

SOCIAL AGREEMENT
Between the
Liberia Tree & Trading Company, INC.
And the
COMMUNITY FOREST DEVELOPMENT COMMITTEE
(CFDC) OF FOREST MANAGEMENT CONTRACT
AREA "C" RIVERCESS COUNTY



Forestry Development Authority

George Garry Ode

(11)

SOCIAL AGREEMENT

Between the **LIBERIA TREE AND TRADING COMPANY (LTTC)**
And the **COMMUNITY FOREST DEVELOPMENT COMMITTEE (CFDC)**
OF FMC AREA "C" OF RIVERCESS COUNTY

As Attested to by the
FORESTRY DEVELOPMENT AUTHORITY

This Social Agreement (agreement) is hereby made and entered into by and between the Liberia Tree and Trading Corporation, hereinafter referred to as LTTC, the Community Forest Development Committee (CFDC) of Forest Management Contract Area "C" of Rivercess County, hereinafter referred to as the Communities, 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 AREA

General location

Forest Management Contract area "C" lies within Latitudes 5°42'0" - 6°0'0" North of the equator and Longitudes 9°12'0" - 9°24'0" West of the Greenwich meridian and it is located in River Cess County-Liberia.

Metes and bounds

Starting from Zamie Town, (9°13'50.18"W - 5°51'11.95"N) thence a line runs Due North for 2,316 meters to the point of COMMENCEMENT. (9°13'51.19"W-5°52'26.44"N); thence a line runs Due East for 4,113 meters to a point (9°11'37.33"W-5°52'25.42"N); thence a line runs N 33° E for 3,634 meters to a point (9°10'33.42"W-5°54'04.37"N); thence a line runs N 71° E for 3,133 meters to a point (9°08'56.72"W-5°54'36.58"N); thence a line runs N 5° E for 2,559 meters to a point (9°08'49.19"W-5°55'59.37"N); thence a line runs N 78° W for 18,546 meters to a point (9°18'39.55"W-5°58'03.13"N); thence a line runs Due South for 1,336 meters to a point (9°18'39.18"W-5°57'19.69"N); thence a line runs S 84° W for 9,027 meters to a point (9°23'31.57"W-5°56'46.34"N); thence a line runs Due North E for 2,021 meters to a point (9°23'31.74"W-5°57'51.77"N); thence a line runs Due West for 1,823 meters to a point on the Jo River (9°24'31.26"W-5°57'51.77"N); thence a line runs along the Jo River in the South Western direction for 8,731 meters to a point; thence a line runs S 68° E for 398 meters to a point (9°26'25.56"W-5°55'52.27"N); thence a line runs S 14° W for 586 meters to a point thence a line runs S 72° E for 1,095 meters to a point (9°25'43.44"W-5°54'58.06"N); thence a line runs N 88° E for 1,236 meters to a point (9°25'03.32"W-5°54'59.43"N); thence a line runs S 26° E for 1,329 meters to a point (9°24'44.76"W-5°54'20.50"N); thence a line runs S 67° E for 1,984 meters to a point (9°23'45.37"W-5°53'55.65"N); thence a line runs N 82° E for 796 meters to a point (9°23'19.62"W-5°53'59.23"N); thence a line runs S 64° E for 745 meters to a point

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(9°22'57.89"W-5°53'48.85"N); thence a line runs S 72° E for 797 meters to a point (9°22'33.05"W-5°53'41.47"N); thence a line runs S 6° E for 866 meters to a point (9°22'30.31"W-5°53'13.54"N); thence a line runs S 12° E for 540 meters to a point (9°22'26.59"W-5°52'56.39"N); thence a line runs S 33° W for 8,296 meters to a point (9°24'53.70"W-5°49'10.97"N); thence a line runs Due West for 3,430 meters to a point (9°26'45.36"W-5°49'11.49"N); thence a line runs S 4° W for 1,046 meters to a point on Forest Management Contract area "B" upper boundary line (9°26'48.98"W-5°48'37.10"N); thence a line runs S 57° E for 17,293 meters to a point (9°18'58.30"W-5°43'29.81"N); thence a line runs N 55° E for 1,292 meters to a point (9°18'23.96"W-5°43'53.84"N); thence a line runs S 68° E for 933 meters to a point (9°17'54.92"W-5°43'43.74"N); thence a line runs S 80° E for 1,409 meters to a point (9°17'09.85"W-5°43'35.11"N); thence a line runs S 31° E for 1,122 meters to a point (9°16'50.98"W-5°43'04.04"N); thence a line runs N 82° E for 187 meters to a point (9°16'44.95"W-5°43'04.86"N); thence a line runs S 43° E for 261 meters to a point on the Wene River (9°16'59.24"W-5°42'58.61"N); thence a line runs along the Wene River in the Southern direction for 7,992 meters to the confluence of the Cestos and the Wene Rivers; thence a line runs along the Cestos River in the North Eastern direction for 35,879 meters to a point (9°06'53.56"W-5°49'11.33"N); thence a line runs Due West for 4,676 meters to a point (9°09'25.39"W-5°49'12.06"N); thence a line runs S 47° W for 3,852 meters to a point (9°10'57.58"W-5°47'46.81"N); thence a line runs S 56° W for 2,752 meters to a point (9°12'12.41"W-5°46'57.32"N); thence a line runs N 53° W for 11,166 meters to a point on the West Bank of the Wene River (9°17'01.34"W-5°50'35.28"N); thence a line runs N 31° W for 3,921 meters to a point (9°18'06.80"W-5°52'24.02"N); thence a line runs Due North for 6,165 meters to a point (9°18'05.22"W-5°55'43.60"N); thence a line runs Due East for 7,153 meters to a point (9°14'12.90"W-5°55'42.55"N); thence a line runs S 27° E for 404 meters to a point (9°14'07.39"W-5°55'31.11"N); thence a line runs S 9° E for 818 meters to a point (9°14'03.36"W-5°55'04.76"N); thence a line runs S 21° E for 276 meters to a point (9°14'00.19"W-5°54'56.34"N); thence a line runs S 70° E for 509 meters to a point (9°13'44.59"W-5°54'50.67"N); thence a line runs S 2° W for 1,404 meters to a point; thence a line runs Due West for 2,972 meters to a point (9°15'22.88"W-5°54'05.37"N); thence a line runs Due South for 2,006 meters to a point (9°15'23.24"W-5°53'00.28"N); thence a line runs S 64° E for 2,266 meters to a point (9°14'16.96"W-5°52'28.20"N); thence a line runs Due East for 810 meters to the point of commencement (9°13'51.19"W-5°52'25.42"N); embracing 59,374 (Fifty Nine Thousand Three Hundred and Seventy Four) hectares of forest land and no more.

The Forest Management Contract area "C" was awarded to Liberia Tree & Trading Company INC. In the preparation of the Forest Management Contract area "C", 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 on behalf of affected communities around the Forest Management Contract area "C" that they intend to negotiate a social agreement in good faith with the winner of the competitive bid.

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Article I. PURPOSE/OBJECTIVE:

The Social Agreement is an agreement, between communities around a given logging contract area and the logging company authorized to operate in that area, which establishes the relationship between community and company.

The Social Agreement is an agreement required 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 are:

- a) Only established between companies that have been authorized by the FDA through the competitive bidding process and affected communities¹;
- b) To establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- c) To 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) Negotiated directly between companies and local communities; and
- e) 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 discussions break down.

Article II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:

The Holder of Forest Management Contract area "C" and the Community Forest Development Committee (CFDC) of Rivercess, 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 FMC will allow the affected communities and the Liberia Tree & Trading INC to achieve their respective goals.

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

Article III: DUTIES AND RESPONSIBILITIES OF LIBERIA TREE AND TRADING CORPORATION (HOLDER)

The Holder shall identify the representative of the Timber Company designated by the Company to represent it in negotiating the terms of a social agreement. Corporation representatives must include:

- (1) Persons whose names are maintained on the list of names identified in the Corporation pre-qualification documents or has such documentation to verify his

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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 Corporation may designate, **subject to the requirements of this Paragraph.**

The Holder shall maintain a list of community representatives for its FMC.

The Holder shall include a negotiated agreement of the following issues, rights and responsibilities:

- The **Liberia Tree & Trading Company INC** agreed 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 plant sites, hunting ground, non timber forest products sites.
- Agreed to ensure that water collection points are protected and maintained.
- Agreed that timber operations are timed to minimize disruption to subsistence agricultural activities.
- Agreed that timber operations respect the existing cash crops.
- LTTC agreed to participate in community development programs on the basis of kind gesture.
- LTTC agreed to provide transportation during emergency situation and major development activity.
- Pay \$1.50 USD cubit meter/log to the community Forest Development Committee in addition to the payment of 30% to the Community benefit sharing scheme
- LTTC agreed to recondition and maintain roads adjacent to the contract areas.
- LTTC agreed to abide by terms and conditions of Social Agreement.
- LTTC agreed to make available timber products to the community during community development project.
- LTTC shall hold meet with CFDC's and affected community to discuss any issues on a quarterly basis.
- Holder shall give preference to the employment of unskilled laborers from the affected communities.

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ARTICLE IV: DUTIES AND RESPONSIBILITIES OF THE AFFECTED COMMUNITIES :


The Affected Communities shall identify their representatives through the election of their members to a Community Forest Development Committee. The Community Forest Development Committee 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 must consist of at least five members who are residents of the community or communities that the Committee represents.
- (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 Committee.
- (c) A Community Forestry Development Committee must provide a means for all residents that it represents, including women and youth, 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.

Code of Conduct

- The community agreed to avoid the expansion of subsistent agriculture activities within Contract Area. Hence community shall promote and encourage low land agriculture development.
- The community agreed to discourage unnecessary fire disposal and encourage fire safe practices.
- Existing cash crops will be identified and Company inform by the community to not conflict with harvest operations..
- The affected community can request transportation during emergency and some major community development programs.
- The community agreed to use, free of charge, any roads constructed and/or maintained by **Liberia Tree & Trading Company INC**: provided, however, that such use shall not unduly prejudice nor interfere with LTTC operations..
- The affected community agreed to abide by all terms and conditions of the Social Agreement.

The Holder shall identify the representative of the Timber Corporation designated by the Corporation to represent it in negotiating the terms of a social agreement. Corporation representatives must include:

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(1) Persons whose names are maintained on the list of names identified in the Corporation 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 Corporation may designate, subject to the requirements of this Paragraph.

Article V. DUTIES AND RESPONSIBILITIES OF THE FORESTRY DEVELOPMENT AUTHORITY

- 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 Holder are in compliance with the FMC.
- C. Distribute copies of agreement as follows:
 - a. Send an original to:
 - FMC Holder
 - b. Send a copy to:
 - Community Forest Development Committee
 - FDA Managing Director

Article VI. PRINCIPAL CONTACTS. The principal contacts for this agreement are:

Liberia Tree & Trading Company

Phone:

FAX:

Email:

Community Forest Development

Committee Chairperson

Phone:

FAX:

Email:

**Forest Development Authority
Contact**

Hon. John T. Woods

Phone:

Email:

Article VII: MUTUAL OBLIGATIONS

- A. 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.
- B. The parties will maintain lines of communication regarding operations and specifically provide periodic updates to the chairperson regarding any issues in implementing the social
- C. agreement. The update should specifically provide information as to the volume of logs removed to date.

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- 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.

Article VIII: 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 FMC Holder to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

Article IX: PARTICIPATION IN SIMILAR ACTIVITIES.


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

Article X: DISPUTE RESOLUTION.

In the event of any issue of controversy under this agreement, the parties will seek to initially resolve their differences with the assistance of 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. 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.

Article XI: 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 of the FMC Holder certifies that he is authorized to act in this capacity for matters related to this agreement.

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Article XII: COMMENCEMENT/EXPIRATION DATE.

This agreement is executed as of the date of the last signature and is effective through the duration of the FMC and is reviewable every 5 years.

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.

Chairperson: <i>George Gary</i> Community Forest Development Committee (CFDC), Rivercess County	Date: 25-10-08
President: <i>[Signature]</i> Liberia Tree & Trading Company Inc.(LTTC)	Date: October 25 th 2008
<i>[Signature]</i> E. Ekema A. Witherspoon II Assistant Managing Director/Adm. & Fin. Forestry Development Authority	Date: 25/10/08

¹ Affected Community 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. *ek*

George Gary

**Listing of Community Forest Development Committee (CFDC)
Of Forest Management Contract Area "C", Rivercess County
Republic of Liberia.**

Central Rivercess District

1. Kploh
 - a. Solomon S. Peters
 - b. David Garjay
 - c. Annie Jehwudu
 - d. George Garjay
2. Dorbor
 - a. Stephen Joe
 - b. Mary Bah-Sardo
3. Siahn
 - a. Josiah Yargbo
4. Dowein
 - a. Abraham E. Barkay

Jo-River/ Morweh Statutory District

- a. Bob Greene
- b. Sarah Toe

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