

**SOCIAL AGREEMENT
Between**

Forestry Development Authority

**Bassa Logging Timber Corporation (BLTC)
And the
COMMUNITY FORESTRY DEVELOPMENT COMMITTEE (CFDC)
OF
TIMBER SALE CONTRACT (TSC-A11)
PORKPA & GOLA KONNEH DISTRICTS,
GRAND CAPE MOUNT COUNTY
LIBERIA**



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LEGAL REQUIREMENT FOR THE FORMATION OF CFDC

This Social Agreement is hereby made and entered into by and between the **Bassa Logging Timber Corporation**, hereinafter referred to as **BLTC**, the communities of Grand Cape Mount County, Community Forest Development Committee(CFDC), hereinafter referred to as the Communities, for Timber Sale Contract "A11", 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

The Contract Area of 5000 Hectares has the following Metes and Bounds Description:

Timber Sale Contract A-11 lies within Latitudes 7°9'36" - 7°18'0" North of the equator and Longitudes 10°54'36" - 11°1'48" West of the Greenwich meridian and it is located in Grand Cape Mount County-Liberia.

Timber Sale Contract A-11 is 45 miles north of the Atlantic Ocean and 97 miles assessable by road to the Port of Monrovia.

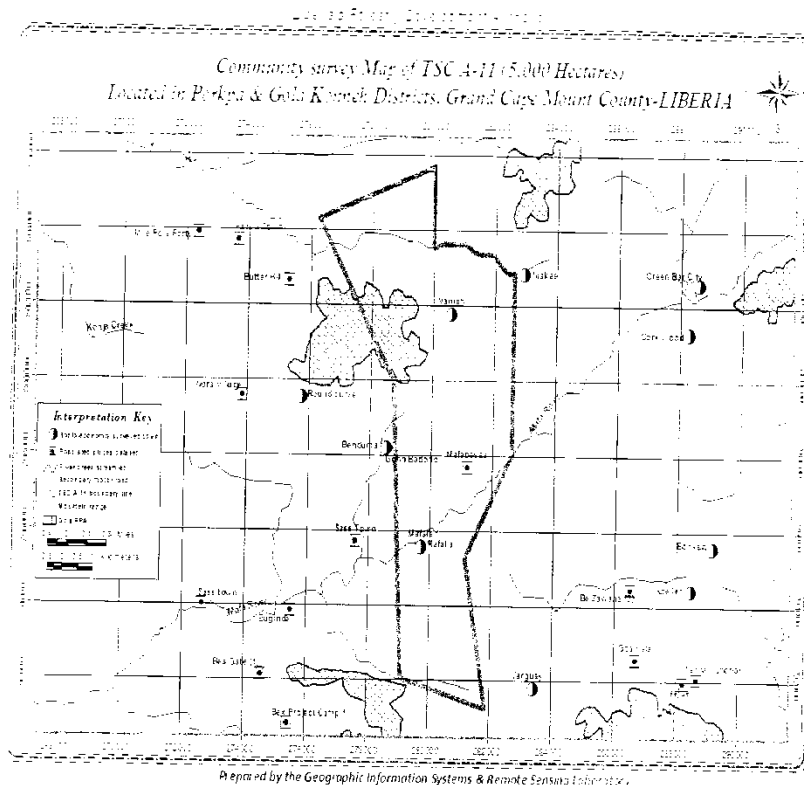
Commencing at the edge of the Mafa River which forms the boundary between the Gola Proposed Protected Area and TSC A-11 (7°12'54.43"N-10°58' 07.16"W): thence a line runs Due North for 4,887 meters to a point (7°15'32.82"N-10°58' 07.44"W); thence a line runs S 79° W for 60 meters to a point (7°15'32.47"N-10°58'09.36" W); thence a line runs N 82° W for 196 meters to a point (7°15'33.34" N-10° 58'15.68" W); thence a line runs N 53° W for 185 meters to the point (7°15'36.94"N-10°58'20.50"W); thence a line runs N 42° W for 398 meters to a point (7°15'46.62"N-10°58'29.06"W); thence a line runs N 64° W for 118 meters to a point (7°15'48.32"N-10°58'32.46"W); thence a line runs N 85° W for 415 meters to a point (7°15'49.46"N-10°58'45.91"W); thence a line runs N 67° W for 228 meters to a point (7°15'52.34" N-10°58'52.77" W); thence a line runs N 55° W for 252 meters to the point (7°15'57.03"N-10°58'59.50"W); thence a line runs Due West for 740 meters to a point (7°15'57.17"N-10°59'23.56"W); thence a line



runs S 75° W for 311 meters to a point (7°15'54.46"N-10°59'33.41"W); thence a line runs S 84° W for 23 meters to a point (7°15'54.01"N-10°59'34.88"W); thence a line runs Due North for 2,165 meters to a point (7°17'04.05"N-10°59'34.95"W); thence a line runs S 69° W for 3,982 meters to a point (7°16'18.22"N-11°01'36.27"W); thence a line runs S 31° E for 4,991 meters to a point (7°13'58.06"N-11°00'14.24"W); thence a line runs S 3° E for 7,911 meters to a point (7°09'40.05"N-11°00'01.10"W); thence a line runs S 74° E for 2,875 meters to a point (7°09'14.83"N-10°58'31.35"W); thence a line runs N 10° W for 4,092 meters to a point (7°11'25.65"N-10°58'54.53"W); thence a line runs N 28° E for 3,129 meters to the point of COMMENCEMENT (7°12'54.43"N-10°58'07.16"W). Embracing 12,355 acres or 5,000 hectares of forest land and no more.

A11 - Area Map

A map of the **CONTRACT AREA** attached (If there is a discrepancy between the map and the written Metes and Bounds description, see B8.31)



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The Timber Sale Contract "A11" was awarded to **Bassa Logging Timber Corporation**. In the preparation of the Timber Sale Contract "A11", 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 TSC 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 Timber Sale Contract "A11" that they intend to negotiate a social agreement in good faith with the winner of the competitive bid.

SECTION 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.

SECTION II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:

The **Bassa Logging Timber Corporation** and Timber Sale Contract "A11" **Community Forestry Development Committee (CFDC)** of **Grand Cape Mount County** communities, 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 TSC will allow the affected communities and the **BLTC Logging** to achieve their respective goals.

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

SECTION III THE DUTIES AND RESPONSIBILITIES OF, BASSA LOGGING TIMBER CORPORATION (HOLDER):

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:

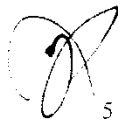
(1) Persons whose names are maintained on the list of names identified in the Corporation pre-qualification documents or has such documentation to verify his employment with the company and has the power to negotiate on the company's behalf; and

(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.


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

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

- That **BASSA LOGGING TIMBER CORPORATION.** 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.



- **BASSA LOGGING TIMBER CORPORATION** agreed to ensure that water collection points are protected and maintained.
- **BASSA LOGGING TIMBER CORPORATION** agreed that timber operations are timed to minimize disruption to subsistence agricultural activities.
- **BASSA LOGGING TIMBER CORPORATION** agreed that timber operations respect the existing cash crops.
- **BASSA LOGGING TIMBER CORPORATION** agreed to participate in **community** development programs (such as human resource development, renovation of school, clinic, etc).
- **BASSA LOGGING TIMBER CORPORATION** agreed to provide transportation during emergency situation and major development activity.
- **BASSA LOGGING TIMBER CORPORATION** agreed to pay \$1.00 USD/ cubic meter to the **community Forestry Development Committee** apart from the payment of 30% land rental (\$2.50 per hectare) to the **community** benefit sharing scheme.
- **BASSA LOGGING TIMBER CORPORATION** agreed to build company camps near existing towns or affected areas
- **BASSA LOGGING TIMBER CORPORATION** agreed not to harvest palm trees for processing , bridge construction and or export
- **BASSA LOGGING TIMBER CORPORATION** agreed to have CFDC representative verify production
- **BASSA LOGGING TIMBER CORPORATION** agreed to provide first preference for employment for skill and unskilled employees of the affected communities in Grand Cape Mount County.
- **BASSA LOGGING TIMBER CORPORATION** agreed to recondition and maintain roads adjacent to the contract areas and connect nearby towns.
- **BASSA LOGGING TIMBER CORPORATION** agreed to make available timber products to the community during **community** development project.
- In addition to the quarterly meetings, **BASSA LOGGING TIMBER CORPORATION** shall hold emergency meetings with

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the CFDC's and affected **community** to discuss any issues affecting the community or the Corporation when the need arises;

- **BASSA LOGGING TIMBER CORPORATION** agreed to maintain existing schools for the education of employees dependents;
- **BLTC** agrees that the community shall use, free of charge, any roads constructed and/or maintained by **BASSA LOGGING TIMBER CORPORATION**: provided, however, that such use shall not unduly prejudice nor interfere with either party.

SECTION IV. DUTIES AND RESPONSIBILITIES OF AFFECTED COMMUNITIES:

The Affected **Communities** shall identify their representatives through the election of their members to a **Community Forestry Development Committee**. The **Community Forestry Development Committee** is responsible for representing the affected communities in negotiating the terms of a social agreement. **Community Forestry 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 especially in contract area.
- Existing cash crops will be identified and Corporation inform by the **community** to not conflict with harvest operations.

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- The affected **community** can request transportation during emergency and some major **community** development programs.

SECTION V. DUTIES AND RESPONSIBILITIES OF THE FORESTRY DEVELOPMENT AUTHORITY:

- A. Ensure that the TSC 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 TSC.
- C. Distribute copies of agreement;
 - ❖ Original to TSC Holder,
 - ❖ Community Forestry Development Committee (CFDC)
 - ❖ The FDA Managing Director

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

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

1. Clarence Massaquoi

General Manager
BL T C

Phone: 06897072
Email:

2. Community Forest Development Committee

Cell #
Email:

3. Forestry Development Authority:

Hon. Moses D. Wogbeh, Sr.
Phone:
Email:

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- 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 Forestry Development Committee, FDA and authorized representatives of the TSC 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.

SECTION VII. 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 TSC Holder to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

SECTION VIII. PARTICIPATION IN SIMILAR ACTIVITIES.

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

SECTION IX. 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.

SECTION X. AUTHORIZED REPRESENTATIVES:

By signing below, the Chairperson of the Community Forestry Development Committee certifies that the individuals listed in this document and 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 TSC Holder certifies that this individual is authorized to act in this capacity for matters related to this agreement

SECTION XI COMMENCEMENT/EXPIRATION DATE.

This agreement is executed as of the date of the last signature and is effective through the duration of a TSC and reviewed every 3 years for a TSC 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/trix assigns, successor -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.



<p>Chairperson Community Forestry Development Committee</p>	<p>Date</p>
<p>Clarence Massaquoi General Manager BLTC</p>	<p>Date</p>

PP! Jungar S. Kamara Date Feb. 5, 2011
 Hon. Moses D. Wogbeh, Sr.
Managing Director
Forest Development Authority

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