

SOCIAL AGREEMENT
Between
EJ & J INVESTMENT CORPORATION
And the
JO RIVER DISTRICT PUP
OF
JO RIVER DISTRICT, RIVERCES COUNTY
LIBERIA



Forestry Development Authority

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LEGAL REQUIREMENT FOR THE OPERATION OF PRIVATE USE PERMIT

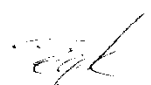
This Social Agreement is hereby made and entered into by and between the **EJ & J INVESTMENT CORPORATION (EJ & JIC)**, hereinafter referred to as **EJ & JIC**, the landowner of private use permit, **JO RIVER DISTRICT** of Rivercess County, hereinafter referred to as the Private Use Permit Holder, hereinafter referred to as **PUP** and attested to as 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, section 5.6d (vi) and FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.

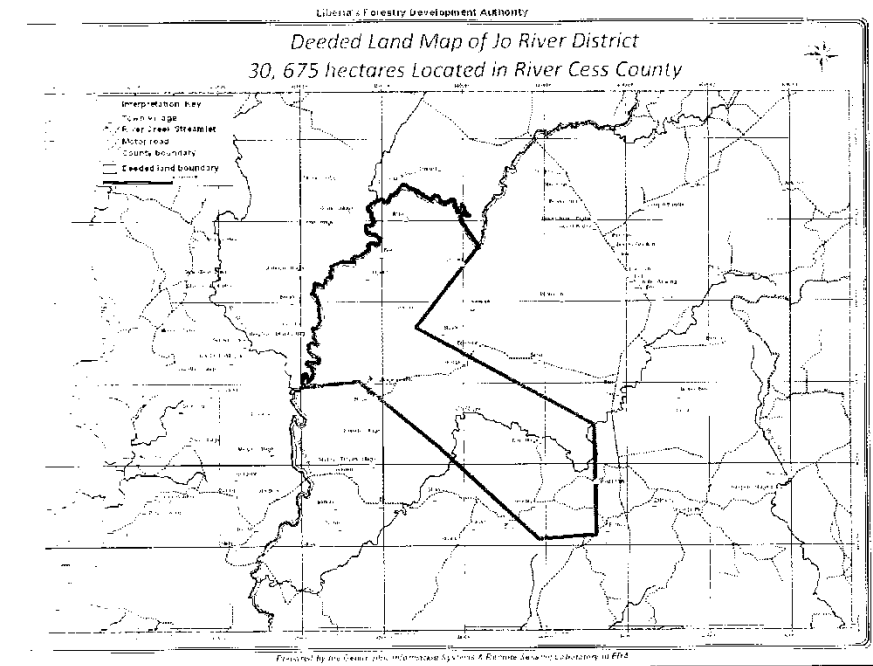
TECHNICAL DESCRIPTION OF THE PUP AREA

1. Metes and Bounds of the PUP including the Map

The boundary line of Jo-River Forest commences at the Town of Porwoh; thence a line runs Due North for 6,754 meters to a point; thence a line runs N 61° W for 17,028 meters to a point; thence a line runs N 38° E for 8,592 meters to the point on the Timbo River which forms the boundary between River Cess and Grand Bassa Counties; thence a line runs along the Timbo River in the southern direction for 40,016 meters to a point; thence a line runs N 84° E for 4,792 meters to a point; thence a line runs S 49° E for 2,073 meters to a point; thence a line runs N 86° E for 5,106 meters to the point of COMMENCEMENT, embracing 30,765 hectares of forest land and NO MORE.

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ANALYSIS MAP OF THE VERIFICATION

The Private Use Permit was awarded to **JO RIVER DISTRICT and managed by EJ & J INVESTMENT CORPORATION (EJ & JIC)**, in the preparation of the Private Use Permit (PUP) Area notice was given and surveys conducted in a portion of the affected **communities**. The purpose of these surveys was to evaluate 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 Private Use Permit (PUP) in the vicinity and the requirements for a social agreement. As a result of this, the FDA secured a statement on behalf of dependant communities around the contract area that they intend to negotiate a social agreement in good faith with the land owner.

SECTION I PURPOSE/ OBJECTIVE:

The Social Agreement is an agreement, between the Private Uses owner representing their own property and affected communities around the PUP contract area and the logging company authorized to operate in that area, which establishes the relationship between community and company.

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The Social Agreement is an agreement required under Chapter 5, section 5.6d of the National Forestry Reform Law 2006, and FDA Regulation No. 105-07,) between any private land owner/applicant that plans to harvest timber and the affected communities that could be affected by that commercial activity.

Private Use Permit Social Agreements are:

- a) Only established between land owner and applicant that have been authorized by the FDA to harvest on privately owned property.
- b) To establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- c) To establish the benefits and access rights for all affected communities within the Private Use area.
- d) Negotiated directly between landowner and affected 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 **EJ & J INVESTMENT CORPORATION (EJ & JIC)** and **JO RIVER DISTRICT shall jointly** strive to engage in a mutually beneficial relationship by agreeing to the terms of this agreement, taking into account the needs of the affected communities. Working cooperatively in the on-going implementation of the social agreement will allow the affected communities, **EJ & J INVESTMENT CORPORATION (EJ & JIC)** and the **COMMUNITY FOREST DEVELOPMENT COMMITTEE (CFDC)** to achieve their respective goals.

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

SECTION III THE DUTIES AND RESPONSIBILITIES OF JO RIVER DISTRICT, (PERMIT HOLDER):


The Permit Holder shall identify a representative to represent it in negotiating the terms of a social agreement. Permit holder representatives must include:

1. Persons who has the power to negotiate on the Permit holder's behalf; and
2. In the event that this person is unable to negotiate with the Affected Community, any other person that the Permit Holder may designate, subject to the requirements of this Paragraph.

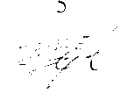
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The Holder shall maintain a list of **community** representatives for its Private Use

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

- That **EJ & J INV.** 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 plant sites, hunting ground, non timber forest products sites, to the extend that they will respect the traditional practices, laws and regulations,
- That **EJ & J INV.** agrees to ensure that water collection points are protected and maintained,
- That **EJ & J INV.** agrees that timber operations are tied to minimize disruption to subsistence agricultural activities;
- That **EJ & J INV.** agrees that timber operations respect the existing cash crops,
- That **EJ & J INV.** agrees to participate substantially in **community** development programs (such as human resource development, construction of school, clinic, etc); with time frame as follows:
- That EJ & J INV. Will construct one clinic toward the end of the ^{first} ~~third~~ year in operation at \$12,500.00USD, 
- That EJ & J INV. will begin the construction of two schools toward the end of the second year of operation, value at \$14,500.00USD each,
- That **EJ & J INV.** agrees to assist with transportation during emergency situation and major development activity,
- That **EJ & J INV.** agrees to build company camps near existing towns or affected areas, to the extend feasible,
- That **EJ & J INV.** agrees not to harvest palm trees for processing , bridge construction and or export

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- That **EJ & J INV.** agrees not to construct permanent logged bridges on primary roads, rather solid concrete bridges and coverts, where appropriate in as timely manner as possible.
- That **EJ & J INV.** agrees to provide first preference for employment for skilled and unskilled employees of the forest affected communities in the boundaries of the Private Use Permit area.
- That **EJ & J INV.** agrees to recondition and maintain roads adjacent to the Private Use Permit area.
- That **EJ & J INV.** agrees to assist with timber products to the community during **community** development projects,
- **EJ & J INV.** shall hold meetings with the affected **community** to discuss any issues affecting either party when the need arises,
- That **EJ & J INV.** agrees that the community shall use, free of charge, any roads constructed and/or maintained by **EJ & J INV.:** provided, however, that such use shall not unduly prejudice nor interfere with either party.
- That **EJ & J INV.** (EJ & J) the community Forest Development Committee CFDC)(Landlord) have agreed on the following issues, rights and responsibilities this _____ Day of _____ A.D. 2012:
- That **EJ & J INV.** agrees to use the JO RIVER Native Reserve covering 30,675 hectares and no more as indicated within the Private use Permit (PUP) for the period of _____ years commencing from ____ 2012 to _____.
- That **EJ & J INV.** agrees to in consideration of the use of the land, in line with FDA Laws annual land rental fee of 1.00 per hectare, and regulations, pay to the landowners,
- That **EJ & J INV.** agrees to make a pre-payment of 2 years or \$1.00X 2 years which shall be paid to the land owners after one year of operation. And the amount shall be used for projects and programs such as construction of schools, clinics, wells and human resource development by

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- the landowners; and that subsequent annual payment must be made at the beginning of every year,
- That **EJ & J INV.** agrees to pay royalty of USD\$1.50 per cubic meter for each log fell to the land owners. Said royalty shall be determined through FDA stumpage fee calculation;
 - That **EJ & J INV.** agree to ensure that water collection point are protected and maintained;
 - That **EJ & J INV.** agrees to build one employees camp near existing towns or affected areas that are ideally located after one logging year;
 - That **EJ & J INV.** agree to build/rehabilitate roads within the affected community within the first year of operation,
 - That **EJ & J INV.** agrees to hold meeting with the affected community to discuss any issues affecting either party when the need arises;
 - That it is mutually agreed by the PARTIES herein that the terms and conditions provided for in this Social Agreement shall extend to and be binding upon the parties, their successors in business during the life span of this Social Agreement.

SECTION IV. DUTIES AND RESPONSIBILITIES OF AFFECTED COMMUNITIES:

- The **community** agrees to avoid the expansion of subsistent agriculture activities within permit Area. Hence community shall promote and encourage low land agriculture development.
- The **community** agrees to discourage unnecessary fire disposal and encourage fire safe practices especially in contract area.
- Existing cash crops will be identified and Company inform by the **community** to not conflict with harvest operations.
- The dependant **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 PUP is authorized so that all terms and conditions of the License are met.

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- B. Ensure that the Operations of the Holder are in compliance with the PUP.
- C. Distribute copies of agreement;
 - ❖ Original to PUP Holder,
 - ❖ Community Forestry Development Committee (CFDC)
 - ❖ The FDA Managing Director

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

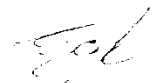
- A. **PRINCIPAL CONTACTS.** The principal contacts for this agreement are:

<p>EJ & J INVESTMENT CORPORATION Mrs. Eliza D. J. Kronyanh PRESIDENT Phone: Email:</p>	<p>2. CHAIRMAN CFDC Cell # Email:</p>
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3. Forestry Development Authority:
 Hon. Moses D. Wogbeh, Sr.
 Phone: +231-06513994
 Email: moseswogbeh@yahoo.com

- 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 forest dependent communities, FDA and authorized representatives of the PUP Holder to discuss the upcoming annual operating plan as well as attempt to resolve any issues identified from the previous operating season.

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- 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 forest dependent communities 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 PUP Holder 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 affected communities and the arbitral proceedings will be in English with interpreter provided for local languages.

SECTION X. AUTHORIZED REPRESENTATIVES:

By signing below, the parties certify that the individuals listed in this document and representatives are authorized to act in their respective

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areas for matters related to this agreement. Also, by signing below, the assigned representative of the PUP 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 PUP.

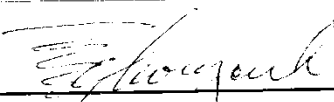
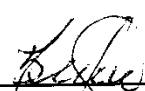
The authority and format of this agreement has been reviewed and approved for signature.

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

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

 EJ & J INVESTMENT CORPORATION Mrs. Eliza D. J. Kronyanh PRESIDENT	Date: <i>01/29/2012</i>
 Chairman, CFDC /JO RIVER DISTRICT RIVERCESS Co,	Date: <i>27/1/2012</i>
Hon. Moses D. Wogbeh, Sr. Managing Director Forest Development Authority	Date:

Dependant 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 dependant 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

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