

SOCIAL AGREEMENT

Between the

ALPHA LOGGING AND WOOD PROCESSING COMPANY

And the

Community Forestry Development Committee (CFDC)

Of

Forest Management Contract (FMC) Area-A,

Lofa County

Liberia



FORESTRY DEVELOPMENT AUTHORITY

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for

T.A.F.K

## LEGAL REQUIREMENT FOR THE FORMATION OF CFDC

This Social Agreement (Agreement) is hereby made and entered into by and between the Alpha Logging and Wood Processing Company, hereinafter referred to as ALPHA LOGGING AND WOOD PROCESSING COMPANY, and the communities of Lofa Community Forest Development Committee, hereinafter referred to as the Communities, for Forest Management Contract Area "A", and attested to as to its completeness by the Forestry Development Authority, Monrovia, Liberia, hereinafter referred to as the FDA, under the provisions of the 2006 National Forestry Reform Law, and FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.

### TECHNICAL DESCRIPTION OF THE CONTRACT AREA

The Forest Management Contract (FMC) Area - A is within Latitudes  $7^{\circ}12'0''$  -  $7^{\circ}36'0''$  north of the equator and Longitude  $9^{\circ}36'0''$  -  $10^{\circ}0'0''$  west of the Greenwich meridian and it is located in Gbarpolu and Lofa counties-Liberia.

Forest management contract area "A" is 167 miles accessible by road to the port of Monrovia.

### Metes and Bounds with the Area Map

Starting from the town of Dekeibe, ( $9^{\circ}31'37.42''$ W -  $7^{\circ}20'02.40''$ N) thence a line runs S  $35^{\circ}$  E for 566 meters to the point of COMMENCEMENT on the Saint Paul River. ( $9^{\circ}31'26.78''$ W -  $7^{\circ}19'48.29''$ N); thence a line runs Due West for 1,523 meters to a point ( $9^{\circ}32'16.42''$ W -  $7^{\circ}19'48.73''$ N); thence a line runs Due North for 1,956 meters to a point ( $9^{\circ}32'16.71''$ W -  $7^{\circ}20'52.06''$ N); thence a line runs N  $35^{\circ}$  E for 3,636 meters to a point ( $9^{\circ}31'08.49''$ W -  $7^{\circ}22'29.11''$ N); thence a line runs Due North for 3,125 meters to a point ( $9^{\circ}31'07.71''$ W -  $7^{\circ}24'09.89''$ N); thence a line runs N  $52^{\circ}$  W for 1,434 meters to a point ( $9^{\circ}31'44.95''$ W -  $7^{\circ}24'38.91''$ N); thence a line runs N  $2^{\circ}$  W for 2,181 meters to a point ( $9^{\circ}31'46.91''$ W -  $7^{\circ}25'49.10''$ N); thence a line runs N  $46^{\circ}$  E for 2,806 meters to a point ( $9^{\circ}30'41.83''$ W -  $7^{\circ}26'52.23''$ N); thence a line runs N  $1^{\circ}30'$  E for 2,872 meters to a point ( $9^{\circ}30'39.48''$ W -  $7^{\circ}28'25.56''$ N); thence a line runs N  $29^{\circ}$  W for 10,433 meters to a point ( $9^{\circ}33'23.37''$ W -  $7^{\circ}33'21.23''$ N); thence a line runs Due West for 6,891 meters to a point crossing the Via River ( $9^{\circ}37'08.42''$ W -  $7^{\circ}33'23.58''$ N); thence a line runs S  $26^{\circ}$  W for 2,258 meters to a point ( $9^{\circ}37'40.84''$ W -  $7^{\circ}32'17.86''$ N); thence a line runs Due West for 1,099 meters to a point crossing the Via River ( $9^{\circ}38'17.14''$ W -  $7^{\circ}32'17.07''$ N); thence a line runs Due North for 5,022 meters to a point ( $9^{\circ}38'17.12''$ W -  $7^{\circ}35'00.30''$ N); thence a line runs N  $53^{\circ}$  W for 4,983 meters

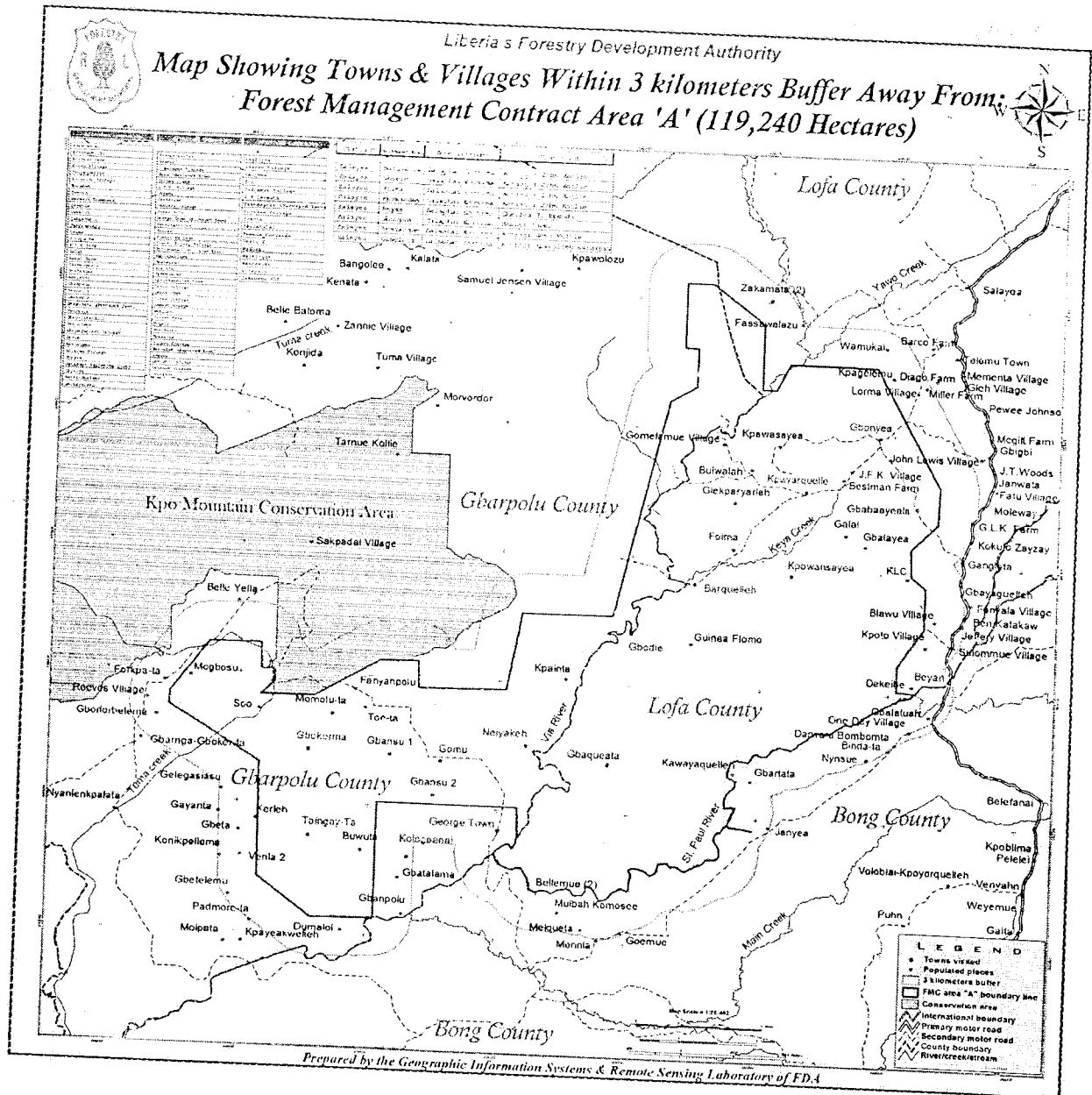
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to a point (9°40'26.59"W-7°36'36.69"N); thence a line runs Due West for 2,026 meters to a point (9°41'32.78"W-7°36'37.27"N); thence a line runs Due South for 5,022 meters to a point (9°41'33.36"W-7°33'54.69"N); thence a line runs Due East for 1,031 meters to a point (9°40'59.68"W-7°33'55.27"N); thence a line runs Due South for 2,960 meters to a point (9°41'00.26"W-7°32'17.71"N); thence a line runs S 60° W for 2,347 meters to a point (9°42'06.45"W-7°31'39.39"N); thence a line runs S 13° W for 17,298 meters to a point (9°44'14.33"W-7°22'33.33"N); thence a line runs Due West for 6,999 meters to a point (9°48'02.81"W-7°22'31.97"N); thence a line runs S 20° W for 6,098 meters to a point (9°48'38.17"W-7°19'16.10"N); thence a line runs S 89° W for 6,834 meters to a point (9°52'21.22"W-7°19'10.66"N); thence a line runs N 2° W for 2,108 meters to a point (9°52'21.98"W-7°20'20.34"N); thence a line runs S 89° W for 2,969 meters to a point (9°53'58.87"W-7°20'18.54"N); thence a line runs S 59° W for 5,794 meters to a point (9°56'41.54"W-7°18'42.84"N); thence a line runs S 89° W for 4,075 meters to a point crossing the Tuma Creek (9°58'54.77"W-7°18'40.96"N); thence a line runs N 44° E for 1,435 meters to a point near the Tuma Creek (9°58'22.45"W-7°19'14.08"N); thence a line runs N 1° W for 998 meters to a point (9°58'22.26"W-7°19'46.77"N); thence a line runs S 88° W for 1,003 meters to a point crossing the Tuma Creek (9°58'55.00"W-7°19'45.74"N); thence a line runs N 1° W for 2,031 meters to a point (9°58'55.56"W-7°20'51.24"N); thence a line runs Due West for 3,979 meters to a point crossing the Tuma Creek (10°01'05.44"W-7°20'51.24"N); thence a line runs S 37° W for 5,010 meters to a point passing through Saiyama Town (10°02'42.37"W-7°18'40.16"N); thence a line runs Due South for 986 meters to a point (10°02'42.72"W-7°18'08.25"N); thence a line runs S 59° E for 8,150 meters to a point crossing the Tuma Creek (9°58'54.79"W-7°15'52.78"N); thence a line runs Due South for 8,814 meters to a point (9°58'52.52"W-7°11'07.07"N); thence a line runs S 54° E for 5,147 meters to a point (9°56'38.06"W-7°09'26.92"N); thence a line runs N 88° E for 4,854 meters to a point on the Saint Paul River (9°53'59.69"W-7°09'32.41"N); thence a line runs Due North for 8,919 meters to a point (9°53'58.17"W-7°14'21.25"N); thence a line runs Due East for 10,891 meters to a point (9°48'02.43"W-7°14'22.25"N); thence a line runs S 1° E for 2,324 meters to a point on the Via River (9°48'01.74"W-7°13'06.31"N); thence a line runs along the Via River in the South Western direction for 2,848 meters to the confluence of the Via and the Saint Paul Rivers; thence a line runs along the Saint Paul River in the North Eastern direction for 49,874 meters to the point of commencement (9°31'26.78"W-

The Forest Management Contract Area "A" was awarded to Alpha Logging and Wood Processing Company. In the preparation of the Forest Management Contract Area "A", notice was given and surveys conducted in a portion of the affected



Communities. The purpose of those surveys was to validate whether the area was suitable for commercial forest practices based upon ecological, economic and social considerations. As part of those surveys, the affected communities were informed of the potential of a Forest Management Contract Area "A" in the vicinity and the requirements for a social agreement. As a result of this, the FDA secured a statement on behalf of the affected communities around the Forest Management Contract Area "A" that they intended to negotiate a social agreement in good faith with the winner of the competitive bid.

#### **I. PURPOSE:**

The Social Agreement is an agreement between the contract holder and the affected communities around a given logging contract area which establishes the relationship between community and company.

The Social Agreement is a requirement by FDA Regulation No. 105-07 between any company that plans to harvest timber and the affected communities that could be affected by that commercial activity.

Social Agreements shall:

- a) Only be established between companies that have been authorized by the FDA through the competitive bidding or Sole Source process and affected communities;
- b) Establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- c) Establish the financial benefits for all affected communities with respect to section 34 of FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.
- d) Be negotiated directly between companies and local communities;
- e) Be attested to and regulated by the FDA. However, the FDA does not play an active role in the negotiation process beyond serving as a facilitator or mediator if discussion breaks down.

#### **II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:**

The Alpha Logging and Wood Processing Company and the Forest Management Contract "A" Community Forest Development Community of Lofa, strive to engage in a mutually beneficial relationship by agreeing to the terms of this Agreement. Working cooperatively in the on-going implementation of the Forest Management Contract Area "A" will allow the affected communities and Alpha Logging and Wood Processing Company to achieve their respective goals.

In consideration of the above premises, the parties hereto agree as follows:

### III. DUTIES AND RESPONSIBILITIES OF ALPHA LOGGING AND WOOD PROCESSING COMPANY:

Alpha Logging and Wood Processing Company shall identify its representative designated by it to represent it in negotiating the terms of the Agreement. Alpha Logging and Wood processing Company representatives must include:

(1) Persons whose names are maintained on the list of names identified in its pre-qualification documents or has such documentation to verify his employment with International Consultant Capital and has the power to negotiate on its behalf; and

(2) In the event that this person is unable to negotiate with the Affected Community, any other person that International Consultant Capital may designate, is subject to the requirements of Count one above.

Alpha Logging and Wood Processing Company shall maintain a list of community representatives (CFDC) of Lofa County for Forest Management Contract Area "A".

Alpha Logging and Wood Processing Company shall address the following issues, rights and responsibilities under the negotiated contract and in a specified period of time covering the next five years.

- That Alpha Logging Company agrees to stop effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plant sites, hunting grounds, non-timber forest products sites.
- That **Alpha Logging Company** agrees that its operations protects and maintains existing water collection points.
- That **Alpha Logging Company** agrees to not damage existing cash/food crops. Eventually when such occurs, the owner(farmer), the CFDC, and representatives from MOA and FDA will be present for settlement.
- That **Alpha Logging Company** agrees to build workers' camp where employees and their families are housed near an existing affected community and the least shelter to be build should be one room apartment. The process will start with assessment of the site by a team comprising of CFDC, EPA, FDA and the company in the first three (3) months upon the signing of this agreement and the actual construction shall start in the following six (6) months which shall commence before the end of 9<sup>th</sup> month of this contract. All shelters/houses to be built in the camp must be done with concrete.
- **Alpha Logging Company** agrees to build and be responsible to operate an elementary school in line with the standard of the Ministry of the Education Action Plan within the workers camp for workers and their dependents before the end of the third year of this agreement

Alpha Logging Company agrees to build and be responsible to operate a clinic in line with the standard of the Ministry of Health Action Plan within the workers camp for workers and their dependents before the end of the third year of this agreement.

- That **Alpha Logging Company** agrees to grant first preference to all skilled and unskilled job opportunities and a representation at middle manager job opportunities which shall be done through the CFDC and a list of all community members employed or contracted by the company shall be made available to the CFDC in the second month upon the signing of this agreement with an update made semi-annually.
- That **Alpha Logging Company** agrees to maintain all existing roads in and adjacent to the contract area and construct new roads to communities and villages that have no road.

Road building plan and timelines

Activities	Specific Areas	Timelines
Road building (1) to National road construction standard (including all bridges, basically the Wadalba Bridge and all bridges with concrete)	Gbonyea Junction to Gbonyea, Kpayarquelleh, Kpowansanyea and Kpeteyea	Year 1 to 2 of this Agreement
Road building (2) open or maintain new roads	Kpayarquelleh to Barquelleh, Barquelleh to Gbarquita and Kpayarquelleh to Kpotoi Village	Year 2 to 3
Road building (3) to National road construction standard (including all bridges, basically the Seleiyah Bridge and all bridges with concrete.	Kpayarquelleh to Barquelleh	Year 3 to 5
All road construction must take place in the dry season (November to April or June every year).		

- That **Alpha Logging Company** agrees to allow the Community Forest Development Committee (CFDC) representatives to verify its production when work commences in the area.
- That **Alpha Logging Company** agrees upon request by the CFDC, community or a community based organization, organized by the community members at a reasonable time intervals, and in reasonable quantities, Alpha Logging will provide logs or timber products including sawn wood, to the affected communities for community development/project only.
- That **Alpha Logging Company** agrees to convene quarterly meetings with the CFDC and the Communities on the last Friday of the last month of each quarter. In addition to quarterly meetings, the **Alpha Logging Company** shall hold

emergency meetings with the CFDC and affected community to discuss any issues affecting the community when the need arises.

- That **Alpha Logging Company** agrees to pay \$1.50 USD/cubic meter to the Community Forestry Development Committee upon commencement of **Alpha Logging Company** operations apart from the payment of 30% land rental (\$2.50 per hectare) to the Community benefit sharing scheme.
- **Alpha Logging Company** also agrees to employ one Community Liaison Officer to monitor all field activities of Alpha who will make monthly report to communities.
- **Alpha Logging Company** agrees to provide technical support in carrying on community development projects.
- **Alpha Logging Company** agrees to provide annual educational support (Scholarship) with the amount of **thirteen thousand (\$13,000.00) United States Dollars (\$6,500.00 per semester)**, first semester payment shall be done July of every year and the 2<sup>nd</sup> semester payment shall be done January every year.
- **Alpha Logging Company** agrees to provide on-the-job training for employees.
- **Alpha Logging Company** will maintain lines of communication regarding any issues in implementing this social agreement.
- **Alpha Logging Company** agrees to construct five (5) (two compartment) pit latrines and ten (10) hand pumps within the five years of this agreement; the areas and the plans will be made by the CFDC and the plan shall be sent in advance to Alpha management for the funding and support.
- **Alpha Logging Company** agrees to provide transportation to the affected Communities during emergency situations and major development activities.
- **Alpha Logging Company** agrees to construct schools in affected communities that have no school and there is a need for school. This shall be assessed and plan by the CFDC and the community for the possible construction and maintenance of the school in collaboration with the MOE.
- **Alpha Logging Company** agrees to provide cubic meter record and deposit into the community account of all funds due to the affected communities under this section regularly.
- **Alpha Logging Company** agrees that in an event it decides to sub-contract or assign any of its rights under the concession agreement subject to this agreement, it shall notify the CFDC in writing and disclose the name of the assignee.
- **Alpha Logging Company** agrees to introduce the third party at a forum to be called and facilitated by the company.
- **Alpha Logging Company** agrees to have a functional office at all times in its operational area.

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#### IV. DUTIES AND RESPONSIBILITIES OF THE AFFECTED COMMUNITIES:

The Affected Communities shall identify their representatives elected by them to the Community Forest Development Committee (CFDC). The CFDC is responsible for representing the affected communities in negotiating the terms of this Agreement. The CFDC agrees to and shall abide by the following conditions:

- (a) A Community Forestry Development Committee must consist of at least ten (10) members who are residents of the Community or communities they represent;
- (b) All members of a Community Forestry Development Committee must be freely and fairly elected by residents of the community or communities represented by the CFDC and reflect some gender balance.
- (c) Prior to the disbursement of funds, a CFDC must be incorporated under the laws of the Republic of Liberia and must have a bank account at Liberia Bank for Development and Industries (LBDI), a recognized bank in Liberia.
- (d) A Community Forestry Development Committee must provide a means for all residents that it represents, including women and youths and elders, to have their views heard and considered.
- (e) The CFDC shall receive 10% of the annual revenue to the Communities (area and production based / fees) as compensation and shall be distributed based on positions.
- (f) The 10% of the area based fee benefit will be paid directly by the National Benefit Sharing Trust Board every month but the 10% of the production/base fee compensation shall be received at the end of the year.
- (g) CFDC must hold a quarterly meeting with the company for briefing, update and grievances, if any and other call meetings whenever the needs arise.
- (h) CFDC shall maintain a list of Alpha Logging Company representatives for FMC "A".
- (i) CFDC member shall not be a GOL, CSO/NGO Company employee.
- (j) CFDC and local Authorities shall ensure that no chain-sawing and farming are allowed in the Forest Management Contract Area "A"-Lofa.
- (k) CFDC will respect and if any change in its leadership structure, FDA, Community and other stakeholders will be immediately informed.

Code of Conduct

Section 33 of Regulation No.105-07 stipulates that a Social Agreement should contain a code of conduct defining the rights and responsibilities of Affected Communities and Alpha Logging Company.

1. The Social Agreements for Forest Management Contract Area "A" (FMC "A"-Lofa) is legitimate for 25 years, which is renegotiable after every five (5) years.
2. There will be an update of every activities Outline in the Social Agreement annually and the general review of the Social Agreement shall be after the next five (5) years in line with the Management Plan revisions;
3. The Forest Management Contract Area-A covers Salayea and Zorzor Districts, Lofa County.
4. The affected communities will encourage low land agricultural development to avoid the expansion of subsistence agricultural activities within Alpha Logging contract area.
5. The affected communities agrees to respect the forest contained within FMC "A" Lofa by avoiding the establishment of new farms within the high forest or causing fires in the high forest.
6. The communities agree not to carry on any commercial pit sawing in the concession area.
7. The communities will not undertake any activities that will cause damage to Alpha Operations.
8. Alpha Logging and its operations will not cause any physical damage to or otherwise interfere with, any existing farms or crops, including infringing upon farm land, binding access to or from the farm, or making harvesting more difficult in any way.
9. The financial benefits included in the social agreement are Land Rental Fees and cubic meter fees, educational support funds etc.
10. The non-cash benefits will be managed by Alpha Logging and the Affected Communities.
11. This Social Agreement is executed as of the date of the last signature. This CFDC will be terminated on the last date of the five (5) years following the execution of this agreement and the agreement shall cease to exist of the last day of the five (5) years. If logging operation is to continue beyond the five (5) years, the Affected Communities shall elect new CFDC one month before the end of the five (5) years to renegotiate a new Social Agreement with Alpha Logging. If everything remains fine and the five years review meeting is held at the end of the five years, the new social agreement shall be negotiated and signed two

months after the five years end. This agreement shall be binding on the parties, their heirs, administrators, assigns, and successors-in-office as though they were physically present when this agreement was signed.

12. Alpha Logging Company will provide in-kind benefits, such as jobs, buildings, roads, etc., for the Affected Communities of the Concession area (Salayea and Zorzor Districts).
13. The Affected Communities represented by the CFDC, Alpha Logging Company and the Forestry Development Authority (FDA) will be involved in agreeing this Social Agreement and will also be involved in the implementation of the Social Agreement and all its projects.
14. The Communities represented by the CFDC will be supported by 10% of the annual revenue to monitor the Social Agreement.
15. Alpha Logging Company and CFDC will provide all necessary information that will be made public to help monitor the Social Agreement.
16. Alpha Logging will ensure that agreed benefits are provided and on time.
17. The CFDC has the authority to negotiate this Social Agreement on behalf of the affected communities.
18. So long as Alpha Logging complies with the affected communities' customary laws regarding traditional practices described in this social agreement, the affected communities will not interfere with Alpha Logging's activities. The affected communities must inform Alpha Logging in advance about traditional activities that may affect Alpha Logging's operation. The affected communities agreed not to force anybody to join their traditional society, unless that person violates that society law and Alpha will be informed of the violation and the punishment for said violator.
19. Community members will not be prevented from harvesting all NTFPs from within the contract areas.
20. Upon request by a community, at reasonable time intervals, and in reasonable quantities, Alpha Logging agrees to provide logs and timber products, including sawn wood, to the affected communities for community development/projects only.

**The Forestry Development Authority shall:**

- Ensure that Forest Management Contract (FMC) "A" is authorised after fulfilling all set requirements so that all terms and conditions of the license are met.
- Ensure that the Operations of International Consultant Capital are in compliance with the FMC "A" contract signed by them and the government of Liberia.
- Make available, where need be copies of the Contract to the Parties to this Agreement.

**I. MUTUAL AGREEMENT**

IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:

**A. PRINCIPAL CONTACTS:** The principal contacts for this agreement are:

<b>Alpha Logging Company Contact</b> Clarence Tay Phone: 0777537554 Email:	<b>Community Forest Development Committee Chairperson</b> J. Augustus Kwalah Phone: +231880577437 +231777641464 Email: fmcalofa@gmail.com/jafkwalah15@gmail.com
<b>Forest Development Authority Contact</b> Hon. Harrison S. Karnwea Sr. Managing Director Phone: 0886513358/0777513358 Email: <a href="mailto:hkarnwea@yahoo.com">hkarnwea@yahoo.com</a>	

- B. It is the intent of this agreement that the parties may modify this agreement by mutual agreement. The FDA will need to attest to its completeness prior to any modifications going into effect.
- C. The parties will maintain lines of communication regarding operations and specifically provide periodic updates to the chairperson regarding any issues in

implementing the social agreement. The update should specifically provide information as to the volume of logs removed to date.

- D. The parties will hold an annual meeting with representatives of the Community Forest Development Committee, FDA and authorized representatives of the FMC Holder to discuss the upcoming annual operating plan as well as attempt to resolve any issues identified from the previous operating season.
- E. The parties may provide support and assistance to each other in seeking grant and alternative funding opportunities via letters of support and work on grant applications.

## II. REAL PROPERTY IMPROVEMENTS:

Any improvements (facilities, roads, etc.) developed as a result of this agreement and at the direction of either of the parties, shall thereupon become the responsibility of the affected communities, and shall be subject to the same regulations and administration as other similar improvements of a similar nature. No part of this Agreement shall entitle International Consultancy Capital to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

## III. PARTICIPATION IN SIMILAR ACTIVITIES:

This agreement in no way restricts the Alpha Logging Company or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.

## IV. DISPUTE RESOLUTION:

In the event of any issue of controversy under this agreement, the parties will initially seek to resolve their differences with the assistance of the FDA. In the event that there are still differences, local government officials (District Commissioner, Paramount Chiefs, Clan Chief, and Town Chief) should be considered as neutral parties in a third-party mediation process, provided their neutrality is so proven in said conflict. If not resolved by the steps above, any controversy or claim arising out of or relating to this agreement shall be exclusively settled by binding arbitration in accordance with the Commercial Arbitration Rules and judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Social Agreement and the interpretation thereof are the laws of Liberia. The arbitration shall take place at an acceptable location within the towns represented by the CFDC and the arbitral proceedings will be in English with interpreter provided for local languages.

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J.A.F.K.

# **V. AUTHORIZED REPRESENTATIVES:**

By signing below, the Chairperson of the Community Forest Development Committee certifies that the individuals listed in this document are representatives of the Affected Communities and are authorized to act in their respective areas for matters related to this agreement. Also, by signing below, the assigned representative Alpha Logging Company certifies that this individual is authorized to act in this capacity for matters related to this agreement.

# **VI. COMMUNITIES BE SUPPORTED TO MONITOR AND EVALUATE THE SA:**

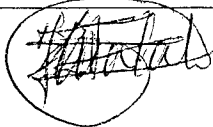


Participatory compliance monitoring of community benefit delivery by Alpha Logging Company and CFDCs; the CFDC to be supported from the Community Fund at the rate of 10% of annual benefit delivery (area and production base fees);  
Independent Monitoring by CFDC Expert /Advisor under an MOU and on a fee basis supported from the Community Fund of 5% of annual benefit delivery (area and production base fees);

# **VII. COMMENCEMENT/EXPIRATION DATE.**

This agreement is executed as of the date of the last signature and is effective for through the duration of a Forest Management Contract (FMC) and reviewed every five (5) years when the duration is to be extended after which time it will expire. The authority and format of this agreement has been reviewed and approved for signature.

This Agreement shall be binding on the parties, their heirs, administrators, assigns, successors in office as though they were physically present when this Agreement was signed.

In witness whereof, the parties hereto have executed this agreement as of the last date written below:

J. Augustus Kwalah Chairperson, <b>Community Forest Development Committee</b>		Date 7/12/16
Clarence Tay General Manager, <b>Alpha Logging and Wood Processing Company</b>		Date 7/12/16
HARRISON S. KARNWEA Sr. Managing Director <b>Forestry Development Authority</b>		Date 11/4/17

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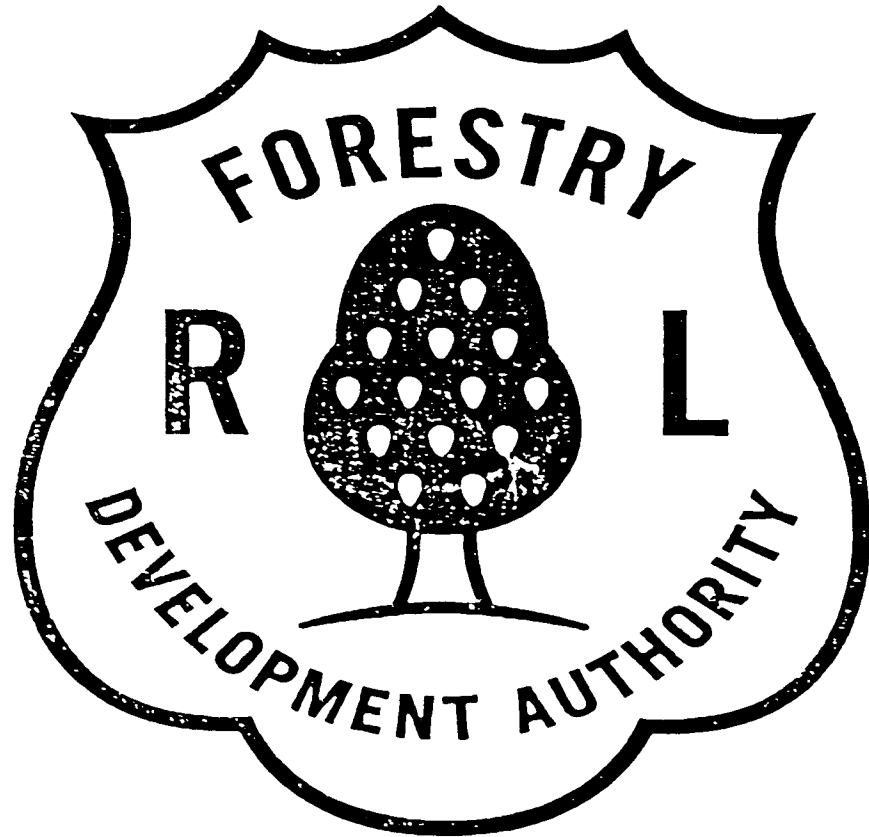
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## CFDC OFFICIALS AND MEMBERS

FMC "A" – Lofa				
No.	Name	Position	AREA	Contact #
1.	J. Augustus F. Kwalah	Chairperson	FMC "A" – Lofa	0777641464
2.	David F. Foeday Sr.	Co – Chairperson	FMC "A" – Lofa	0776337 916
3.	George K. Vessselee	Secretary	FMC "A" – Lofa	0776754907
4.	Elizabeth Youty	Treasurer	FMC "A" – Lofa	0776863814
5.	Weegie Zetemai	Financial Secretary	FMC "A" – Lofa	0886624 640
6.	David P. Gahngalapa	Chaplain General	FMC "A" – Lofa	0776337916
7.	J. Nelson Nupolu	Member	FMC "A" – Lofa	0886459 310
8.	Mulbah Koiyan	Member	FMC "A" – Lofa	0880281310
9.	Gayflor K. Zayzay	Member	FMC "A" – Lofa	0770016704
10.	Washington Sartor	Member	FMC "A" – Lofa	0776235496

J. A. F. K.

SOCIAL AGREEMENT  
FOR COMMUNITIES AFFECTED BY  
LOGGING CONCESSION  
FOREST MANAGEMENT CONTRACT (FMC) AREA "A",  
BOKOMU AND GOU-NWOLAILA DISTRICTS



Negotiated by:

ALPHA LOGGING & WOOD PROCESSING, INC.

and

THE COMMUNITY FORESTRY DEVELOPMENT COMMITTEE  
FOR FOREST MANAGEMENT CONTRACT (FMC) AREA "A",  
BOKOMU AND GOU-NWOLAILA DISTRICTS  
GBARPOLU COUNTY  
REPUBLIC OF LIBERIA



SOCIAL AGREEMENT  
Between the  
ALPHA LOGGING & WOOD PROCESSING, INC.  
And the  
COMMUNITY FORESTRY DEVELOPMENT COMMITTEES(CFDCs)  
OF  
FOREST MANAGEMENT CONTRACT (FMC) AREA - A  
BOKOMU AND GOU-NWOLAILA DISTRICTS  
GBARPOLU COUNTY  
As Attested to by the  
FORESTRY DEVELOPMENT AUTHORITY

**LEGAL REQUIREMENT FOR THE FORMATION OF CFDC**

This Social Agreement is hereby made and entered into by and between the Alpha logging & Wood Processing, INC., hereinafter referred to as **Alpha Logging** or **ALWPI**, the communities of Bokomo and Gou-Nwolaila, hereinafter referred to as the **Affected Communities**, for Forest Management Contract (FMC) Area - A, and attested to as to its completeness by the Forestry Development Authority, Monrovia, Liberia, hereinafter referred to as the **FDA**, under the provisions of the 2006 National Forestry Reform Law, and FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.

This agreement is enforceable, if, in accordance with the FDA Regulation 105-07, the following criteria are fulfilled:

- a) It is signed by a CFDC legitimately elected by all the communities in Bokomu and Gou-Nwolaila Districts affected by the logging concession;
- b) It is signed by the CFDC voluntarily;
- c) It is signed by the CFDC with the CFDC having full knowledge of its terms and their implication; and
- d) It is attested to by Forestry Development Authority, hereinafter referred to as FDA.

**TECHNICAL DESCRIPTION OF THE CONTRACT AREA**

Technical Geographic Description of the Contract Area

The Forest Management Contract(FMC) Area - A is within Latitudes 7°12 '0" -7°36'0" north of the equator and Longitude 9°36'0" - 10°0'0" west of the Greenwich meridian and it is located in Gbarpolu and Lofa counties-Liberia. Forest management contract area "A" is 167 miles accessible by road to the port of Monrovia.

## Metes and Bounds with the Area Map

Starting from the town of Dekeibe, (9°31'37.42"W - 7°20'02.40"N) thence a line runs S 35° E for 566 meters to the point of COMMENCEMENT on the Saint Paul River. (9°31'26.78"W-7°19'48.29"N); thence a line runs Due West for 1,523 meters to a point (9°32'16.42"W-7°19'48.73"N); thence a line runs Due North for 1,956 meters to a point (9°32'16.71"W-7°20'52.06"N); thence a line runs N 35° E for 3,636 meters to a point (9°31'08.49"W-7°22'29.11"N); thence a line runs Due North for 3,125 meters to a point (9°31'07.71"W-7°24'09.89"N); thence a line runs N 52° W for 1,434 meters to a point (9°31'44.95"W-7°24'38.91"N); thence a line runs N 2° W for 2,181 meters to a point (9°31'46.91"W-7°25'49.10"N); thence a line runs N 46° E for 2,806 meters to a point (9°30'41.83"W-7°26'52.23"N); thence a line runs N 1°30' E for 2,872 meters to a point (9°30'39.48"W-7°28'25.56"N); thence a line runs N 29° W for 10,433 meters to a point (9°33'23.37"W-7°33'21.23"N); thence a line runs Due West for 6,891 meters to a point crossing the Via River (9°37'08.42"W-7°33'23.58"N); thence a line runs S 26° W for 2,258 meters to a point (9°37'40.84"W-7°32'17.86"N); thence a line runs Due West for 1,099 meters to a point crossing the Via River (9°38'17.14"W-7°32'17.07"N); thence a line runs Due North for 5,022 meters to a point (9°38'17.12"W-7°35'00.30"N); thence a line runs N 53° W for 4,983 meters to a point (9°40'26.59"W-7°36'36.69"N); thence a line runs Due West for 2,026 meters to a point (9°41'32.78"W-7°36'37.27"N); thence a line runs Due South for 5,022 meters to a point (9°41'33.36"W-7°33'54.69"N); thence a line runs Due East for 1,031 meters to a point (9°40'59.68"W-7°33'55.27"N); thence a line runs Due South for 2,960 meters to a point (9°41'00.26"W-7°32'17.71"N); thence a line runs S 60° W for 2,347 meters to a point (9°42'06.45"W-7°31'39.39"N); thence a line runs S 13° W for 17,298 meters to a point (9°44'14.33"W-7°22'33.33"N); thence a line runs Due West for 6,999 meters to a point (9°48'02.81"W-7°22'31.97"N); thence a line runs S 20° W for 6,098 meters to a point (9°48'38.17"W-7°19'16.10"N); thence a line runs S 89° W for 6,834 meters to a point (9°52'21.22"W-7°19'10.66"N); thence a line runs N 2° W for 2,108 meters to a point (9°52'21.98"W-7°20'20.34"N); thence a line runs S 89° W for 2,969 meters to a point (9°53'58.87"W-7°20'18.54"N); thence a line runs S 59° W for 5,794 meters to a point (9°56'41.54"W-7°18'42.84"N); thence a line runs S 89° W for 4,075 meters to a point crossing the Tuma Creek (9°58'54.77"W-7°18'40.96"N); thence a line runs N 44° E for 1,435 meters to a point near the Tuma Creek (9°58'22.45"W-7°19'14.08"N); thence a line runs N 1° W for 998 meters to a point (9°58'22.26"W-7°19'46.77"N); thence a line runs S 88° W for 1,003 meters to a point crossing the Tuma Creek (9°58'55.00"W-7°19'45.74"N); thence a line runs N 1° W for 2,031 meters to a point (9°58'55.56"W-7°20'51.24"N); thence a line runs Due West for 3,979 meters to a point crossing the Tuma Creek (10°01'05.44"W-7°20'51.24"N); thence a line runs S 37° W for 5,010 meters to a point passing through Saiyama Town (10°02'42.37"W-7°18'40.16"N); thence a line runs Due South for 986 meters to a point

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(10°02'42.72"W-7°18'08.25"N); thence a line runs S 59° E for 8,150 meters to a point crossing the Tuma Creek (9°58'54.79"W-7°15'52.78"N); thence a line runs Due South for 8,814 meters to a point (9°58'52.52"W-7°11'07.07"N); thence a line runs S 54° E for 5,147 meters to a point (9°56'38.06"W-7°09'26.92"N); thence a line runs N 88° E for 4,854 meters to a point on the Saint Paul River (9°53'59.69"W-7°09'32.41"N); thence a line runs Due North for 8,919 meters to a point (9°53'58.17"W-7°14'21.25"N); thence a line runs Due East for 10,891 meters to a point (9°48'02.43"W-7°14'22.25"N); thence a line runs S 1° E for 2,324 meters to a point on the Via River (9°48'01.74"W-7°13'06.31"N); thence a line runs along the Via River in the South Western direction for 2,848 meters to the confluence of the Via and the Saint Paul Rivers; thence a line runs along the Saint Paul River in the North Eastern direction for 49,874 meters to the point of commencement (9°31'26.78"W-7°19'48.29"N), embracing (One Hundred and Nineteen Thousand Two Hundred and Forty) 119, 240 hectares of forest land.

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The Forest Management contract (FMC) Area - "A" was awarded to Alpha Logging & Wood Processing, INC. In the preparation of the Forest Management Contract (FMC) Area - "A", notice was given and surveys conducted in a portion of the affected communities. The purpose of these surveys was to validate whether the area was suitable for commercial forest practices based upon ecological, economic and social considerations. As part of this survey, the affected communities were informed of the potential FMC in the vicinity and the requirements for a social agreement. As a result of this, the FDA secured a statement, using FPIC/RBA, (Reg. 104 section 22 J) on behalf of affected communities around the Forest Management Contract (FMC) Area - "A" that they intend to negotiate a social agreement in good faith with the winner of the competitive bid.

#### I. PURPOSE:

This Social Agreement is a Forest Management Contract (FMC) between Alpha Logging & Wood Processing, INC. and the affected communities of Bokomo and Gou-Nwolaila Districts around a given logging contract area which establishes the relationship between the Affected Communities and Alpha Logging.

The Social Agreement is a requirement by FDA Regulation No. 105-07 between any company that plans to harvest timber and the affected communities that could be affected by that commercial activity.

Social Agreements shall:

- a) Only be established between companies that have been authorized by the FDA through the competitive bidding/Sole Source<sup>1</sup> process and affected communities<sup>2</sup>;
- b) To establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- c) Establish the financial benefits for all affected communities with respect to section 34 of FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.
- d) establish Non-financial benefits (Employment and Benefits in Kind)
- e) Establish Processes to Agree Social Agreement;
- f) Negotiate directly between companies and local communities;

<sup>1</sup> Sole Source is defined in PPCA as When only one supplier has the exclusive right to manufacture the goods, carry out the works, or perform the services to be procured and no suitable alternative is available;

<sup>2</sup> Affected Communities as defined in the regulation is as follows: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by Operations carried out under a Forest Resource License. "Interests" for purposes of this definition may be an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.

- g) Develop monitoring and evaluation of the implementation of the Social Agreement (Annexes 3a&b)
- h) Reference the role of FDA as in Annex 1a of the SA.

## **II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:**

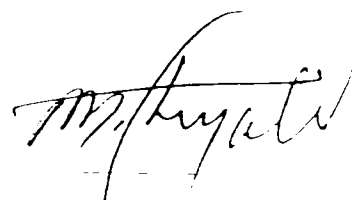
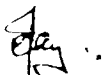
The Alpha Logging & Wood Processing, INC. and Affected communities represented by the Community Forestry Development Committee (CFDC) strive to engage in a mutually beneficial relationship by agreeing to the terms of this Contract. Working cooperatively in the on-going implementation of the FMC will allow the affected communities and the Alpha Logging & Wood Processing to achieve their respective goals.

In consideration of the above premises, the parties hereto agree as follows:

## **III. THE ALPHA LOGGING & WOOD PROCESSING, INC. (HOLDER) SHALL:**

Alpha Logging shall identify the representative of the Company designated by the company to represent it in negotiating the terms of this social agreement. The company representatives must include:

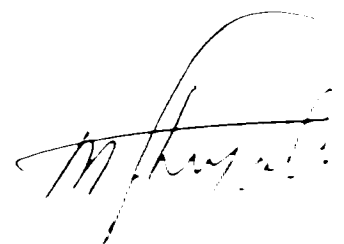
- (1) Persons whose names are maintained on the list of names identified in the company's pre-qualification documents or has such documentation to verify his employment with the company and has the power to negotiate on the company's behalf; and
- (2) In the event that this person is unable to negotiate with the Affected Community, any other person that the Company may designate, subject to the requirements of this Paragraph.
- The Alpha Logging shall maintain a list of community representatives (CFDC) for its FMC.
- The Alpha Logging shall address the following issues, rights and responsibilities under the negotiated contract.
- Alpha Logging and its operations will not cause any physical damage to, trespass upon, or otherwise interfere with, the Communities traditional society bush, traditional society practices, or traditional matters. Alpha Logging and its operations will not limit Affected Communities' choices of traditional sites if the Communities decide they need to relocate their traditional sites.
- Alpha Logging and its operations will not cause damage to and will protect the sources of the Communities water and the Communities water collection points. Alpha Logging will not harvest any timber at water sources, will not spoil the Affected Communities' drinking water, and will not dump either chemicals or other logging products in rivers or any body of water.



- Alpha Logging and its operations will not cause any physical damage to, or otherwise interfere with, any existing farm or crops, including infringing upon farm land, binding access to or from the farm, or making harvesting more difficult in any way.

If Alpha Logging considers it necessary while undertaking projects in the Affected Communities' interest it may cause physical damage to existing farm or crops. It is the Affected Community and not Alpha Logging that can determine what projects are in the Communities' interest.

- If Alpha Logging considers it necessary for its operations to cause any physical damage to, or otherwise interfere with, any existing farm or crops it must request permission from the owner of the farm or crops. If Alpha Logging does not receive permission from the owner of the farm or crops then it cannot cause such damage. If the owner of the farm or crops give Alpha Logging permission Alpha Logging must negotiate with and compensate the owner of the farm or crops.
- Alpha Logging will participate fully in any major Community development programs.
- Alpha Logging agrees to build camps where employees and their families are housed near existing affected towns. Alpha Logging agrees to construct at least three (3) four compartment modern latrine in each town within the concession areas. Alpha Logging agrees to construct at least three (3) hand pumps in each major town and two (2) hand pump in each small town within the concession areas.
- Alpha Logging will provide transportation during emergency situations and major development activities.
- Alpha Logging agrees to provide first preference for employment for skilled and unskilled citizens of the affected communities in Gou-Nwolaila and Bokomu Districts. Alpha Logging agrees to provide on the job training for local employees.



- Alpha Logging will provide in-kind benefits, such as Jobs, buildings, roads, etc, for the Affected Communities of Bokomo and Gou-Nwolaila.
- Alpha Logging agrees to establish a local scholarship program for students from the affected community so that local students may attend universities of technical programs starting from their first year of operation to the end of their operation. Details of such scholarship program shall be discussed by the CFDC and Alpha logging.
- Alpha Logging will maintain all major roads within their concession areas. Alpha Logging shall not levy any form of charge to members of Affected Communities for the use of any roads constructed and/or maintain by Alpha Logging.
- Alpha Logging agrees to provide the following infrastructure projects:
  - (a) The affected communities have resolved to change their demand for Alpha Logging to construct bridge over the St. Paul River to enter the concession area. The affected Communities have agreed that Alpha Logging should enter the concession area through Lofa County by way of the Via River and build the road through the concession area and connect the district Headquarters (Palakwelleh) to Dorkorta and build bridge over Tuma creek between Dorkorta and Monlakwelleh to connect the Bopolu-Belle Yallah Highway, the highway that will connect the district to the county seat; Bopolu City. The construction of this road and bridge will begin simultaneously during Alpha's first year of operation in Gbarpolu County, and should be built according to the Ministry of Public Works standard.
  - (b) Additional bridges: Alpha Logging will construct all other bridges across major creeks and streams out of steel and concrete. The bridges will not be built out of logs.
  - (c) Health Clinics: Alpha Logging will build new or modernize existing health clinics in the concession area. These clinics will have modernized maternity health facilities. Alpha Logging will build one (1) modern clinic in Gou-Nwolaila District, population centers will be prioritized, and one (1) modern clinic in Bokomu District to be specific in Forkpata. These clinics will be built according to the Ministry of Health standard. The construction of these clinics will commence in the second year of operation and end in the third year of operation.

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- (d) Junior High school: Alpha Logging will build and modernize junior high school. Alpha Logging will build at least one (1) junior high school in Nwolia Chiefdom. This school will be built according to the Ministry of Education standard. The construction of the school will commence during the third year of operation.
- (e) Roads: Alpha Logging will build roads to link all the major towns and major crossing points..
- (f) . in the affected communities in line with the County Development Agenda. These roads will be built according to the Ministry of Public Works standard.
- (g) Specifics that are related to these infrastructure projects that are not listed here, such as specific locations, shall be communicated to Alpha Logging by the CFDC.
- This Social Agreement shall serve as a binding contract between Alpha Logging and the Bokomo and Gou-Nwolaila Districts Communities affected by the logging concession FMC – A. This Social Agreement shall strive to create understanding and a basis for cooperation between Alpha Logging and Affected Communities upon whose land the company is logging. It shall establish the benefits and protect the Communities Affected FMC – A. These benefits shall include:
    - (a) . The cubic meter financial benefits the Affected Communities are due under FDA regulation 105-07 section 34;
    - (b) In kind benefits, such as Jobs, buildings, roads, etc, upon which the Affected Communities, and Alpha Logging agree during the negotiation of this Social Agreement
    - (c) Protections, such as environment or livelihood protections for the Affected Communities, upon which the Communities and Alpha Logging agree during the negotiation of this Social Agreement.
  - Benefits not included in this Social Agreement but owed to the Affected Communities under the laws, such as land rental payments or environmental protected etc, shall continue to be the rights of the Affected Communities.
  - The Social Agreement shall establish a code of conduct that lists additional responsibilities of both Alpha Logging and the Affected Communities.

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- The Social Agreement shall establish obligations the FDA holds to both Alpha Logging and the Affected Communities.
- Upon request by the Community, at reasonable intervals, and in reasonable quantities, Alpha Logging agrees to provide logs and timber products, including sawn wood, to the Affected Communities for community projects only.
- Alpha Logging and the CFDC will maintain lines of communication regarding operations. Alpha Logging will provide periodic updates to the CFDC regarding any issues in implementing the Social Agreement. These updates must meet or exceed Alpha Logging's reporting requirements under Community Benefits. Representatives of Alpha Logging with speaking and decision-making powers must meet with the CFDC and if the Community so chooses, additional members of the Affected Community on an ad-hoc basis as issues important to the affected community arise.
- Alpha Logging agrees to provide a financial benefit to the affected communities for each cubic meter of timber cut by Alpha Logging. These benefits will be as follows:
  - (a) Class "A" species: 1.50USD/m<sup>3</sup>
  - (b) Class "B" species: 1.50USD m<sup>3</sup>
  - (c) Class "C" species: 1.50USD m<sup>3</sup>

Alpha Logging will deposit the funds due to the Affected Communities under this section no less frequently than once every three (3) months into an account established by the CFDC. Alpha Logging will provide to the CFDC payment receipt detailing the status of this account, including deposits, no less frequently than once every three (3) months.

- Alpha Logging will provide adequate accommodations, healthcare deliveries and safe drinking water for workers and their families.

#### IV. THE AFFECTED COMMUNITIES SHALL:

Identify their representatives through the election of their members to a Community Forest Development Committee (CFDC). The CFDC is responsible for representing the affected communities in negotiating the terms of a social agreement.

Community Forest Development Committees must abide by the following conditions —

- (a) A Community Forestry Development Committee members should:
  - Consist of at least five members and not more than ten members;
  - They must be permanent residents of the community or communities that the Committee represents;
  - Be a representative of clusters within the community
  - Not be a GOL, CSO/NGO Company employee;

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- Be removed by community members that elected you for inefficiency, ineffectiveness and misconduct. Refer to CFDC guidelines/rules (Reg 105 Part XI section 62)

(b) All members of a Community Forestry Development Committee must be freely and fairly elected by residents of the community cluster<sup>3</sup> of the affected community; and should reflect gender balance;

(c) A Community Forestry Development Committee must provide a means for all residents that it represents, including women and youths and elders, to have their views heard and considered;

(d) Prior to the disbursement of funds, a Community Forestry Development Committee must be incorporated under the laws of the Republic and should have a bank account at a recognized bank in Liberia.

(e) A Community Forestry Development Committee shall receive 10% of the annual revenue to the communities (area and the production base-fees) as compensation and shall be distributed based on position according to Annex 4 of the Social Agreement Guide.

(f) The 10% of the area-base fee benefit will be paid directly by the National Benefit Sharing Trust Board every month but the 10% of the production-base fee compensation shall be received at the end of the year.

(g) Community Forest Development Committee and local Authorities shall ensure that no Chain sawing and farming are allowed in contract areas

(h) CFDC must hold a monthly meeting with the community members for briefing, update and grievances, if any.

(i) CFDC should be respected and if any change in its leadership structure, FDA, Community and other stakeholders must be immediately informed.

(j) CFDC shall maintain a list of contract holders' representatives for its FMC.

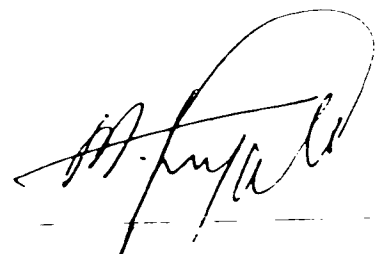
### **Code of Conduct**

Section 33 of Regulation No.105-07 stipulates that a Social Agreement should contain a code of contract defining the rights and responsibilities of Affected Communities and the Alpha Logging & Wood Processing, INC.

<sup>3</sup> Community Cluster is defined as communities/villages that are close to one another. These groups of communities /villages are to elect one person to represent them in the CFDC of the entire affected communities.

- The Social Agreement for Forest Management Contract (FMC) is legitimate for 25 years, which is renegotiable after every 5 years. At the end of the first year of the signing of the Social Agreement there should be a need to check on the Alpha Logging to find out whether they are abiding by their portion of the Social Agreement.
- The Forest Management Contract Area –“A” covered Bokomo and Gou-Nwolaila Districts.
  - (h) The Affected Communities will encourage low land agriculture development to avoid the expansion of subsistent agriculture activities within Alpha Logging Contract Area.
  - (i) The Affected Communities agree to respect the forest contained within FMC “A” by avoiding the establishment of new farms within the high forest or causing fires in the high forest.
  - (j) Alpha Logging and its operations will not cause any physical damage to, or otherwise interfere with, any existing farm or crops, including infringing upon farm land, binding access to or from the farm, or making harvesting more difficult in any way.
  - (k) The financial benefits included in the Social Agreement are: Land Rental Fees and Cubic Meter Fees.
- Alpha Logging will deposit the funds due to the Affected Communities under this section no less frequently than once every three (3) months into an account established by the CFDC. Alpha Logging will provide to the CFDC payment receipt detailing the status of this account, including deposits, no less frequently than once every three (3) months.
- Non-financial benefits will be managed by Alpha Logging and the Affected Communities.
- This Social Agreement is executed as of the date of the last signature. This CFDC will terminate on the date (5) years following the execution of this Agreement. If logging operation continues beyond the date five (5) years following the execution of this Social Agreement, the Affected Communities will elect new CFDC to negotiate new Social Agreement with Alpha Logging. This agreement shall be binding on the parties, their heirs, administrators, assigns, and successors-in-office as though they were physically present when this agreement was signed.

- Alpha Logging will provide in-kind benefits, such as Jobs, buildings, roads, etc, for the Affected Communities of Bokomo and Gou-Nwolaila.
- The Affected Communities represented by the CFDC, Alpha Logging & Wood Processing, INC. and the Forestry Development Authority (FDA) will be involved in agreeing a Social Agreement. Describe who will be involved in agreeing SAs and what are their responsibilities:
- The Social Agreement is valid for five (5) years.
- The communities represented by the CFDC will be supported by the 10% of the annual revenue to monitor the Social Agreement.
- Alpha Logging will provide all necessary information that will be made public to help monitor the Social Agreement.
- Alpha Logging is responsible for ensuring that agreed benefits are provided.
- Alpha Logging will maintain all major roads within their concession areas. Alpha Logging shall not levy any form of charge to members of Affected Communities for the use of any roads constructed and/or maintained by Alpha Logging
- The CFDC has the authority to negotiate this Social Agreement on behalf of the Affected Communities. The Affected Communities agree to prohibit pit sawing for commercial uses, but Affected Communities may cut trees occasionally for Community development purposes around the towns in the affected community in collaboration with Alpha Logging. So long as Alpha Logging complies with the Affected Communities' Customary laws regarding traditional practices described in this Social Agreement, the Affected Community will not interfere with Alpha Logging's activities. The affected communities must inform Alpha Logging in advance about traditional activities that may affect Alpha's Logging operation. The Affected Community agrees not to force anybody to join their traditional society, unless that person violates that society law.

- (l) Community members will not be prevented from harvesting all NTFPs from within the contract areas.
- (m) Upon request by a community, at reasonable intervals, and in reasonable quantities, Alpha Logging agrees to provide logs and timber products, including sawn wood, to the affected communities for community projects only.

## V. THE FORESTRY DEVELOPMENT AUTHORITY SHALL:

- A. Ensure that the FMC is authorized so that all terms and conditions of the License are met.
- B. Ensure that the Operations of the Alpha Logging & Wood Processing, INC. are in compliance with the FMC.
- C. Ensure drafting of CFDC guidelines (election process, by-laws/constitution, etc) and the social agreement guidelines (SA negotiation and observing FPIC)

a. Send an original to:	b. Send a copy to:
<ul style="list-style-type: none"> <li>Alpha Logging &amp; Wood Processing, INC.</li> </ul>	<ul style="list-style-type: none"> <li>Community Forest Development Committee</li> <li>FDA Managing Director</li> </ul>

## VI. IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:

- A. **PRINCIPAL CONTACTS.** The principal contacts for this agreement are:

**Alpha Logging & Wood Processing, INC.**

Clarence Tay

Phone: 0777537554

FAX:

Email:

**Community Forest Development Committee Chairperson**

E. Moses Loryah

Phone: 0886409392

FAX:

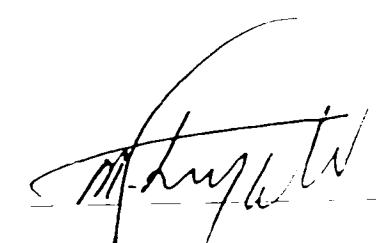
Email:

**Forest Development Authority Contact**

Hon. Harrison S. Kamwea, Sr.

Phone: 0880713225

Email:

- B. It is the intent of this agreement that the parties may modify this agreement by mutual agreement. The FDA will need to attest to its completeness prior to any modifications going into effect.
- C. The parties will maintain lines of communication regarding operations and specifically provide periodic updates to the chairperson regarding any issues in implementing the social agreement. The update should specifically provide information as to the volume of logs removed to date.
- D. The parties will hold an annual meeting with representatives of the Community Forest Development Committee, FDA and authorized representatives of the Alpha Logging & Wood Processing, INC. to discuss the upcoming annual operating plan as well as attempt to resolve any issues identified from the previous operating season.
- E. The parties may provide support and assistance to each other in seeking grant and alternative funding opportunities via letters of support and work on grant applications.
- F. **REAL PROPERTY IMPROVEMENTS.** Any improvements (facilities, roads, etc.) developed as a result of this agreement and at the direction of either of the parties, shall thereupon become the responsibility of the affected communities, and shall be subject to the same regulations and administration as other similar improvements of a similar nature. No part of this agreement shall entitle Alpha Logging & Wood Processing, INC. to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

**G. GUARANTEE OF PERFORMANCE**

In the event that Alpha Logging fails to do the below it shall have fail to perform under the Social Agreement:

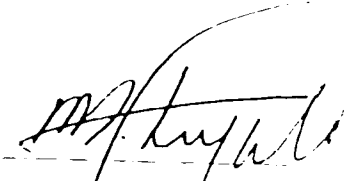
- a) Alpha logging fails to uphold any of its obligation under this Social Agreement;

Failure by Alpha Logging to perform under this Social Agreement shall result in one (1) if not both of the following actions:

- a) Alpha Logging shall halt all logging activities and shall not restart logging until its obligations under this Social Agreement have been met; and /or
- b) That Affected Communities shall regard failure by Alpha Logging to uphold its obligations under this Agreement as a material breach of this Social Agreement and shall terminate the Social Agreement. Alpha Logging will then be prohibited from conducting logging activities as outlined in FDA Regulation 105-07 sec. 31 (b)(2), which prohibits logging activities without a Social Agreement being in force.

- H. **PARTICIPATION IN SIMILAR ACTIVITIES.** This agreement in no way restricts the Alpha Logging & Wood Processing, INC. or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.

- I. **DISPUTE RESOLUTION.** In the event of any issue of controversy under this agreement, the parties consisting of two (2) members of the CFDC and two (2) persons from the Alpha Logging and one person that both parties agreed on will



seek to initially resolve their differences with the assistance of those mentioned in Annex 2a. In the event that there are still differences, local government officials (District Commissioner, Paramount Chiefs, Clan Chief, and Town Chief) should be considered as neutral parties in a third-party mediation process, provided their neutrality is so proven in said conflict. If not resolved by the steps above, any controversy or claim arising out of or relating to this agreement shall be exclusively settled by binding arbitration in accordance with the Commercial Arbitration Rules and judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Social Agreement and the interpretation thereof are the laws of Liberia. The arbitration shall take place at an acceptable location within the towns represented by the CFDC and the arbitral proceedings will be in English with interpreter provided for local languages.

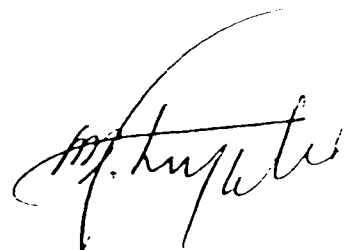
J. **AUTHORIZED REPRESENTATIVES:** By signing below, the Chairperson of the Community Forest Development Committee (CFDC) certifies that the individuals listed in this document are representatives of the Affected Communities and are authorized to act in their respective areas for matters related to this agreement. Also, by signing below, the assigned representative of the Alpha Logging & Wood Processing, INC. certifies that this individual is authorized to act in this capacity for matters related to this agreement.

K. **COMMUNITIES BE SUPPORTED TO MONITOR AND EVALUATE THE SA:**

Participatory compliance monitoring of community benefit delivery by Alpha Logging and CFDCs; the CFDC to be supported from the Community Fund at the rate of 10% of annual benefit delivery (area and production base fees);  
Independent Monitoring by CFDC Expert Advisor under an MOU and on a fee basis supported from the Community Fund of 5% of annual benefit delivery (area and production base fees);

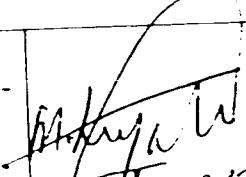


K. **COMMENCEMENT/EXPIRATION DATE.** This agreement is executed as of the date of the last signature and is effective through the duration of a Forest Management Contract (FMC) and reviewed every 5 years, when the duration is to be extended after which time it will expire.

The authority and format of this agreement has been reviewed and approved for signature.

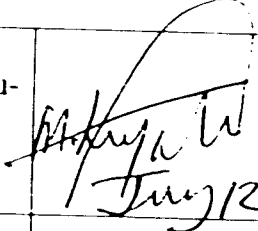






In witness whereof, the parties hereto have executed this agreement as of the last date written below.

E. Moses Loryah Chairman FMC- "A." Bokomu and Gou- Nwolaila, Districts, Gbarpolu County	 July 12-2015	Date
Clarence Tay General Manager Alpha Logging & Wood Processing, Inc.	 C	Date July 12, 2015
HARRISON S. KARNWEA, Sr. Managing Director Forestry Development Authority	 H.S.K.	Date 16-7-15

In witness whereof, the parties hereto have executed this agreement as of the last date written below.

E. Moses Loryah Chairman FMC- "A," Bokomu and Gou- Nwolaila, Districts, Gbarpolu County	 July 12-2015	Date
Clarence Tay General Manager Alpha Logging & Wood Processing, Inc.	 C	Date July 12, 2015
HARRISON S. KARNWEA, Sr. Managing Director Forestry Development Authority	 H. S. Karnwea, Sr.	Date 16-7-15

	Bokomu Clan		
John Karbett	Acting Clan Chief Upper Deymah Clan		
Sumo Dakarquoi	Clan Chief, Nwolaila Clan		
George S. Kolliabah	Clan Chief, Lower Deymah Clan		
Jimmy Duah	Clan Chief-Gou-Clan		

#### DISTRICT COMMISSIONERS

Moses D. Walah	Gou-Nwolaila District		
John G. Gormor	Bokomu District		

#### PARAMOUNT CHIEFS

John Reeves	Bokomu Chiefdom		
Dougbakollie Gayankala	Gou Chiefsom		
Flomo Korvah Tokpa	Nwolaila Chiefdom		

#### Alpha Logging & Wood Processing Incorporated Representatives

Name	Title	Address	Cell #
Clarence Tay	General Manager	Monrovia	0777537554
John M. Baxter	General Manager Planning, Government & Corporate	Monrovia	0888699659
K. Moses Monlonporlor, Sr.	Coordinator	Monrovia	0777536436/0886536436

*Clay*

*M. Gayankala*