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SOCIAL AGREEMENT
Between
TEXAS INTERNATIONAL INC
And the
MARY KPOTO/LOFA DEVELOPMENT CORPORATION
OF
PRIVATE USE PERMIT NUMBER 02, Lofa COUNTY
LIBERIA



Forestry Development Authority

LEGAL REQUIREMENT FOR THE OPERATION OF PRIVATE USE PERMIT

This Social Agreement is hereby made and entered into by and between the **Texas International Inc (TII)**, hereinafter referred to as **TII**, the landowner of private use permit, **Mary Kpoto/Lofa Development Corporation** of Lofa County, hereinafter referred to as the Private Use Permit Holder, hereinafter referred to as **PUP** 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, 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

Technical description of PUP

The available commercial area of Kpoto's land deed lies within Latitudes $8^{\circ}1'12''$ - $8^{\circ}6'0''$ North of the Equator and Longitudes $9^{\circ}57'0''$ - $10^{\circ}0'36''$ West of the Greenwich meridian and it is located in Lofa County-L I B E R I A.

The available commercial area of Kpoto's land deed commences at a point Northeast of the Town of Sigisu ($8^{\circ}01'10.94''$ N- $10^{\circ}00'54.54''$ W); thence a line runs Due North for 2,700 meters to a point ($8^{\circ}02'37.96''$ N- $10^{\circ}00'54.60''$ W); thence a line runs N 89° E for 1,950 meters to a point ($8^{\circ}02'39.21''$ N- $9^{\circ}59'50.86''$ W); thence a line runs N 36° E for 1,335 meters to a point ($8^{\circ}03'14.43''$ N- $9^{\circ}59'25.53''$ W); thence a line runs N 2° E for 3,178 meters to a point ($8^{\circ}04'57.20''$ N- $9^{\circ}59'22.03''$ W); thence a line runs N 45° E for 720 meters to a point ($8^{\circ}05'13.57''$ N- $9^{\circ}59'05.53''$ W); thence a line runs N 27° E for 603 meters to a point ($8^{\circ}05'30.88''$ N- $9^{\circ}58'56.44''$ W); thence a line runs N 63° E for 581 meters to a point ($8^{\circ}05'39.53''$ N- $9^{\circ}58'39.53''$ W); thence a line runs N 54° E for 914 meters to a point ($8^{\circ}05'57.08''$ N- $9^{\circ}58'15.54''$ W); thence a line runs N 5° W for 716 meters to a point ($8^{\circ}06'20.09''$ N- $9^{\circ}50'17.56''$ W); thence a line runs N 47° W for 364 meters to a point ($8^{\circ}06'28.15''$ N- $9^{\circ}58'26.14''$ W); thence a line runs N 10° E for 477 meters to a point ($8^{\circ}06'43.35''$ N- $9^{\circ}58'23.37''$ W); thence a line runs N 31° E for 709 meters to a point ($8^{\circ}07'03.01''$ N- $9^{\circ}58'11.50''$ W); thence a line runs N 6° W for 211 meters to a point ($8^{\circ}07'09.98''$ N- $9^{\circ}58'12.17''$ W); thence a line runs N 52° W for 1,129 meters to a point ($8^{\circ}07'32.57''$ N- $9^{\circ}58'41.21''$ W); thence a line runs N 48° E for 959 meters to a point ($8^{\circ}07'53.06''$ N- $9^{\circ}58'17.81''$ W); thence a line runs S 38° E for 1,950 meters to the point on the boundary line of the Wologizi Proposed Protected Area (PPA)- ($8^{\circ}07'03.41''$ N- $9^{\circ}57'38.60''$ W); thence a line runs S 13° W for 2,551 meters to a point

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(8°05'42.77"N-9°57'57.28"W); thence a line runs S 60° W for 1,091 meters to a point (8°05'24.99"N-9°58'38.60"W); thence a line runs S 16° W for 1,295 meters to a point (8°04'44.91"N-9°58'39.64"W); thence a line runs S 55° E for 455 meters to a point (8°04'36.47"N-9°58'27.69"W); thence a line runs N 68° E for 2,248 meters to a point (8°05'03.20"N-9°57'19.41"W); thence a line runs S 77° E for 602 meters to a point (8°04'58.80"N-9°57'00.56"W); thence a line runs S 4° E for 2,578 meters to a point (8°03'35.40"N-9°56'54.88"W); thence a line runs S 21° W for 1,555 meters to a point (8°02'48.24"N-9°57'13.18"W); thence a line runs S 37° W for 2,434 meters to a point (8°01'44.63"N-9°58'00.63"W); thence a line runs S 21° W for 1,188 meters to a point (8°01'08.91"N-9°58'14.31"W); thence a line runs S 73° E for 670 meters to a point (8°01'02.69"N-9°57'53.60"W); thence a line runs S 16° W for 339 meters to a point (8°00'51.89"N-9°57'56.49"W); thence a line runs N 84° W for 5,453 meters to the point of COMMENCEMENT, (8°01'10.94"N-10°00'54.54"W), embracing 4,058 hectares of forest land and NO MORE.

The Private Use Permit was awarded to **Mary Kpoto/Lofa Development Corporation and managed by Texas International Inc (TII)**. In the preparation of the Private Use Permit Area 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 Private Use Permit 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 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:

The Social Agreement is an agreement required under Chapter 5, section 5.6d (vi) 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.

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- 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 **Texas International Inc.** and **Mary Kpoto/Lofa Development Corporation** 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 **Mary Kpoto/Lofa Development Corporation** and the **Texas International Inc (TII)** to achieve their respective goals.

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

SECTION III THE DUTY AND RESPONSIBILITIES OF *Mary Kpoto/Lofa Development Corporation (TII)*, (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 whose 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.

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

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

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- That **TII** 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 extent that they will respect the traditional practices, laws and regulations,
- That **TII** agrees to ensure that water collection points are protected and maintained,
- That **TII** agrees that timber operations are timed to minimize disruption to subsistence agricultural activities,
- That **TII** agrees that timber operations respect the existing cash crops,
- That **TII** agrees to participate substantially in **community** development programs (such as human resource development, construction of school, clinic, etc),
- That **TII** agrees to assist with transportation during emergency situation and major development activity,
- That **TII** agrees to build company camps near existing towns or affected areas, to the extent feasible,
- That **TII** agrees not to harvest palm trees for processing , bridge construction and or export
- That **TII** 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 **TII** agrees to recondition and maintain roads adjacent to the Private Use Permit area.
- That **TII** agrees to assist with timber products to the community during **community** development projects,
- **TII** shall hold meetings with the affected **community** to discuss any issues affecting either party when the need arises,
- That **TII** agrees that the community shall use, free of charge, any roads constructed and/or maintained by **TII**: provided, however, that such use shall not unduly prejudice nor interfere with either party.

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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.

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.
- 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:

1. Lofa Development Corporation
Mrs. Mary Kpoto
General Manager
Phone: +231-651-29-31
Email: MaryKpoto@yahoo.com

2. Texas International Inc.
Konstantin Proshkin
General Manager
Cell # +231-676-7777
Email: Konstantin@Proshkin.net

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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 affected 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.
- 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 affected 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.

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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 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.


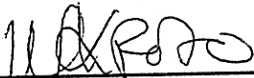
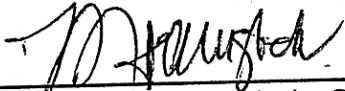
The authority and format of this agreement has been reviewed and approved for signature.

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.

 Konstantin Proshkin General Manager Texas International Inc	Date: May 5, 2010
 Mary Kpoto General Manager Lofa Development Corporation	Date: May 5, 2010
 Hon. Moses D. Wogbeh, Sr. Managing Director Forest Development Authority	Date: May 5, 2010

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 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



NOTARY CERTIFICATE

Personally appeared before Me. ALETHA W. SIMPSON
A Duty Qualified Notary Public For The County of Montserrado,
Republic of Liberia Aforesaid The Parties To The Attached

FOREST MANAGEMENT AGREEMENT MADE AND ENTERED INTO
BY AND BETWEEN LOFA DEVELOPMENT CORPORATION, REPRESENTED
BY ITS GENERAL MANAGER, MARY KPOFO, HEREINAFTER KNOWN AND
REFERRED TO AS "LDC" AND TEXAS INTERNATIONAL INC.,
REPRESENTED BY ITS DIRECTOR, FARAGE YOUSSEF, ALL OF THE CITY
OF MONROVIA, MONTSERRADO COUNTY, REPUBLIC OF LIBERIA, HERE-
INAFTER KNOWN AND REFERRED TO AS "T.I."

did in my presence and in the presence of each other execute and sign their
genuine signature on the said instrument to be the person(s) they represent
and that the same was made in my presence and declared by each of them
to be their voluntary acts and in their own handwriting.

Therefore, I, ALETHA W. SIMPSON, Notary Public aforesaid have
attached my Official Signature and Notary Seal to avail when and where
necessary.

Given officially from under my hand and seal of

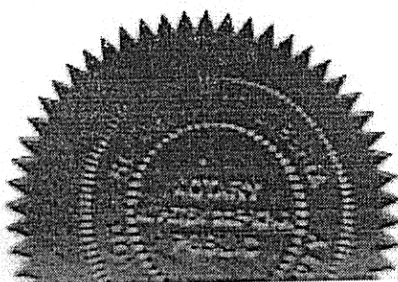
Office this 29TH Day of DECEMBER

A.D. 2008

Seal

Aletha W. Simpson
Notary Public, Montserrado County, R.L.

ALETHA W. SIMPSON
NOTARY PUBLIC, MONTSERRADO CO
REPUBLIC OF LIBERIA



FOREST MANAGEMENT AGREEMENT

THIS FOREST MANAGEMENT AGREEMENT is made and entered into this 27 day of December, A.D., 2008 by and between LOFA DEVELOPMENT CORPORATION, represented by its General Manager, Mary Kpoto, of the city of Monrovia, County of Montserrado, Republic of Liberia, hereinafter known and referred to as the "LDC", and TEXAS INTERNATIONAL INC., represented by its director, Farage Youssef, also of the City of Monrovia, County and Republic aforesaid, hereinafter known and referred to as "TII", hereby;

WITNESSETH:

WHEREAS LDC is a business registered to the article of incorporation issued on March 4th, 2008 and holds a leasehold right from the Intestate Estate of the late Kerkura B. Kpoto, situated, lying and being in Lofa County, Republic of Liberia. The said leased premises is fully described in the Public Land Sale Deed from the Republic of Liberia to the late Kekura B. Kpoto, dated February 3, 1964, and registered according to law in Volume 5, Pages 494-495 of the Records of Lofa County, Republic of Liberia, and filed at the Center for National Documents and Records/National Archives. Copies of said Deed and Lease Agreement are hereto attached and marked in bulk as Annexure I, to form a cogent and integral part of this Forest Management Agreement by reference; and

WHEREAS TII is a business registered according to the articles of incorporation issued on March 12th, 2008 and is desirous of carrying out logging and sawmilling activities on portion of the leased property of LDC, and has therefore offered, and LDC has agreed to lease portion of its leased property to TII for the purpose of carrying out logging and its property, subject of this Forest Management Agreement, is fully described in Schedule I, which is hereto attached as Annexure II to form a cogent and integral part of this Agreement. TII is represented by its Director Mr. Farage Youssef.

NOW, THEREFORE, THESE PRESENTS:

1. That LDC shall grant TII the exclusive privilege and right to carry out such logging, sawmilling and other related activities on the land fully described and set out in Schedule I (hereto attached as Annexure II). It being agreed and understood that all forest products – i.e., log timber, and other bi-products resulting from the operation of the TII on the premises granted herein, shall be owned by TII.
2. That the duration of this Agreement shall be for a period of five (5) years certain, commencing on the date and year in which a Permit of License is issued TII by the Forestry Development Authority (FDA) of the Republic of Liberia to commence logging activities in the Republic of Liberia. It being mutually understood that this Agreement may be renewed for an additional five (5)-year period to commence immediately upon the expiry of the certain period herein granted, upon terms, covenants, and conditions to be agreed upon. The right of the TII to renew this agreement is conditional upon TII informing in writing at least thirty days prior to the expiration of this agreement of its intention of exercising the herein-

mentioned option.

3. That LDC shall be required to obtain from authorities of the Government of Liberia all permits, and licenses, required for the operation and conduct by TII of logging activities on the premises, subject of this agreement.
4. That TII shall adhere in all its operations to the prevailing laws and regulations, and such other laws and regulations that shall hereafter be promulgated by the government of Liberia to govern logging and its related activities in the Republic of Liberia.
5. That in consideration of the logging and its related activities to be carried out on the land herein, LDC shall be entitled to ten percent (10%) of gross sales (before taxes, excise duty, government and any other charges) received by TII from the sale of logging products, irrespective of Grade and Type of species. This amount shall be paid quarterly, that is to say on March 31, June 30, October 31, and December 31 each year during the life of this Agreement. It being understood and agreed that if any of the dates mentioned her in falls on a Sunday or on legal holiday, such payment shall become due and payable on the next business day.
6. That LDC shall provide TII with full and unrestricted use of the existing infrastructure, such as buildings, roads and bridges leading to and on the land, subject of this Agreement. It being agreed and understood that TII shall be required to renovate and rehabilitate the existing structures along with the roads and bridges at its own cost and expense.
7. Use all reasonable care and skills in carrying out its logging and related activities on the land, subject of this Agreement, and shall not cause injury or damage to the said land.
8. That TII shall keep a just and regular account of all sale transactions regarding logs, timber and other bi-products harvested, sawn and processed by TII from the herein mentioned premises.
9. That LDC shall have full access to all FDA records of sales of logging products by TII and all records of TII pertaining to logging from the said land. Also, LDC has the right to designate an agent who will work with TII in carrying out day- to-day logging and related activities on the premises herein granted.
10. That TII shall conduct forest inventory and establish management plans in accordance with prevailing rules and regulation governing commercial logging, and to specify annually the operational areas in such plans; TII shall also be required to pay all Government Taxes and fees emanating from its logging and related activities carried out on the premises granted herein.
11. That TII shall be responsible for, and maintain twenty-four (24) - hour security guard service to protect the facilities on the land mentioned herein and its equipment deployed thereon.
12. That TII shall, during the life of this Agreement, undertake and construct not less than three additional housing units based upon plan(s) and specification(s) submitted to and approved by LDC.
13. That the Parties hereto agree not to disclose to any third party(ies) whomsoever privileged and confidential information relating to and concerning all business activities that shall be conducted and carried out under this Forest Management Agreement, except otherwise ordered to do so by a court of competent jurisdiction.
14. That all moveable equipment and machinery deployed by TII to carry out logging and its related activities on the property, subject of this Agreement, shall remain the property of TII; and according , TII shall have the unrestricted right to remove such equipment and machinery at the expiry of this Agreement or any extension thereof.

15. That in the event of dispute arising from the interpretation of any provision of this Agreement, the Parties hereto shall negotiate and have same amicably resolved. In the event such negotiation fails, the parties shall submit to arbitration with each party submitting one arbitrator; and the National Bar Association of the Republic of Liberia nominating the third arbitrator, who shall serve as chairman of the board arbitrators. If arbitration fails to resolve the dispute, either party may revert to the courts for resolution of the matter.
16. That this Agreement shall terminate prior to its expiry in the event either Party winds up its activities either voluntary or compulsorily, or if either Party has breached any term of this Agreement and fails to remedy same within two (2) months after being notified of such breach.
17. This Agreement constitutes all the agreements and representation by the Parties to each other, and there are no other terms, obligations, covenants or conditions other than those set forth herein. Further, no modification or variation of this Agreement shall be valid unless evidenced by an agreement in writing and duly signed by both Parties, and then on the extent provided herein.
18. The terms and conditions of this Agreement shall be binding upon the Parties hereto and extend on their successors in business or interest and assigns as if they were specifically named herein.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE HEREUNTO SET THEIR HANDS AND AFFIXED THEIR SIGNATURES ON THE DAY AND YEAR FIRST ABOVE WRITTEN.

FOR: LOFA DEVELOPMENT CORPORATION - LDC

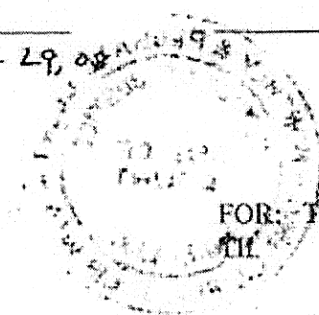
[Handwritten Signature]

WITNESS

DEC 29, 08

[Handwritten Signature]

Mary Kpoto
General Manager



FOR: TEXAS INTERNATIONAL INC.-

[Handwritten Signature]

WITNESS

[Handwritten Signature]

FARAGE YOUSSEF
DIRECTOR

FOREST MANAGEMENT AGREEMENT MADE AND ENTERED INTO BY AND BETWEEN LOFA DEVELOPMENT CORPORATION, HEREINAFTER KNOWN AND REFERRED TO AS "LDC" AND TEXAS INTERNATIONAL INC., HEREINAFTER KNOWN AND REFERRED TO AS "TII".

"LET THIS BE REGISTERED"

Robert [Signature]
JUDGE OF PROBATE MO. CO.

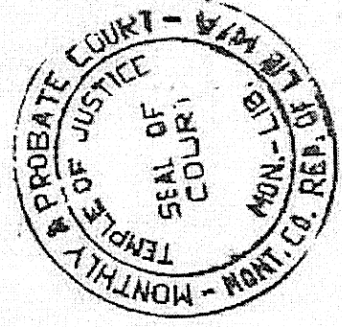
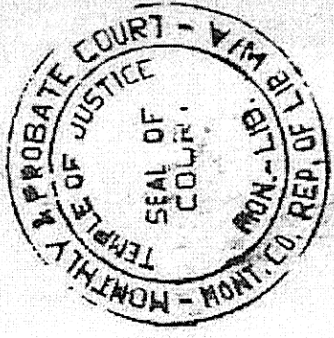
Probate this 30th day of Dec

A.D. 2008 - *[Signature]*
CLERK, MONTHLY & PROBATE COURT, MO. CO.

Registered According to Law in Page 362-363

Vol. *[Signature]*
REGISTERED, MONTESSERRADO COUNTY, R.L.

Offered for Probation by:



THIS DOCUMENT HAS BEEN LEGALLY REGISTERED AND FILED AT THE NATIONAL ARCHIVES ON THIS DATE
Dec 30 2008 at 9:00 AM/PM
NATIONAL ARCHIVES RECORDS AND DOCUMENTS SERVICE (NARS)