIBERIA)
MONTERRADO COUNTY)

THIRD PARTY FOREST MANAGEMENT AGREEMENT

THIS THIRD PARTY FOREST MANAGEMENT AGREEMENT, made and entered into this ^{10th} day of November A. D., 2018 by and between ZIADUE & TEEKPEH COMMUNITY FOREST MANAGEMENT BODY, representing ZIADUE & TEEKPEH AUTHORIZED COMMUNITY FOREST located in Central Rivercess District, Rivercess County, hereinafter known and referred to as the "Community", and EJ & J INVESTMENT CORPORATION INC., a corporation organized and existing under the Laws of the Republic of Liberia, represented by its Chief Executive Officer, Bliza D.J Kromyankh, hereinafter known and referred to as " Company or EJ & J ", hereby:

WITNESSETH:

WHEREAS, the people of Ziadue & Teekpeh Community Forest are the owners of the Ziadue & Teekpeh Community Forest Authorized Community Forest located in Central Rivercess District, Rivercess County; and

WHEREAS, the people of Ziadue & Teekpeh Community Forest have entered into an agreement with the Government of Liberia, by and through the Forestry Development Authority (FDA) for the sustainable management and use of its forest resources in line with the Forestry Laws of Liberia; and

WHEREAS, the people of Ziadue & Teekpeh Community Forest have expressed their readiness to offer their forest for Commercial purposes in line with the requirements of the Community Rights Laws with Respect to Forest Lands, the Community Rights Law Regulations, the National Forestry Reform Law of 2009 and its attending regulations; and

WHEREAS, EJ & J Investment Corporation Inc., is a duly registered and qualified Company with a Pre-Qualification Certificate to engage directly or indirectly in logging activities in the Republic of Liberia; and

WHEREAS, EJ & J Investment Corporation Inc., has represented to the people of Ziadue & Teekpeh Community Forest through the Ziadue & Teekpeh Community Forest Management Body that it is disposed to manage their Community Forest for commercial purpose to further the development of the people of Ziadue & Teekpeh Community Forest; and

WHEREAS, Ziadue & Teekpeh Community Forest Management Body has consented and determined it to be in the best interest of the people of Ziadue & Teekpeh Community Forest for EJ & J Investment Corporation Inc. to commercially manage their forest under this Community Forest Management Agreement.

NOWHEREFORE, for and in consideration of the premises, mutual promises, covenants and agreements herein contained, the Parties hereby agree as follows:

1. COMMUNITY FOREST AREA

The Community Forest Management area for the purpose of this Agreement is situated in Central Rivercess District, Rivercess County, Republic of Liberia and covers a total area of 24,649 hectares/ 60,909 acres as detailed in Annex I.

2. DURATION OF AGREEMENT

This Community Forest Management Agreement shall be in full force and effect for a period of five (5) years which shall commence immediately upon the signing of this Agreement between the Ziadue & Teekpeh Authorized Community Forest Management Body and EJ & J. It is mutually understood and agreed that the Social Agreement (which forms an integral part of this agreement) and its implementation shall be subject to renewal after the five (5) years

3. FISCAL CONSIDERATION

The Parties hereto have accepted and made the following fiscal considerations for this Community Forest Management Agreement:

3.1 EJ & J shall pay the amount of US\$ 1.25 (United States Dollars One 25/100) per hectare annually for land rental fee in accordance with the National Forestry Reform Law. This fee shall be paid directly to the Forestry Development Authority (or its agent). The FDA in accordance with the Community Rights Law with Respect to Forests Land shall remit fifty five percent (55%) of the collected Land Rental to the Community in a timely manner. EJ & J shall inform the Ziadue &

Teekpeh Community Forest Management Body of its payment of the Land rental at the time of each payment.

- 3.2 EJ & J shall pay the amount of US\$ 2.00 (United States Dollars Two) for every cubic meter of log felled to the Community on a quarterly basis. EJ & J shall furnish the Community with copies of Log Data Form (LDF), which shall serve as the official source to determine actual volume felled. Payment of all royalties or fees due the Community (excluding land rental) shall be deposited directly into the Community's bank account. The Community shall furnish EJ & J with its bank's account number and other banking information required for such deposit(s).

4. REQUIREMENTS BEFORE COMMERCIAL FELLING

It is mutually understood and agreed by EJ & J and the Community that no commercial felling shall commence until the completion of the Community Forest Management Plan, and the completion of the Environmental Impact Assessment and other felling requirements established by the FDA.

5. SOCIAL AGREEMENT

The people of Ziadue & Teekpeh Community Forest Management Body, having identified their representative body, firstly the Ziadue & Teekpeh Authorized Community Assembly and the Ziadue & Teekpeh Community Forest Management Body (Z&TCFMB), to represent it in accordance with the Community Rights Law with Respect to Forest Land and its regulations, shall ensure no other person outside of the Z&TCFMB shall in anyway represent himself/herself/themselves as the authorized representatives of the people of Ziadue & Teekpeh Authorized Community Forest in relation to any terms of this Agreement, including financial payments or social obligations. It is mutually understood and agreed by EJ & J and the Community that:

1. Z&TCFMB shall provide a list of its members and be responsible to inform EJ & J of any change to its membership immediately.
2. Z&TCFMB and EJ & J hereby agree and stipulate that the social commitment to the people of Ziadue & Teekpeh Authorized Community Forest shall follow the guidelines as prescribed by the Forestry Development Authority.
3. EJ & J agrees to design its logging operations to minimize effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plants sites, hunting grounds, to the extent that they will respect the traditional practices, laws and regulations of the people of Ziadue & Teekpeh Authorized Community Forest.
4. Z&TCFMB agrees to inform EJ & J of all relevant traditional practices and regulations to ensure compliance.
5. EJ & J agrees to ensure that water collection points are protected and maintained.
6. EJ & J agrees that its timber operations shall be timed to minimize disruption to subsistence agricultural activities.
7. EJ & J agrees that its timber operations shall respect the existing cash crops within the Community Forest Management Area.
8. EJ & J agrees to participate substantially in community development programs (such as support to scholarship programs, construction of school etc....)
 - A. **School:** The Company shall construct one elementary school and a senior high school in the Community. The construction of the elementary school must be completed within the second of the company's operation. The senior high school must be completed within the company's third year of operation. The design and structure of the school must be reviewed by the community and its construction must meet the Ministry of Education Standard of an elementary and Senior high school respectively.
 - B. **Scholarship Fund:** The Company shall make a bi-annual contribution of US\$5,250.00 towards the Community's Scholarship program per semester. Payment shall be made in August and January of each year. Beneficiaries of the scholarship must be from the affected communities and the selection criteria for beneficiaries shall rest exclusively with the Community.
 - C. **Clinics:** The Company shall equip and provide support to the Ziadue Clinic and Teekpeh Clinic. The equipping of the clinic shall be done within the first year of operation. As support, the Company shall contribute US\$6,000.00 (US\$3,000.00 to each clinic) annually for the purchase of medicine for the clinic.
 - D. **Hand Pumps:** The Company shall construct sixteen (16) hand pumps in the Community in the first three (3) years: five (5) each in the first and second year and six (6) in the third year.
 - E. **Latrines:** The Company shall construct sixteen (16) two-compartment concrete latrines in the Community in the first three (3) years: five (5) each in the first and second year and six (6) in the third year.
 - F. **Road Projects:** The Company shall construct a main road in the affected communities. Roads to be constructed include road from Morweh junction to Sand Beach while feeder roads will be built by the company and the bridges on the feeder roads construction be negotiated and these roads shall be completed in the first five (5) years of the agreement. Bridges on the main roads

will be constructed with concrete curbs while feeder roads will be constructed with durable tree species. The company shall also maintain all its operation and access roads in the affected community.

The Company agrees that the Community shall use, free of charge, any roads constructed and/or maintained by the Company provided, however, that such use shall not unduly prejudice or interfere with either party.

9. EJ & J agrees to build company camps near existing towns or dependent areas, to the extent feasible.
10. EJ & J agrees not to harvest palm trees for processing, bridge construction and/or export.
11. EJ & J agrees to have Z&TCFMB representative(s) monitor and verify production. All expenses of this representative(s) shall be at the expense of the Z&TCFMB.
12. EJ & J agrees to provide first preference for employment for skilled and unskilled labor to the forest dependent communities in the boundaries of the commercial logging area.
13. EJ & J agrees to afford equal opportunities for the employment of women in the skilled and unskilled labor force in the Commercial logging area.
14. EJ & J agrees that it shall operate completely within the guidelines and regulations prescribed by Forestry Development Authority.
15. Z&TCFMB agrees that the Community shall be educated to avoid the expansion of subsistence agriculture activities within the commercial area and that where possible assist any existing agricultural activity to relocate.
16. Z&TCFMB agrees to educate the community to discourage unnecessary fire disposal and encourage fire safety practices especially in contract area.
17. EJ & J agrees that if she elects to enter into a sub-contract with any operator, she should inform the community and the FDA before entering any said agreement.

6. NON-TIMBER FOREST PRODUCTS

This agreement does not cover the harvesting of non-timber forest products. The Community retains exclusive right over the use and harvesting of non-timber forest product or the contracting of its use or harvesting to a third party.

7. OBLIGATIONS OF EJ & J

- 7.1 The Company must ensure that all of its operations and activities are in full compliance with the laws of Liberia.
- 7.2 The Company must ensure respect for all local customary laws.
- 7.3 The Company must ensure transparent reporting to Z&TCFMB at all times during the life of this Agreement.

8. OBLIGATIONS OF ZIADUE & TEEKPEH AUTHORIZED COMMUNITY FOREST

- 8.1 The community shall ensure that the Z&TCFMB shall be the sole entity responsible for official interaction with the Company, to avoid any misunderstanding.
- 8.2 The community shall ensure that it performs and maintains full education and information to its clan members to avoid confusion arising from operation.
- 8.3 The Community must ensure full access to the Company to the contracted area at all times for the duration for this Agreement.
- 8.4 The Community shall protect the Company from any challenges to its right to manage the contractual area, whether legal, cultural or otherwise, that may arise during the life of this agreement. It shall ensure that the Community refrains from chain sawing in the contracted area.
- 8.5 The Community shall ensure where possible, that materials, such as sand, gravel, etc., be made available without charge of any kind for the Company's use for building camp sites, housing units, building and road work within the community forest area.

9. FORCE MAJEURE

The parties mutually agree that in the event the Company is prevented from performing this Agreement as contemplated and provided herein due to force majeure, this Agreement shall be extended by the period of such force majeure on the request of the Company. Force majeure as used herein is defined as any event beyond the reasonable control of a party, including, but not limited to Acts of God, war, elements of war, civil commotions, armed incursion, armed insurrection, land dispute(s) and fire not attributed to the conduct or negligence of a party, its management, agent

and/or affiliate, which the party could not have reasonably anticipated or could have been expected to prevent or control.

10. DISPUTE SETTLEMENT

- 10.1 Any dispute connected with the formation, performance, interpretation, nullification, termination or invalidation of this agreement or arising from, or related to this agreement in any manner whatsoever which cannot be resolved through the direct consultations and negotiations by and between the parties shall be referred to arbitration by the affected party
- 10.2 Arbitration shall be conducted by an arbitral panel of three (3) persons; one (1) arbitrator shall be named by the parties hereto. The third arbitrator, who shall act as chairman of the arbitral panel, shall be the Managing Director of the Forestry Development Authority or his/her designated representative
- 10.3 The Arbitration shall be conducted in keeping with arbitral rules under Liberian laws. Each Party shall be responsible for, and shall pay the fees expenses of its appointed/designated arbitrator. The fees and expenses of the third arbitrator shall be shared on equal basis by the parties, while the cost and expenses of the arbitration proceeding itself shall be assigned by the arbitral as it fit and shall be paid by the party adjudged liable to the other or in default of Agreement.
- 10.4 A decision by the majority of the arbitral panel shall be binding on the parties and enforceable in court of law without delving into the merit of the dispute or the award
- 10.5 In invoking arbitration, a party of this Agreement shall give written notice to other party, stating the nature of the dispute and appointing its arbitrators. The other party must appoint its arbitrator and state its responses to the dispute as stated by the party giving the notice of arbitration within ten (10) days after notice to the chairman, the arbitral panel shall commence its work and shall work every day until a decision is arrived at and rendered.

11. GOVERNING LAW

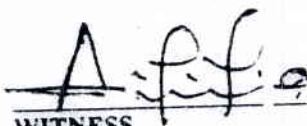
The relevant laws of Liberia, including, but not limited to, the National Forestry Reform Law, Community Rights Forest Law with Respect to Forestlands and other local laws shall govern this agreement.


12. BINDING EFFECT

This Agreement shall be binding on the parties, their successors in office as if they were physically present at the execution of this instrument.

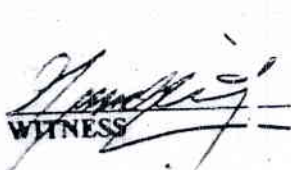
IN WITNESS WHEREOF, WE HAVE HEREUNTO AFFIXED OUR SIGNATURES ON THE DAY AND DATE FIRST MENTIONED ABOVE.

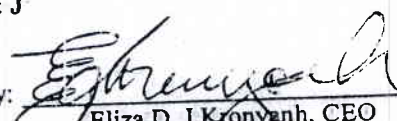
For: ZIADUI & TEEKPEH Authorized Community Forest


WITNESS

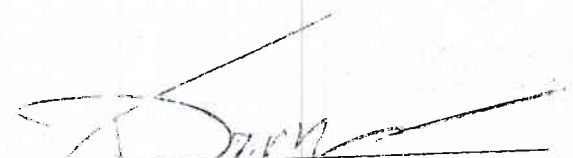
By: 
Mr. Philip H. Tarweah, Chief Officer
ZIADUE & TEEKPEH CFMB

For: EJ & J


WITNESS

By: 
Eliza D. J. Kronyanh, CEO
EJ & J, Investment Corporation

Attested by:


Forestry Development Authority

ANNEX I

TECHNICAL DESCRIPTION OF ZIADUE & TEEKPEH COMMUNITY FOREST AREA

Ziadue and Teekpeh Authorized Community Forest lies within Latitude (465090 656758) North of the Equator and Longitude (465090 538608) West of the Greenwich Meridian and located in Central Rivercess District, Rivercess County.

Commencing at a point (483764 653842) on the surface of the Earth; thence a line runs S 78° E for 5,794 meters to a point (489470 654540) on the Gwen Creek; thence a line runs Southward along said creek for 13,805 meters to the confluence of the Cestos River; thence a line runs Southward along said river for 360 meters to a point (489761 643625); thence a line runs S 87° W for 7,081 meters to a point (482614 643290); thence a line runs S 48° W for 4,023 meters to a point (479753 640671); thence a line runs S 58° W for 2,897 meters to a point (477440 639172); thence a line runs N 53° W for 11,265 meters to a point (468618 645849); thence a line runs N 31° W for 4,023 meters to a point (466578 649223); thence a line runs Due North for 6,115 meters to a point (466631 655340); thence a line runs Due East for 7,081 meters to a point (473767 655309); thence a line runs S 28° E for 483 meters to a point (473946 654952); thence a line runs S 9° E for 805 meters to a point (474073 654142); thence a line runs S 21° E for 322 meters to a point (474168 653888); thence a line runs S 73° E for 483 meters to a point (474645 653713); thence a line runs S 2° W for 1,448 meters to a point (474597 652315); thence a line runs Due West for 3,058 meters to a point (471626 652315); thence a line runs S 1° W for 2,092 meters to a point (471610 650329); thence a line runs S 64° E for 2,253 meters to a point (473660 649328); thence a line runs S 89° E for 4,989 meters to a point (478601 649264); thence a line runs N 33° E for 3,701 meters to a point (480571 652315); thence a line runs N 71° E for 3,219 meters to a point (483526 653303); thence a line runs N 3° E for 2,736 meters to the point of Commencement, embracing a total of 24,649 hectares / 60,909 acres and NO MORE.

ANNEX 2: LOCATION M/P OF ZIADUE & TEEKPEH COMMUNITY FOREST LOCATION MAP

