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REPUBLIC OF LIBERIA)



PRIVATE USE PERMIT CONTRACT BETWEEN THE FORESTRY DEVELOPMENT AUTHORIITY AND THE PEOPLE OF GBARMA DISTRICT, GBARPOLU COUNTY, FOR THE HARVESTING OF 35,028 HECTARES OF FORESTLAND

THIS CONTRACT made and entered into this ______ day of _______ 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 Gbarma Administrative District, Gbarpolu County, hereinafter referred to as Gbarma, represented by the District Forest Management Committee by and thru Senior Citizens, Varney Sirleaf, Clan Chief. Varney Jallah, Paramount Chief, Samuel Peterson, Clan Chief, hereinafter collectively the Parties, hereby;

WITNESSETH:

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

WHEREAS, the People of Gbarma are legitimate owners of a tract of forestland of 35,028 hectares by virtue of inheritance through a legitimate purchase from the Republic of Liberia;

WHEREAS, the Gbarma Administrative District encompassing of Yangaya 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 Gbarma 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, Gbarma is desirous of commercializing harvestable tree species on the said tract of 35,028 hectares of land;

WHEREAS, the Authority having examined Gbarma's application and the requirements of Section 5.6 of the NFRL having been met, declares Gbarma 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 South Eastern Timber (SET) 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

- 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 science, 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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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 covers a land area of 50,000 - 400,000 hectares.
- k. Holder: a person who holds a valid forest resources license
- 1. Land Owner: a person who owns land by legal title
- rn.Operator: a person harvesting or making commercial use of forest resources under a forest resources lieense, 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 Gbarma District Forest Land & Location Map

Starting at a point near the Lofa River and John Camp; thence a line runs S 3° E for 35,609 feet to a point; thence a line runs S 10° W for 24,088 feet to a point; thence a line runs Due East for 8,028 feet to a point; thence a line runs S 26° E for 15,135 feet to a point; thence a line runs S 33° W for 13,838 feet to a point; thence a line runs S 57° W for 12,583 feet to a point; thence a line runs S 73° W for 40,753 feet to the point on the Mahe River; thence a line runs N 11° E for 45,496 feet to the point on the Lofa River; thence a line runs N 11° E for 45,496 feet to the point on the Lofa River; thence a line runs along the Lofa River in the northern direction for 116,187 feet to the point of commencement, containing 86,554 acres of land and NO MORE.

Map of Gbarma Forestland



3. Contract Objective

- a. To harvest merchantable tree species from 35,028 hectares of tract of land otherwise called the Gbarma Forest Land
- b. To engage in reforestation of the area involving indigenous species
- c. To create alternative uses of the tract of land after harvesting of trees
- d. To create employment for about 300 locals of the contract area and surrounding towns and villages.

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Contract Duration

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

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.

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.

Other Fees & GOL Taxes

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

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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

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- b. Submission of initial annual operations plan
- c. Environmental Impact Assessment
- d. Social Contract

Employment

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

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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.

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.

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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.

12.

Binding Effect

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.

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FOR THE AUTHORITY

Witness

Approved: Moses D. Wogben, Sr. Managing Director

FOR THE PEOPLE OF CBARMA ADMINISTRATIVE DISTRICT

Varney Jallah Varney Jallah

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Paramount Chief/Gbarma

Samuel Peterson

Samuel Peterson Clan Chief/Gbarma

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AGRIC S121 2, 374 Approved Chairman-FDA Board of Mitectors

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GBARMA DISTRICT, GBARPOLU COUNTY, LIBERIA

July 10, 2011

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

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Dear Hon. Wogbeh:

The People of Gbarma District, Gbarpolu County express thanks and appreciation for the able manner you and your staff are coordinating activities at the Forestry Development Authority. We write on behalf of the citizens of Gbarma District, Gbarpolu County, for a Private Use Permit (PUP) to be able to commercialize mature trees found on our private land which is legally deeded. We attach copy of our deed in proof of our ownership.

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Kind regards.

Sincerely yours,

V · 丁升ビムH Varney Jaliah PARAMOUNT CHIEF/GBARMA DISTRICT

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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</u>, Forest Venture & South Eastern Timber <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 Aflantic Resources Logging

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Republic of Liberia Monntserrado County



Office of the Notary Public Monrovia, Liberia

NOTARY CERTIFICATE

Personally Appeared Before Me in My Office within the City of Monrovia. Montserrado County, Republic of Liberia this <u>29th day of ________</u>, A. D. 20<u>11</u> duly qualified Notary Public for and in the County of Montserrado and in the Republic Aforesaid the Parties to the attached documents:-

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE PEOPLE OF GBARMA DISTRICT, PARTY OF THE SECOND PART AND SOUTHEAST RESOURCES INC., 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 avail when and where Necessary.

I have affixed my genuine Signature attesting to this transaction by the power vested in me this 29^{th} day of ______ October , A. D. 20 11

MEMORANDUM OF UNDERSTANDING (MOU)

This MOU is entered into this day of October 2. AD 2011, by and between the people of *Quarter District*, Gbarpolu Connty R.L. herein after referred to as party of the first part and the Southeast Resources Inc. County of Montserrado R.L. herein after referred to as party of the second part, hereby

WITNESSETH

WHERAS the people of *Gaalled*. District, Gbarpolu County, are owners of a community forest by virtue of a title deed containing hectares (...... acres) and no more and;

WHERAS the Southeast Resources Inc., party of the Second part is a logging company registered under the Laws of the Republic of Liberia.

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

1. That the party of the first part, the people of *Quar.P.R* assures the party of the second part, Southeast Resources Inc. that said Forest has no encumbrances; hence the party 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 party 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 sccond part, Southeast Resources Inc., shall pay to the party of the first part the people of *General*, ..., 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.

4. That the party of the second part where need be, should at all times assist the party of the First part with vehicle(s) in emergency situations that is; pregnant women and persons in the community who may be in critical conditions and also to assist in developmental projects undertaken by the party of the first part.

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, hunting 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 party 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 that are willing and able to work.

9. That the party of the second part during its operations must not encroach on existing cash crops or cause destruction to same, and also to help construct one Junior High School and Senior High School within the Second and Fourth year and upgrade the Weasua Clinic to a health center in the fifth year of its opearations respectively and help in providing stipend for Teachers and health workers at these facilities.

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 such as the Gbarma-Gainkpai motor road that will be built by the Party of the second part 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 run for twenty five years and subject to extension on new terms and conditions that would be mutually agreed amongst the Parties to this MOU.

13. That the party of the first part in carrying 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 be 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 assign successors in office, administrators/ trix are bounded by this instrument.



REPUBLIC OF LIBERIA

TO ALL WHOM THESE PRESENTS SHALL COME . Whereas It is the true colicy of this Government to induce the aboringinees of the country to adopt civilization and become loyal citizens of the Republic, and whereas one of the best thereto is to grant land in-fee-simple to all those showing themselves fit to entrusted clobts and ductor of full citizenship as voters, and whereas the Chief, Elders and Citizens of Gharma Mestern Provience have shown themselves to be entrusted with said ringts and duties. Now Therefore Know Yes That I William V.S. Tubman president of the Republic of Liberia for and in consideration of the various duties of citizenship hereafter to be legally performed by the said Chief, Elders and Citizens of Gharma, I the said William V.S. Tubman President of the semplic of Liberia for myself and my successors in Office have granted and by these presents do give, grant and confirm with the said Chief, Elders nd Citizene their heirs; executors; autinistrators of asalqus forever all that piece or parcel of land situated lying and being Gbarma, Central Provience, the Number NAN and bounded and described as followed: Commencing at a point at the Lofa River and running on magnetic bearing as followed: South 03 degree East 539 chain to a point; thence running South 10 degree West 385 chain to a point; thence running Due East 122 chain to a point; thence running South 26 degree East 229 chain to a point; thence running outh 33 degree West 209 chain to a point; thence running South 57 degree West 190 chain to a point; thence running South West 617 chain to a point at the Mahe River, thence southward . along the Mahe River165 chain to a point; thende running North 11 degree East 689 chain to a point, at the Logar River; thence along the said River northernly 760 chain to the place of commencement and containing 86,554 acres of land and no more, TO HAVE AND TO 2 HOLD the above granted premises together with all and simular. the buildings, Improvements and appurtenances thefenf and thereto

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 $\zeta \gamma_0$ $\sim Q_{\bullet}$ belonging to the said Chief, Elders and citizens of said Gbarma, Central Provience their heirs, executors, administrators or assigns forever. And I the said William V. S. Tubman President as aforesaid for myself and my successors in Office do covenant to and with the said-Chief .- Fiders and fitizens their hetrs - oxcoutors -- administ rators or assging that at and until ensealing hereof. I the said William V. S. . Tubman president as aforesaid by virtue of my-Office had-good right and authority to convey the aforesald premises as in fee simple, And I. the said William V. S. Tubman President as aforesaid and my successors in Office will forever Warrant and Defend the said ^Chief, Elders and Citizens their heirs, executors administrators or assigns against the lawful claims and demands. of all persons to any part of the above granted premises. IN WITNESS WHEREOF I the said W V. S. Tubman President of Liberia have hereunto-set my hand andcaused the Scal of the fapublic to be affixed this 11, of April A.D. 1950 and of the Republic the 105 year. sod. W. V. S. Tubman President. IB

١c cya. ENDORSEMÉNT ABORIGINEES GRANT from Republic of Liberia to Chief, Elders and Citizens of Gbarma Westren Provience. Lot No. NA stunted in Mestren Provience. Registered sgd. J. Ryerett Bull "Let this he Commissioner of the Nonthly and Probate Court, No. Co. Frobated this 10th day of October A. D. 1950 _sgd_A. T. G. Appleton -Clerk of the Monthly and Probate Court, Mo. Co. Registered acc ording to law in Vol. 1 pages 60-61, sgd. Reuben B. Logar, Regis--\$0. trar, Ho. Munand and Seal of the merse Weer Propolant Status, this day of August A.D. 1981 and of the Republic the for hundred thirty-Courth CIPPLECODA DEPUTY NINISTER OF POREIGN SECALAS CHECKED BY: DIALETON OF ARCHIVES 115 \mathcal{O}



REPUBLIC OF LIBERIA MINISTRY OF LANDS, MINES AND ENERGY



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Monday, October 03, 2011

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

Dear Hon Wogbeh:

We write to present our compliments, and acknowledge fecelpt 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, Jasdea, Beawor, Zorzor, Voinjama, Seekon, Gooploe, Gbarma, 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 on the definition documentations submitted to the Ministry were all found correct and the land un-incurity in 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.

This Ministry remains available is fliese endervours always

Truly yours,

Maxwell C. F. Gwell ACTING ASSISTAN 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



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<u>MEMORANDUM</u>

TO:

Moses D. Wogbeh, Snr. Managing Director Forestry Development Authority

Acting Manager, FDA GIS Labs

FROM:

THROUGH:

John D. Kantor, Snr. John 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

DATE:

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October 16, 2009

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Background

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 "D and 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

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

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- + 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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