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REPUBLIC OF LIBERIA) MONTSERRADO COUNTY)



PRIVATE USE PERMIT CONTRACT BETWEEN THE FORESTRY DEVELOPMENT AUTHORIITY AND THE PEOPLE OF BEAWOR DISTRICT, RIVER CESS COUNTY, FOR THE HARVESTING OF 42,390 HECTARES OF FORESTLAND

THIS CONTRACT made and entered into this day of 01-60-67 A.D. 2011, by and between the Government of Liberia, through the Forestry Development Authority, hereinafter referred to as the Authority, represented by its Managing Director, Moses D. Wogbeh Sr., and the People of Beawor Administrative District, River Cess County, hereinafter referred to as Beawor, represented by the District Forest Management Committee by and thru Senior Citizens, Johjao Yawoye, Paramount Chief, Esther Foweh, Women Leader and Bill B. Sumo, Youth Leader, hereinafter collectively the Parties, hereby;

WITNESSETH:

WHEREAS, the Authority is statutorily responsible for the sustainable management and use of all categories of forest resources;

WHEREAS, the People of Beawor are legitimate owners of a tract of forestland of 42,390 hectares by virtue of inheritance through a legitimate purchase from the Republic of Liberia;

WHEREAS, the Beawor Administrative District encompassing of Bour clan made an application to the Authority on September 5, 2011 on behalf of said citizens for the issuance of a Private Use Permit to commercialize their deeded forested land as can be seen from copy of said letter hereto attached and marked Exhibit "A";

WHEREAS, by virtue of Section 5.6 (d) (i) of the National Forestry Reform Law (NFRL) of 2006, copy of a duly certified Aborigee's Grant Deed issued in 1974 under the signature of President William V.S. Tubman, in proof of ownership of the subject tract of land is hereto attached and marked Exhibit "B" to form a cogent part of this Permit;

WHEREAS, in further verification of the subject property, the Ministry of Lands, Mines & Energy finally gives authentication and verification to the said Beawor Deed through a letter under the signature of Assistant Minister Maxwell C.F. Gwee. Attached also is the said verification letter marked Exhibit "C" to form an integral part of this Contract;

WHEREAS, validation of the area in keeping with Section 5.6 (d) (ii) of the NFRL and Section 61 of FDA Regulation 102-07 shows that the said tract of land is suitable for commercial forestry. Said validation report is hereto attached and marked Exhibit "D" to form also an integral part of this contract;

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WHEREAS, Beawor is desirous of commercializing harvestable tree species on the said tract of 42,390 hectares of land;

WHEREAS, the Authority having examined Beawor's application and the requirements of Section 5.6 of the NFRL having been met, declares Beawor qualified for issuance of a Private Use Permit that will allow it enter into contractual agreement with a company or corporation to carry out said commercial activities;

WHEREAS, the people above described have given their written consent through a Memorandum of Understanding (MOU) to the Forest Venture Incorporation for the management and supervision of their forestland as can be seen from copy of said MOU hereto attached and marked Exhibit "E'

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties do hereby agree as follows:

1. Definitions

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- a. Authority: The Forestry Development Authority (FDA) created by an Act of the Legislature on November 1, 1976.
- b. Annual Operations Plan: the plan that guides the annual operations of the Holder
- c. Chain of Custody: the path of custodianship followed by logs, Timber and wood products through harvesting, transport, interim storage, processing, distribution and export from source of origin in the forest to end use.
- d. Code of Forest Harvesting Practices: a set of standards for environmentally sound forest use prepared by the Authority
- e. Conservation: the sustainable management and protection of forest resources to achieve maximum environmental, social, economic and scientific benefits for present and future generations
- f. Forestry: the seience, art and practice of conservation of forest resources
- g. Forest Resources License: any legal instrument pursuant to which the Authority allows a person, subject to specified conditions, to extract forest resources or make other productive and sustainable use of forest land. This includes Forest management Contracts, Timber Sale Contracts, Forest Use Permit and Private Use Permit.
- h. Forestland: a tract of land, including its flora and fauna capable of producing forest resources, or land set aside for the purpose of forestry,

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WHEREAS, the Authority having examined Beawor's application and the requirements of Section 5.6 of the NFRL having been met, declares Beawor qualified for issuance of a Private Use Permit that will allow it enter into contractual agreement with a company or corporation to carry out said commercial activities;

WHEREAS, the people above described bave given their written consent through a Memorandum of Understanding (MOU) to the Atlantic Resources Limited for the management and supervision of their forestland as ean be seen from copy of said MOU hereto attached and marked Exhibit "E'

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but not including land in permanent settlements and land that has been in long term use for non-shifting cultivation of crops or raising livestock.

- i. Forest Product: any material or item derived from forest resources.
- Forest Management Contract: forestry contract which eovers a land area of 50,000 - 400,000 hectares.
- k. Holder: a person who holds a valid forest resources license
- I. Land Owner: a person who owns land by legal title

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- m.Operator: a person harvesting or making commercial use of forest resources under a forest resources license, including a person working as an employee, contractor or other agent for a Holder.
- n. Pre-Felling Operations: legal requirements of the Holder before felling of logs. They include posting of required performance bond; preparation of initial annual operations plan and preparation of environmental impact assessment.
- o. Private Use Permit: a forest resource license issued by the Government to allow commercial use of the forest resources on private land.
- p. Public Use Permit: a forest resource license issued to extract forest resource from an area less than 1000 hectares.
- q. Reforestation: the establishment of a tree plantation in a previously forested area that has been affected by cutting, fire, or some other act of tree removal.
- r. Societe Generale de Surveillance (SGS): the institution/company responsible to manage the Chain of Custody System.
- s. Timber Sale Contract: a short term forest resources license issued by the Government for a period of three (3) years that allows a person to harvest timber from a specified tract of forest land.

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2. Metes and Bounds/Technical Description of Beawor District Forest Land & Location Map

Commencing at a point on the Cestos River near the Town of Gbokon, thenee a line runs S 43° E for 11,671 feet to a point: thence a line runs S 69° W for 9.235 feet to a point: thence a line runs Due West for 6,340 feet to a point; thence a line runs Due South for 16,736 feet to a point: thenee a line runs S 50° E for 8,282 feet to a point: thence a line runs N 56° E for 39.472 feet to a point; thenee a line runs S 75° E for 13, 540 feet to a point; thence a line runs N 30° E for 33,755 feet to a point; thence a line runs S 68° E for 10,602 feet to a point; thence a line runs N 47° E for 12,202 feet to a point; thence a line runs S 86° E for 28,237 feet to a point; thence a line runs N 22° W for 19,685 feet to a point; thence a line runs N 24° E for 20,317 feet to a point; thence a line runs N 35° W for 32,934 feet to the point on the Cestos River; thence a line runs along the Cestos River northward for 167,918 feet to the point of commencement, containing 42,390 hectares of land and NO MORE.

Map of Beawor Forestland

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3. Contract Objective

- To harvest merchantable trec species from 42,390 hectares of tract of land a otherwise called the Beawor Forest Land
- b. To engage in reforestation of the area involving indigenous species
- To create alternative uses of the tract of land after harvesting of trees Ĉ.

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d. To create employment for about 300 locals of the contract area and surrounding towns and villages.

Contract Duration

The contract shall be for twenty five (25) years, the land area being as an FMC.

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Chain of Custody System

In keeping with Section 13.5 of the National Forestry Reform Law of 2006 and sections (1-35) of FDA Regulation 108-07, the Chain of Custody System will apply during the life and implementation of this contract. The system so established for the tracking of logs, timber and wood products from forest to processing and then to domestic or foreign market shall be managed by Societe Generale de Surveillance (SGS) using SGS/Helveta equipment and software as provided for by section 3.2 (3) of the Chain of Custody System Management Contract of 2007.

6. Land Rental & Stumpage Tax

Consistent with Section 5.7(b) of the National Forestry Reform Law of 2006, the Company shall not be charged to pay land rental tax. However, stumpage shall be paid consistent with Section 5.7 (c) of the National Forestry Reform Law and also consistent with Section 22(b) of Regulation 107-07.

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8.

Other Fees & GOL Taxes

All other fees and GOL Taxes levied on the project shall be consistent with the Revenue Law of Liberia and FDA Regulation.

Pre-felling Date

Before Company is certified for felling, all pre-felling operations including the following must be completed:

a. Posting US\$50,000.00 performance bond

b. Submission of initial annual operations plan

c. Environmental Impact Assessment

d. Social Contract

Employment

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Recruitment and employment by the Company shall be consistent with Labor Law of Liberia and International Labor Organization.

Termination

This contract shall be terminated if the company upon notice of breach of any term of this Contract fails to remedy said breach within a period of (60) sixty days.

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Force Majeure

In the event of force majeure, which causes either party from meeting its obligations herein stated, the Contract shall be suspended as long as the force majeure continues.

10.

Duty of Care

The Authority shall ensure that the Company maintains environmental quality of the cutting area and comply with all other conditions consistent with the Liberia Code of Harvesting Practices to include:

- a. Water course protection
- b. Erosion prevention
- c. Prevention of pollution to rivers, streams and other waterways by disposal of wastes
- d. Prevention of fire disaster

The operation shall also be in conformity with international conventions to which Liberia is a party. They include: the Convention on Biodiversity, the International Tropical Timber Agreement, the United Nation Framework Convention on Climate Change, the United Nations Convention to Combat Desertification, the Convention on International Trade In Endangered Species and the RAMSAR Convention on Wetland Management

11.

Governing Laws

In effecting this Contract between the Corporation and the Authority, the relevant Laws of Liberia including but not limited to the National Forestry Reform Law and regulation governing Chain of Custody will prevail.

Binding Effect

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12.

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

In witness whereof, we have affixed our signatures on the day and date first mentioned above.

FOR THE AUTHORITY

Witness

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Approved: loses D. Woebeh. Si **Managing Director**

FOR THE PEOPLE OF BEAWOR ADMINISTRATIVE DISTRICT

Johjao Yau Jobjao Yawoye Yawoye

Jobjao Yawoye Paramount Chief/Beawor

Bill Sumo

Bill Sumo Youth Leader/Beawor



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BEAWOR ADMINISTRATIVE DISTRICT, SOUTHERN RIVERCESS COUNTY, LIBERIA

August 25, 2011

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Hon. Moses D. Wogbeh, Sr. Managing Director Forestry Development Authority Whein Town, Paynesville City Republic of Liberia

Dear Hon. Wogbeh:

We write on behalf of the People of Beawor District, Rivercess County for the issuance of a Private Use Permit (PUP) to enable us do logging activities on our private deeded land. We also are enclosing our title deed review.

Sincerely yours,

CLAN CHIEF/BEAWOR DISTRICT

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ATLANTIC RESOURCES LOGGING COMPANY

September 5, 2011

Hon. Moses D. Wogbeh, Sr. Managing Director Liberia's Forestry Development Authority Whein Town, Mount Barclay Monrovia, Liberia

Dear Hon. Director:

We are delighted to inform you that the citizens including the Superintendents, Representatives, and Commissioners of Belle, Gola Konneh, Kulu Shaw, Jaedea, Dugbeh River, Bade, Marbo, Beawor, Zorzor, Voinjama, Seekon, Gboe-Ploe, and Gbarma Districts met in a citizens meeting for the soul purpose of discussing the possibility of granting <u>Atlantic Resources, Forest Venture & South Eastern Timber</u> <u>Company</u>, a registered company operating under the Laws of the Republic of Liberia, the right to sustainably manage and exploit the forest on their deeded land.

Hon. Director, after lengthy deliberations, it was agreed that the above companies be given the right to manage said forest in their beloved Counties. In reaching this conclusion Hon. Wogbeh, we were mindful and also took into consideration that your institution through the Government of Liberia awarded Private Use Permits in various parts of Liberia in line with the New Forestry Law of Liberia.

Against this backdrop Hon. Director, we are submitting a legal documentation, including MOU's, deeds and technical locations of said forest to your good offices for the purposes of issuing our company a *Private Use Permit (PUP)*, in consonance with the New National Forestry Law of 2006 and Community Rights Law.

Thanks in advance for your continued understanding.

Sincerely yours

August Abriham Planning Manager Atlantic Resources Logging

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REPUBLIC OF LIBERIA MINISTRY OF LANDS, MINES AND ENERGY

> P. O. BOX 10-9024 1000 MONROVIA 10, LIBERIA, WEST AFRICA TEL.: (231) 226-858, FAX:(231) 226-281



Hon. Moses D. Wogbeh, Sr. MANAGING DIRECTOR Forestry Development Anthority Whein Town, Mount Barclay Monrovia, Liberia

Dear Hon. Wogbeh:

We write to present our compliments, and acknowledge feculpt of your letter dated 26th August 2011, Ref. No. FDA/MD/05/62-11, requesting the Ministry of Land, Mines & Energy to review, verify and authenticate deeds pertaining to Kpo, Dugbeh River, Jaedea, Beawor, Zorzor, Voinjama, Seekon, Ghoeploe, Gharma, Kulu-Shaw Boe, Gola Konneh, Bellah Yellah, Bopolu and Kongba Districts for which we are pleased to furnish you with our findings.

After plotting, analyzing and verification, it was observed that the documentations submitted to the Ministry were all found correct and the land un-incumbent thus advising the Forestry Development Authority (FDA) to proceed with the granting of the Private Use Permit (PUP) in the interest of the people of the above localities.

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This Ministry remains available is these endeavours always

Truly yours,

Maxwell C. F. Gweller ACTING ASSISTAN CONTER Ministry of Lands, Mines & Energy

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Forestry Development Authority

P.O. Box 10-3010

Elise Saliby's Compound Kappa House, Congo Town Monrovia, Liberia

MEMORANDUM

TO:	Moses D. Wogbeh, Snr.
	Managing Director
	Forestry Development Authority
TAIL AL	The second secon
FROM:	Towon Nyenty
	Acting Manager, FDA GIS Labs
THROUGH:	John D. Kantor, Sm. Stan
	Technical Manager, R&D/FDA
Subject:	Verification of Bopolu, Kongba, Belle Yellah, Gola Konneh,
	Gbarma, Beawor, Voinjama, Zorzor, Seekon, Kulu-Shaw
	Bade and Marbo forests

October 16, 2009

<u>Background</u>

DATE:

Predicated on a communication under the signature of Mr. August Abrihim, Planning Manager, Atlantic Resources Logging Company, requested an authentication of a tribal deeds, diagrams and locations of the above properties situated and lying in Lofa, Gbarpolu, Grand Cape Mount, Grand Gedeh, River Cess and Sinoe Counties. A team-of technicians from the FDA was mandated to visit said properties for detail ground truthing, capturing of deed land marks and sightseeing of the area for management's reaction.

In light of the above, thematic maps were prepared for various localities using GIS desk studies and validation concluded by sending two surveyors and two Global Positioning System (GPS) operators, traveled to the land under consideration to conduct a joint ground truthing exercise of the area along with the tribal people and company representative.

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<u>Field Patrol</u>

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During the period 2010-2011, the joint team patrolled a significant portion of the area and gathered detail information relating to ongoing multiple uses of the area, types of vegetation, topology, and livelihood of communities dwellers within the parameters of the forest.

<u>Findings</u>

Following an intensive tour by the team they observed and authenticated that:

- New maps and technical descriptions were prepared for Bopolu, Kongba, Gola Konneh, Gbarma, Belle, Voinjama, Beawor, Zorzor, and Seekon Districts that excluded the Gola National Forest, Alpha Logging and other concessions.
- Indeed the Bopolu, Kongba, Gola Konneh, Gbarma, Belle, Voinjama, Zorzor deeded land falls directly into proposed Forest Management Contract areas "Dand M"
- Beawor, Kulu Shaw Boe and Boe are un-encumbered but Bade forest is heavily occupied by miners
- Large portion of the area under investigation consists of primary forest while at least five percent is totally degraded
- ➡ Technically, the description in the Metes & Bounds on all the deeds are correct

Recommendation

In view of the verification and confirmation of documents for this area by the Forestry Development Authority, we herein recommend that.

- * That the deed be forwarded to the Ministry of Lands, Mines & Surveys for authentication. After authenticating the and found legitimate, the FDA should perform the below activities:
- As per National Forestry Reform Law (NFRL) of 2006 provision in chapter five section 5.6, we therefore recommend that FDA Management issue a <u>Private Use Permits</u> of the above districts in compliance with all relevant requirements of this section (particularly section 5.6 c (i,ii,iii) and d (i,ii,iii,iv,v,vi) respectively.
- Forestry Development Authority requests the companies_representing the communities to demarcate their deeded land property boundary lines to avoid possible trespass cases.

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Republic of Liberia

Monntserrado County

Office of the Notary Public Monrovia, Liberia

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NOTARY CERTIFICATE

Personally Appeared Defore Me in My Office within the City of Monrovia. Montsenrado County, Republic of Liberia this day of <u>May</u>, A. D: 20 <u>11</u> daly qualified Notary Public for and in the County of Montservado and in the Republic Aforesaid the Parties to the attached documents:

Memorandum of Understanding by and between The People of Beawor, Rivercess County, R.L. hereinafter known and referred to as the Party of the First Part.

And

Forest Venture Incorporation, hereinafter known and referred to as the Party of the Second Part.

and did in my presence and in the presence of each other execute and signed their genuine signatures on the said Instruments (s) to be the person (s) they represent and that the same was made in my presence and declared by each of them to be their voluntary acts and in their own hand writing.

Therefore I Mary Mamie Howe, Notary Public aforesaid, have attached my Official Signature Notary Seal to anail when and where Necessary.

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I have affixed my genuine Signature attesting to this transaction by the power vested in me this dage of Nay . A. D. 20

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MAMIEHOWE JONES LAW FIRM

NOTARY PURING MONTSERRADO COUNTY & /

MEMORANDUM OF UNDERSTANDING (MOU)

This MOU is enured into this 11th day of May AD 2011, by and between the people of Beawor, Rivercess County R.L. herein after referred to as party of the first part and the Forest Venture Incorporation county of Montserrado R.L. herein after referred to as party of the second part.

<u>WITNESSETH</u>

WHERAS the people of Beawor, Rivercess County, are owners of a community forest by virtue of a title deed containing 42,390 heetares (105,975 acres) and no more and;

WHERAS the Forest Venture Incorporation , party of the Second part is a logging company registered under the Laws of the Republic of Liberia.

WHERAS the people of said community have written a letter of invitation, inviting the Party of the Second part to carry out logging operations in their community forest, having had discussion and unanimously agreed on the aforementioned invitation and;

WHERAS the Party of the Second Part, Forest Venture Incorporation have consented to the invitation aforementioned that is to carry out logging operation in said Community forest;

NOW THEREFORE THE PARTIES have mutually agreed to be bounded as follows:

1. That the party of the first part, the people of Beawor assures the party of the second part, Forest Venture Incorporation that said Forest has no encumbrances; hence the part of the second part is authorized and free to commence its logging operations in said community forest.

2. That the party of the first part shall at all times defend and protect the rights of the part of the second part during its logging operations against all would be encroachers, intruders and/ or trespasser on said property.

3. That the party of the second part, Forest Venture Incorporation shall pay to the party of the first part the people of Beawor, US\$ 3.00 (Three American Dollar) per cubic meter of log at the end of each monthly production from the Community Forest which amount is to be utilized to implement all deserved projects of the party of the first part.

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4. That the party of the second part should be willing at all times to assist the party of the part with vehicle(s) in emergency situations that is, pregnant women and persons in the community who may be in critical conditions from injuries.

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5. That the party of the second part will take initiative to have talks with authorities of the FDA to conduct training for the Community Forest Management Body (CFMB) to enable them understand and play their role as officers and members.

6. That the party of the second part in carrying out its logging operations must respect the rights of the first part in carrying out its traditional practices in conformity with applicable customary laws in particular that has to do with animals/ plants, medicinal plant sites, bunting ground and non timber forest products.

7. That the FDA must ensure that the operations of the party of the second part are in compliance with existing forestry laws.

8. That the perty of the second part agrees to provide first preference for employment for skilled and unskilled employees of the people of the party of the first party.

9. That the party of the second part during its operations must not encreach on existing cash crops or cause destruction to same.

10. That the party of the first part shall hold consultative and emergency meetings with ... the party of the second part in addition to regular meetings.

11. That the party of the first part shall identify a primary road that will be built with concrete bridges and all other connecting major towns and villages will be connected with wooden bridges.

12. That the parties herein agree that this MOU shall be subject to review after every three years (3).

13. That the party of the first part in earrying out farming activities shall refrain from felling / damaging merchantable species.

14. That in the event of any dispute arising under this agreement the parties shall first seek to resolve their differences with aid of the FDA, and wherein the matter remains undetermined, local government official should be refer to as neutral parties in the third party mediation process. Wherein the above methods can not settle the dispute the parties herein shall result to arbitration in line with the commercial arbitration rules: and judgment rendered by arbitrators may he confirmed by a court of competent jurisdiction.

15. That the terms and conditions herein above mentioned are strictly meant to be the intentions of the parties to this MOU, and any and all other discussions of the parties prior to the execution of this MOU are null and void.

16. That the parties herein, their heirs assigns successors in office, administrators/ trix are bounded by this instrument.

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IN WIINESS WHEREOF WE HAVE AFFIXED OUR SIGNATURES ON THE DATE FIRST ABOVE WRITTEN

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