

REPUBLIC OF LIBERIA )  
MONTSERRADO COUNTY)

### THIRD PARTY FOREST MANAGEMENT AGREEMENT

THIS THIRD PARTY FOREST MANAGEMENT AGREEMENT made and entered into this 12TH day of December, A.D. <sup>2018</sup> year by and between GHEEGBARN#2 COMMUNITY FOREST MANAGEMENT BODY, representing GHEEGBARN#2 COMMUNITY FOREST located in {Community Address}, hereinafter known and referred to as the "Community" and L & S Resource Incorporated, a company organized and existing under the Laws of the Republic of Liberia, represented by its General Manager, {Company Rep}. , hereinafter known and referred to as "The Company", hereby

#### WITNESSETH

WHEREAS, the people of GHEEGBARN Community are the owners of the Gheegbarn #2 Community Forest in District #2, Grand Bassa County; and

WHEREAS, the people of Gheegbarn #2 Community Forest have entered into an agreement with Government of Liberia, by and through the Forest Development Authority for the sustainable management and use of its forest resources in line with the Forest Laws of Liberia; and

WHEREAS, the people of Gheegbarn #2 Community Forest have expressed their readiness to offer their forest for Commercial purposes in line with the requirements of the Community Right Laws with respect to forest Lands, the Community Rights Law Regulations, the National Forest Reform Law of 2009 and its attending regulations; and

WHEREAS, L&S Resource Incorporated is a duly registered and qualified Company with a pre- Qualification Certificate to engage directly or indirectly in logging activities in the Republic of Liberia; and

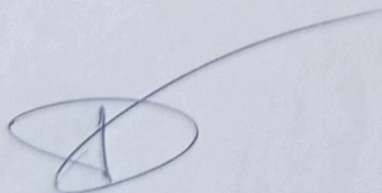
WHEREAS, G2CFMB has represented to the people of Gheegbarn #2 Community Forest through the Gheegbarn #2 Community Forest Management Body that it is disposed to manage their Community Forest for commercial purpose to further the development of the people of Gheegbarn #2 Community Forest; and

WHEREAS, Gheegbarn #2 Community Forest Management Body has consented and determined it to be in the best interest of the people of Gheegbarn #2 Community Forest for L & S Resource Incorporated to commercially manage their forest under this Community Forest Management Agreement.

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

#### 1. COMMUNITY FOREST AREA

The Community Forest Management area for the purpose of this Agreement is situated in Grand Bassa County, Republic of Liberia and covers a total area of 12,576 hectares as detailed in Annex A.





## 2. DURATION OF AGREEMENT

This Community Forest Agreement shall be in full force and effect for a period of fifteen (15) years which shall commence immediate upon the signing of this Agreement between the GHEGBARN #2 Community Forest Management Body (G2CFMB) and L&S RESOURCE INCORPORATED. It is mutually understood and agreed that the Social Agreement (which forms an internal part of this).

## 3. FISCAL CONSIDERATION

The parties hereto have made the following fiscal considerations for this Community Forest Management Agreement:

3.1 L&S Resource Inc shall pay the amount of US\$ 1.25 per hectare annually for land rental fee in accordance with the National Forestry Reform Law. This fee shall be paid directly to the Forestry Development Authority (or it agent). The FDA in accordance with the Community Right Law with Respect to forests land shall remit fifty five percent (55%) of the collected Land rental to the G2CFMB in the first 5 months of each physical year timely manner. L&S Resource Inc shall inform G2CFMB of its payment of the land Rental at the time of each payment.

3.2 L&S Resource Inc shall pay the amount of US\$ 1.50(One dollar and fifty cents United States Dollars) for every cubic meter of log harvested, to the G2CFMB on a quarterly basis. L&S Resource Inc shall furnish the G2CFMB with copies of Log Data Form (LDF), which shall serve as the official source to determine actual volume felled. Payment of all royalties or fees due the Community (excluding land rental) shall be deposited directly into the Community's bank account. The Community shall furnish L&S Resource Inc with its bank's account number and other banking information required for such deposit(s).

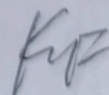

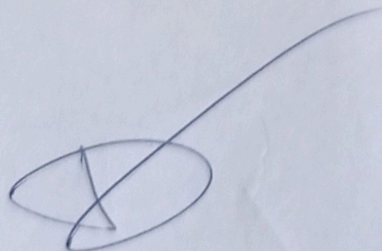
## 4. REQUIREMENTS BEFORE COMMERCIAL FELLING

It is mutually understood and agreed by L&S Resource Inc and G2CFMB that no commercial felling shall commence until the completion of the Community Forest Management Plan, and the completion of the Environment Impact Assessment and other felling requirements established by the FDA.

## 5. SOCIAL AGREEMENT

The people of Geegbarn #2 Community Forest, having identified its representative body, firstly the Geegbarn #2 Community Forest Assembly and the Gheegbarn #2 Community Forest Management Body(G2CFMB), to represent it in accordance with the Community Right Law with Respect to Forest Land and its regulations, shall ensure no other person outside of the G2CFMB shall in anyway represent himself/herself/themselves as the authorized representatives of the people of Gheegbarn #2 Community Forest in relation to any terms of this Agreement, including financial payments or social obligations. It is mutually understood and agreed L&S Resource Inc and G2CFMB that:

1. G2CFMB has the power to negotiate on all affected community's behalf.
2. G2CFMB shall provide a list of its members and be responsible to inform L&S Resource Inc of any change to its membership immediately.

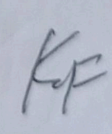
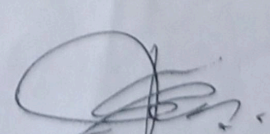
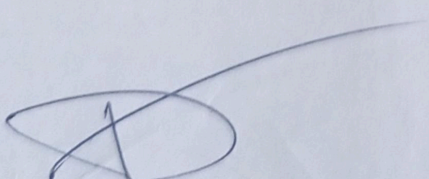




3. **G2CFMB and L&S Resource Inc** hereby agree and stipulate that the social commitment to the people of GHEEGBRAN #2 Community Forest shall follow the guidelines as prescribed by the Forestry Development Authority.
4. **L&S Resource Inc** agrees to design its logging operations to minimize effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plants sites, hunting grounds, to the extent that they will respect the traditional practices, laws and regulations of the people GHEEGBARN #2 Community Forest.
5. **G2CFMB** agrees to inform **L&S Resource Inc** of all relevant traditional practices and regulations to ensure compliance.
6. **G2CFMB** agrees to ensure that water collection points are protected and maintained. **L&S Resource Inc** shall construct a total of ten (10) hand pumps and six (6) latrines in the affected community. The construction of pumps shall be completed within the first two (2) years of **the company's** operation. The site/locations of the construction of the hand pumps shall be as follows:
  - Six (6) hand pumps in **Kai Section**, Lower Chan Clan
  - Four (4) hand pumps in Gborgar Town, Upper **Gooee Section**, Gogowein Clan
7. **L&S Resource Inc** agrees that its timber operations shall be timed to minimized disruption to subsistence agricultural activities.
8. **L&S Resource Inc** agrees that its timber operations shall respect the existing cash crops within the Community Forest Management Area. Payment of royalties or fees due the Community (excluding land rental) shall to be deposited into the Community's bank account. The Community shall furnish **L&S Resource Inc** with its bank's account number and other banking information required for such deposit(s).
9. **L&S Resource Inc** agrees to participate substantially in community development program (such as town hall development, construction of school etc.....

Additionally, damaged hand pumps shall be rehabilitated by L&S Resource Inc once identified by the community

**A. School:** that the parties hereto mutually agree that the company shall build the total of two (2) schools and two (2) clinics in the community as part of the community's social development. One school and one clinic shall be completed in the first five years and the other school and clinic completed in the second five years. The first school shall be built in Gborgar Town, Upper Gooee Section, Gogowein Clan while the second school shall be built in Kai Section, Chan Clan.





**B. Scholarship Fund:** L&S Resource Inc agreed to make an annual contribution of **US\$ 5,000.00** (Five Thousand United States Dollars) towards the Community's through the CFMB annually for grade schools and college students that are residents of the community.

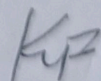

**C. Clinic:** L&S Resource Inc agrees to construct two (2) clinics in the community. One each of the clinics shall be completed in the first five years and second five years respectively.

10. **L&S Resource Inc** agrees to build company camps near existing towns or dependent areas, to the extent feasible.

11. **L&S Resource Inc** agrees not to harvest palm trees for processing, bridge construction and/or export.

12. **L&S Resource Inc** agrees to construct the total of thirty (30) mile road in and around the community in the following directions apart from the operational roads that the company will build and use to enter the forest and transport logs out of the forest to the port of Buchanan as follows:

- a. As part of the company's pre-felling activities, the parties hereto agree that the company shall construct or build its operational roads in the area covered by the community in the first one year commencing from Tokpapolu Town in Bong County through Water-Shaking, Bong and Bassa border, onwards to the forest to connect **Karnngbo-Pue Town**, on the existing motor or dusty road leading to Compound #2 to Buchanan, which the company will use to carry logs to Buchanan Port, and that commencement of the road from **Tokpapolu** to Water-Shaking is intended to re-condition the piece of existing filthy road between our community and the people of that part of Bong County for easy entry or access to the Gheegbarn #2 Community Forest.
- b. Ten(10) mile road commencing from behind Dea-Yah River passing through Chan and Gbor Clans on to Gbar-na-ta to connect Point-nee Creek, Bong and Grand Bassa Border.
- c. Ten (10) mile road commencing from behind Dea-Yah River, passing through Chan and Jungle Clans to connect Boloh Town (Quan Town) and also to connect Gbe-Yah Creek, by way of Boeglahn Clan, the boundary between Chan and Boeglahn Clans, and that the crossing points or spots on both Dea-Yah Rivers and Gbe-Yah creek will be identified by the Community
- d. Five (5) mile road commencing from Whoe-Gbarn Village passing through Woe-Meyan Town, Garyeazohn Town up hill and up to Way-Yah and Nanyelay Town areas to connect the existing motor or dusty road leading to Compound #2 by way of Buchanan Highway.
- e. Five (5) mile road commencing from the company operational roads in the Gborgar Town area to pass thorough David Crawford Town to Quea-yah Town on the existing motor or dusty road leading to Compound #2, by way of Buchanan Port





13. **L&S Resource Inc** agrees that the Community shall use, free of charge, any roads constructed and/or maintained

**L&S Resource Inc** provided, however, that such use shall not unduly prejudice or interfere with either party.

14. **G2CFMB** agrees to educate the entire community that once any road and bridge is constructed, it becomes the responsibility of the community and **L&S Resource Inc** to maintain them.

15. **L&S Resource Inc** agrees to have **G2CFMB** representative(s) monitor and verify production. All expenses of this representative(s) shall be at the **G2CFMB**.

16. **L&S Resource Inc** agrees to provide first preference for employment for skilled and unskilled labor to the dependent communities in the boundaries of the commercial logging area.

17. **L&S Resource Inc** agrees to afford equal opportunities for the employment of women in the skilled and unskilled labor force in the commercial logging area.

18. **G2CFMB** agrees that it shall operate completely within the guidelines and regulations prescribed by Forestry Development Authority.

19. **G2CFMB** agrees that the community shall be educated to avoid the expansion of subsistence agricultural activities within the commercial area and that where possible assist any existing agricultural activity to relocate.

20. **G2CFMB** agrees to educate the community to discourage unnecessary fire disposal and encourage fire safety practices especially in contract area.

#### **NON- TIMBER FOREST PRODUCTS**

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

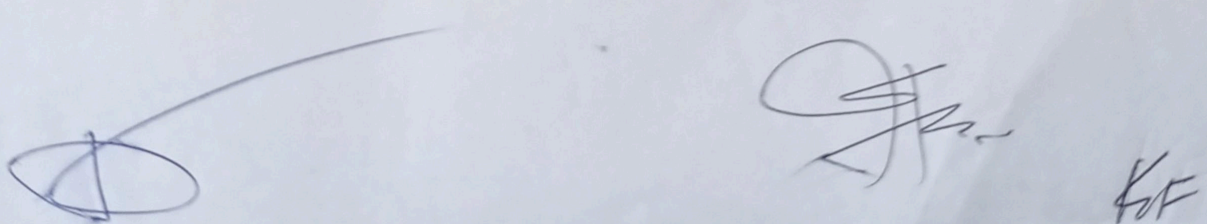
#### **6. OBLIGATIONS OF L&S RESOURCE INC.**

6.1 **L&S Resource Inc** must ensure that all of its operations and activities are in full compliance with THE Laws of Liberia

6.2 **L&S Resource Inc** must ensure respect for all local customary Laws

6.3 **L&S Resource Inc** must ensure transparent reporting to **G2CFMB** at all times during the life of this Agreement

#### **7. OBLIGATIONS OF GHEGBARN #2 COMMUNITY FOREST**





7.1 The community shall ensure that the G2CFMB shall be the sole entity responsible for official interaction with L&S Resource Inc to avoid any misunderstanding.

7.2 The community shall ensure that it performs and maintains full education and information to its clan members to avoid confusion arising from operation.

7.3 The community must ensure full access to **L&S Resource Inc** to the contracted area at all times for the duration for this Agreement.

7.4 The Community shall protect **L&S Resource Inc** from any challenges to its right to manage the contracted area, whether legal, cultural or otherwise, that may arise during the life of this agreement. It shall ensure that the community refrains from chain sawing in the contracted area.

7.5 The community shall ensure that materials, such as sand, gravel etc, be made available without charge of any kind for the company's use for building camp sites, housing units, building and road work within the community forest area. In the case of access roads leading to the community forest area, the community shall be responsible to ensure that the same materials are available for use by L&S Resource Inc in the affected community forest areas, also without charge to L&S Resource Inc.

## 8. FORCE MAJEURE

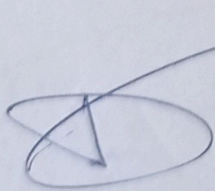
The parties mutually agree that in the event **L&S Resource Inc.** is prevented from performing this Agreement as contemplated and provided herein due to force majeure, this Agreement shall be extended by the period of such force majeure on the request of L&S Resource Inc Force majeure as used herein is defined as any event beyond the reasonable control of L&S Resource Inc including, but not limited to acts of God, war, elements of war, civil commotions, armed incursion, armed insurrection, land dispute(s) and fire not attributed to the conduct or negligence of L&S Resource Inc management, its agent and affiliate, which L&S Resource Inc could not have reasonably anticipate or could have been expected to prevent or control.

## 9. DISPUTE SETTLEMENT

9.1 Any dispute connected with the formation, performance, interpretation, nullification, termination or invalidation of this agreement or arising from, or related to this agreement in any manner whosoever which cannot be resolved through the direct consultations and negotiation by and between the parties shall be referred to arbitration by the affected party

9.2 Arbitration shall be conducted by an arbitral panel or three (3) persons; one (1) arbitrator shall be named by the parties hereto. The third arbitrator, who shall act as chairman of the arbitral panel, shall be the Managing Director of the Forestry Development Authority or his/her designated representative

9.3 The Arbitration shall be conducted in keeping with arbitral rules under Liberian Laws. Each party shall be responsible for, and shall pay the fees expenses of its appointed/designated arbitrator. The fees and expenses of the third arbitration shall be shared on equal basis by the parties, while

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the cost and expenses of the arbitration proceeding itself shall be assigned by the arbitral as it fit and shall be paid by the party adjusted liable to the other or in default of Agreement.

9.4A decision by the majority of the arbitral panel shall be binding on the parties and enforceable in court of law without delving into the merit of the dispute or the award

9.5 Invoking arbitration, a party of this Agreement shall give written notice to other party, stating the nature of the dispute and appointing its arbitrators. The other party must appoint its arbitrator and state its responses to the dispute as stated by the party giving the notice of arbitration within ten(10) days after notice to the chairman, the arbitral panel shall commence its work and shall work every day until a decision is arrived at and rendered.

## 10. GOVERNING LAW

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

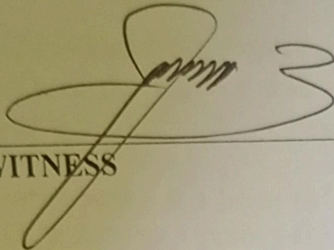
## 11. BINDING EFFECT

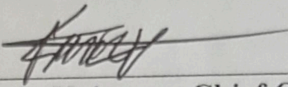
This Agreement shall be binding on the parties, their successors in office as if they were physically present at the execution of this instrument.



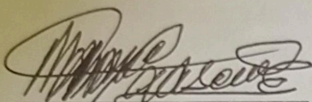
IN WITNESS WHEREOF, WE HAVE HEREUNTO AFFIXED OUR SIGNATURES ON  
THE DAY AND DATE FIRST MENTIONED ABOVE.

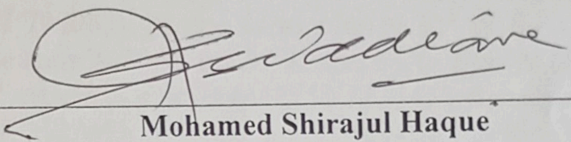
For: The Gheegbarn #2 Community Forest Management Body (G2CFMB)

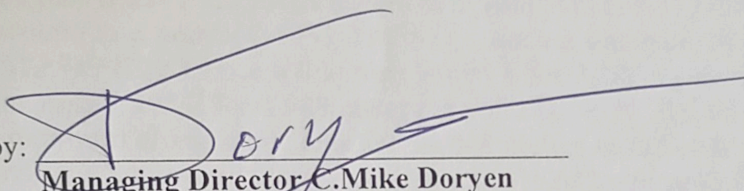
  
WITNESS

By:  12/12/2018  
Kennedy Kaiuway, Chief Officer  
Gheegbarn #2 Community Forest Forest Management Body

For: L&S RESOURCE INCORPORATED

  
WITNESS

By:   
Mohamed Shirajul Haque  
Director L&S Resource Inc

Attested by:   
Managing Director C. Mike Doryen  
Forestry Development Authority



The GHEEGBARN #2, Community Forest boundaries are as follows:

**GHEEGBARN # 1 Community Forest Metes and Bounds**

GHEEGBARN #2 Community Forest / GHEEGBARN #2 lies within Latitude 404112 723149 North of the Equator and Longitude 404112 704122 West of the Greenwich Meridian and is located in District # 2, Grand Bassa County, Liberia/West Africa.

Commencing at a point (413882 704915) on the St. John River; thence a line runs N 87° W for 108 meters to a point (413783 704913); thence a line runs S 51° W for 322 meters to a point (413532 704704); thence a line runs N 80° W for 5,955 meters to a point (407706 705787); thence a line runs N 47° W for 2,575 meters to a point (405834 707552); thence a line runs N 33° W for 644 meters to a point (405487 708063); thence a line runs N 30° W for 1,770 meters to a point (404611 709623); thence a line runs N 7° W for 2,092 meters to a point (404866 711667); thence a line runs N 51° E for 1,127 meters to a point (405753 712345); thence a line runs N 28° E for 483 meters to a point (405985 712765); thence a line runs N 70° E for 1,127 meters to a point (406930 713055); thence a line runs N 37° E for 7,242 meters to a point (411268 718754); thence a line runs S 53° E for 2,414 meters to a point (413219 717307); thence a line runs S 41° E for 3,379 meters to a point (415443 714761); thence a line runs N 30° E for 6,115 meters to a point (418512 719972); thence a line runs N 69° E for 7,886 meters to a point (425831 722775); thence a line runs S 49° E for 4,988 meters to point (429629 719503) on the Zor Creek; thence a line runs Southward along said Creek for 14,048 meters to the confluence of the St. John River; thence a line runs Southward along said River for 15,621 meters to the point of commencement, embracing a total of 26,363 hectares / 65,146 acres and NO MORE.

