

SOCIAL AGREEMENT

Between the

B & V Timber Company

And the

AFFECTED COMMUNITIES REPRESENTED BY Community Forest Development  
Committee (CFDC), Timber Sale Contract (TSC) A-6, Gbarpolu County, Liberia

As Attested to by the  
FORESTRY DEVELOPMENT AUTHORITY



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**LEGAL REQUIREMENT FOR THE FORMATION of CFDC**

This Social Agreement (agreement) is hereby made and entered into by and between the B & V Timber Company, hereinafter referred to as B&VTC, the communities of Gbarpolu and Bong counties Community Forest Development Committee( CFDC), hereinafter referred to as the Communities, for Timber Sale Contract area A#6, 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 AREA**

**Technical description of Timber Sale Contract "A-6"**

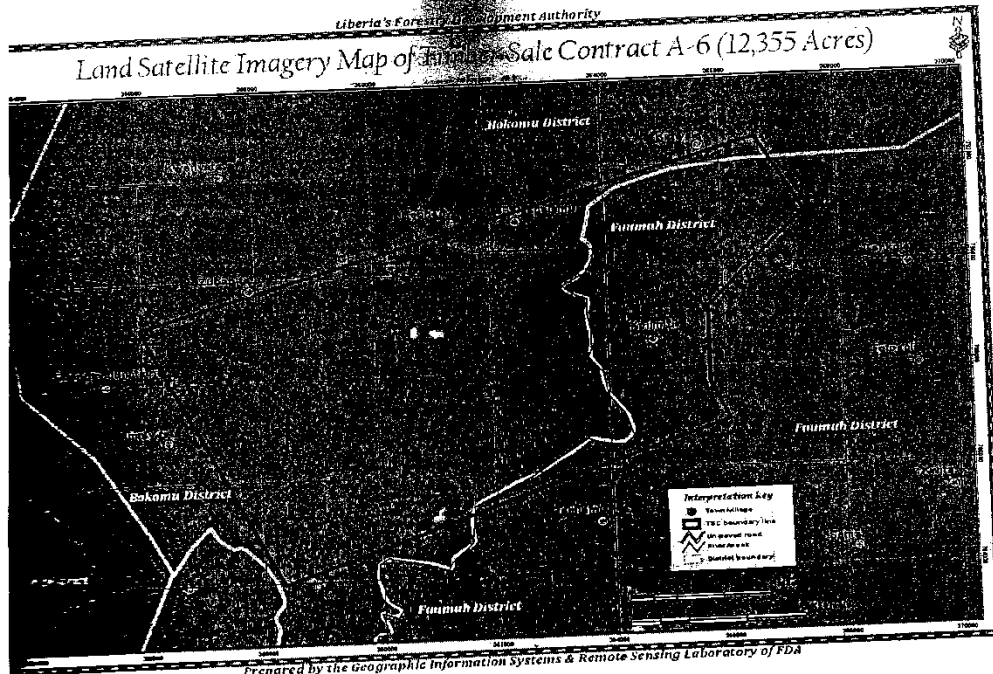
Timber Sale Contract A-6 lies within Latitudes 7°6'0" - 7°9'36" North of the equator and Longitudes 10°12'36" - 10°18'36" West of the Greenwich meridian and it is located in Gbarpolu and Bong Counties-Liberia.

Timber Sale Contract A-6 is 70 miles south of the Atlantic Ocean and 103.17 miles semi accessible by road to the Port of Monrovia.

**Metes and Bounds**

Starting from Mayama, thence a line runs N 29° E (10°18' 15.35"W-7°08'13.65" N) for 2,635 meters to the point of COMMENCEMENT; thence a line runs N 72° E (10°12'30.25" W-7°10'04.42" N) for 11,166 meters to a point; thence a line runs S 29° E (10°12'03.23" W-7°09'16.55" N) for 1,696 meters to a point; thence a line runs S 42° W (10°12'57.28" W-7°08'18.17" N) for 2,464 meters to a point; thence a line runs S 1° W (10°12'57.97" W-7°07'28.16" N) for 1,480 meters to a point; thence a line runs S 24° E (10°12'47.58" W-7°07'05.25" N) for 844 meter to a point; thence a line runs S 69° W (10°16'57.04" W-7°05'27.32" N) for 8,223 meters to a point; thence a line runs N 25° W (10°18'15.00" W-7°08'13.65" N) for 5,691 meters to the point of COMMENCEMENT, (10°12'30.25" W-7°10'04.42" N) embracing 12,355 acres or 5,000 hectares of forest land and no more.

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The timber sale contract was awarded to B & V Timber Company. In the preparation of the A-6 TSC, 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 A-6 TSC 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:

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- a) Only established between companies that have been authorized by the FDA through the competitive bidding process and affected communities;
- 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 B & V Timber Company, and TSC-A6 Community Forest Development Committee (CFDC) 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 B & V Timber Company, to achieve their respective goals.

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

**Section III. DUTY AND RESPONSIBILITIES OF B & V Timber Company (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;

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.

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(3) The Holder shall maintain a list of community representatives for its TSC.

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

- The B & V Timber Company 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.
- B & V Timber Company agreed to ensure that water collection points are protected and maintained.
- B & V Timber Company agreed that timber operations are timed to minimize disruption to subsistence agricultural activities.
- B & V Timber Company Agreed that timber operations respect the existing cash crops.
- B & V Timber Company agreed to participate in community development programs.
- B & V Timber Company agreed to provide transpiration during emergency situation and major development activity.
- B & V Timber Company agreed to recondition and maintain roads adjacent to the contract areas.
- B & V agreed to pay \$1.00 USD per cubic meter to the Community Forestry Development Committee in addition to the payment of 30% of the land rental ;(which is USD 1.25 per hectare) to the community benefit sharing scheme.
- B & V Timber Company agreed to recognize the employment of unskilled and skilled personal from the affected communities provided they are willing and qualified.
- B & V Timber Company agreed to abide by terms and conditions of Social Agreement.
- B & V Timber Company agreed to make available timber products to the community during community development project.
- B & V Timber Company shall hold meet with CFDC's and affected community to discuss any issues on a quarterly basis.

#### Section IV. DUTIES AND RESPONSIBILITIES OF AFFECTED COMMUNITIES

The Affected Communities shall be represented by 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 —

1. A Community Forestry Development Committee must consist of at least five members who are residents of the community or communities that the Committee represents.
2. 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.
3. A Community Forestry Development Committee must provide a means for all residents to be represented, including women and youth, to have their views heard and considered.

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(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 informed 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 B & V Timber Company: provided, however, that such use shall not unduly prejudice nor interfere with B & V Timber Company's operations.
- The affected community agreed to abide by all terms and conditions of the Social Agreement.

**Section V. DUTIES AND RESPONSIBILITIES OF FOREST 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,
    - FDA Managing Director
- 
- a. Send an original to:
    - TSC Holder
  - b. Send a copy to:
    - Community Forest Development Committee
    - FDA Managing Director

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Section VI. **PRINCIPLE CONTACTS**

**B & V Timber Company** Community Forest Development  
Emmanuel Q. Vincent Committee Chairperson  
President & CEO Phone:  
B & V Timber Company FAX:  
Brewerville, Montserrado County Email:

Phone: 06454431

FAX:

Email:

**Forest Development Authority**  
**Contact**

Hon. John T. Woods

Phone: 06564070

Email: johntwoods38@yahoo.com

Section 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 agreement. The update should specifically provide information as to the volume of logs removed to date.
- C. The parties will hold an annual meeting with representatives of the Community Forest 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.
- D. 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 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 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.

*M. F. Yah*

**Section IX. 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 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) shall be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Site 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 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 TSC Holder certifies that this individual is authorized to act in this capacity for matters related to this agreement.

**Section XII. 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.

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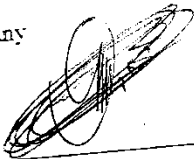

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*M. Z. Yah*

*WY*

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.

<p><del>James</del> Moses F. York Community Forest Development Committee</p>		<p>Date January 9, 2009</p>
<p>Richard J. Vincent President S &amp; W Timber Company</p> 		<p>Date 01/09/09</p>
<p> Robert J. Spoor Woods, Managing Director Forest Development Authority</p>		<p>Date 09/01/09</p>

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DC Elected Officials Of TSGA-C,  
barpolu County.

Oses L. Yah - - - - Chairman

Torris Toulay - - - - Co-Chairman

Imos Sunalward - - - Secretary

Jerry Barlah - - - - Treasure

Kpanah Gulabah - - - - Chaplain

Malormine Kollie - - - - Member

Kanae Uolage - - - - "

Nyeakolly Berry - - - - "

Kpamula - - - - "

James Kollie - - - - "

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PAGE 1 OF 2

TECHNICAL COMMITTEE SET UP BY THE CITIZENS OF BOKOMU DISTRICT TO  
REVIEW THE SOCIAL AGREEMENT FOR TSCS A-6 / A-7 AND MAKE AMENDMENT

AMMENDMENT OF THE ORIGINAL CONTRACT A-6  
MARCH 13<sup>TH</sup> 2009

It has been agreed between B & V Timber Company and The Technical Committee of Bokomu Districts, Gbarpolu County, that:

Employment preference will be given to Bokomu/Gbarpolu County citizens.

1. **B & V Timber Company** will participate in development programs to be identified by the affected area.
2. **B & V Timber Company** will construct and maintain roads in the affected area in accordance with public works standards.
3. **B & V Timber Company** will build schools and clinics to be identified by the community.
4. **B & V Timber Company** will build office for the CFDC and guest house for the affected areas identified by the community.
5. **B & V Timber Company** will offer scholarships to students in affected community, at elementary, high school and university levels in Liberia by recommendation of the CFDC.

*M. Ayah*  
3/21/2009

*[Signature]* 3/21/09

*[Signature]*

*[Signature]*

*[Signature]*

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PAGE 2 OF 3

6. B & V Timber Company will provide in-service training to the affected area as recommended by CFDC.
7. B & V Timber Company will pay one united states dollars (US \$1.00) per cubic meter as royalty fee, for every log that will be harvested as per FDA contract for TSC area A-6.
8. B & V Timber Company will pay Twenty one United States Dollars and twenty five cents (US \$ 21.25) as land rental fees per hectare to Government as per FDA Contract for TSC A-6.

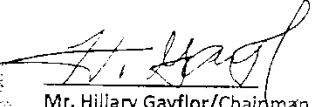
THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE SUBSTANTIVE LAWS OF LIBERIA.


EXECUTION

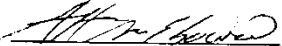
AS WITNESS THE HANDS OF THE DUTY AUTHORIZED REPRESENTATIVES OF THE PARTIES HERETO AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

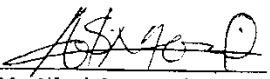
FOR AND ON BEHAVE OF THE TECHNICAL  
COMMITTEE BOKOMU DISTRICT

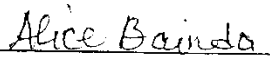
FOR AND ON BEHAVE OF B & V  
TIMBER COMPANY

  
Mr. Hillary Gayflor/Chairman

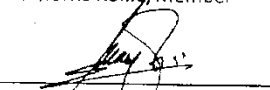
  
Emmanuel O. Vincent  
President/General Manager

  
Mr. Allen Gbowee/Co-Chairman

  
Mr. Alfred S. Morris/Secretary

  
Mrs. Alice Binda/Member

  
Mr. Morris Kollie/Member

  
Mr. Peter P. Leluea/Member

M F. yah  
3/21/2009

