



**“ AN ACT RATIFYING THE CONCESSION AGREEMENT  
BETWEEN THE REPUBLIC OF LIBERIA  
AND ADA COMMERCIAL INC.**

**APPROVED JUNE 11, 2008**

**PUBLISHED BY AUTHORITY  
MINISTRY OF FOREIGN AFFAIRS  
MONROVIA, LIBERIA**

**JULY 8, 2008**

**AN ACT RATIFYING THE CONCESSION AGREEMENT  
BETWEEN THE REPUBLIC OF LIBERIA AND ADA  
COMMERCIAL INC.**

It is enacted by the Senate and House of Representatives of the Republic of Liberia in Legislature assembled:

**SECTION I:** That from and immediately after the passage of this Act, “**AN ACT RATIFYING THE CONCESSION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND ADA COMMERCIAL INC.**” as herein recited below word for word in the equally authentic English Version be, and the same is hereby ratified.

**SECTION II: SHORT TITLE:** This Act Ratifying The Concession Agreement Between The Republic Of Liberia And ADA Commercial Inc. may also be officially cited as “**ADA AGREEMENT.**”

**SECTION III:** That any and all obligations, covenants, terms and conditions as contained in the above mentioned **ADA AGREEMENT** shall be carried to full completion, unless otherwise modified, amended or repealed.

**SECTION IV:** This Act shall take effect immediately upon the publication into Handbill

**ANY LAW TO THE CONTRARY NOTWITHSTANDING.**

**CONCESSION AGREEMENT  
BETWEEN  
THE REPUBLIC OF LIBERIA  
AND  
ADA COMMERCIAL INC.**

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**CONCESSION AGREEMENT  
BETWEEN  
THE REPUBLIC OF LIBERIA  
AND  
ADA COMMERCIAL INC.**

This Agreement is made and entered into this 5<sup>th</sup> day of April A.D. 2008 by and between the Republic of Liberia represented by the Minister of Agriculture, Dr. J. Chris Toe, the Minister of Finance, Dr. Antoinette M. Sayeh, and the Chairman of the National Investment Commission, Hon. Richard V. Tolbert and attested to by the Minister of Justice, Hon. Phillip A.Z. Banks III (hereinafter referred to as "Government"); and

ADA Commercial Inc., a corporation duly organized under the Laws of the Republic of Liberia, represented by its represented by its President and Chief Executive Officer, Mr. Wendell J. E. MCINTOSH, (hereinafter referred to as "Investor"); and

**WITNESSETH:**

WHEREAS, Investor desires to make significant new investment in Liberia in the area of commercial rice production upon receipt of assurances from Government as to the tax, fiscal and other terms that will govern, or apply to, Investor's investment and operations in Liberia;

WHEREAS, Government desires that Investor should engage in its business operations and investment in Liberia because of their positive effects on employment and economic activity in Liberia, especially in the area of rice production - rice being its staple food.

NOW, THEREFORE, Government and Investor have entered into this Agreement pursuant to the terms and conditions set forth below.

**SECTION I**  
**DEFINITIONS**

The following terms wherever used in this Agreement shall have the respective meanings set forth below:

1.1 Additional Area – Government land, as well as any Private Land as may be leased to Investor from time to time for Production, Infrastructure and/or Investor Activities.

1.2 Affiliate – A legal Person that, with respect to a second legal Person, directly or indirectly controls, is controlled by, or is under common control with that second legal Person. For purposes of this Section, control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by reason of membership, ownership of voting stock, partnership interests, by contract or otherwise. The term "Affiliates" shall include all subsidiaries of such Person.

1.3 Agreement – This Concession Agreement and any amendments to it made pursuant to its terms, as well as all of its appendices.

1.4 Agricultural Products – Rice and any other products derived or obtained as the result of agricultural or farming activities, including plants, trees, fruit, timber, wood and food crops whether cultivated or not, as well as any other product derived as a result of the processing of any of the above.

1.5 Associates – Associates of a Person shall be its Affiliates, shareholders, contractors (including suppliers of goods and services) and financiers, and its directors, officers, agents and employees and the directors, officers, agents and employees of any of the foregoing.

1.6 Communication – A communication as defined in Section 27.1(a).

1.7 Concession Area – The combination of the Production Area and additional Areas if and when granted.



1.8 Dependent – A Dependent shall be a Person registered as such with Investor and who is the spouse or a minor child of an employee of Investor or determined to be a dependent by virtue of a legally binding agreement of Investor, such as a collective bargaining agreement, or by a corporate policy adopted from time to time by Investor.

1.9 Dollars or US\$ – United States dollars and any other currency that is legal tender in the United States of America.

1.10 Effective Date – The date on which this Agreement signed by all of the Parties, attested to by the Minister of Justice of Liberia, signed by the President of Liberia and ratified.

1.11 Employees – A full time worker as defined by Law.

1.12 Farm Road – A road that Investor or any of its Affiliates has constructed within the Concession Area for use primarily in connection with Production.

1.13 GDP Implicit Price Deflator – The gross domestic product implicit price deflator for the United States as published by the United States Department of Commerce.

1.14 Government – The Republic of Liberia and its government, including all of the branches, divisions, political sub-divisions, instrumentalities, agents, authorities and agencies of its government, and any corporations or other entities that are directly or indirectly owned or controlled by the Republic of Liberia or its government.

1.15 Government Land – All land in Liberia, including any creeks, streams, rivers, and bodies of water (and their residue) contained on such land, except Private Land.

1.16 Guarantor – LAP (Suisse), a Corporation duly organized under the Laws of Switzerland that is an Affiliate of Investor.

1.17 Infrastructure – All facilities relating to or connected with Production, including any type of the following: (a) employee housing; (b) public welfare facilities (including medical, educational and recreational facilities); (c) power, water and sewerage facilities (including natural water, hydro-electric and/or thermal power generating facilities, hydro-electric stations, transmission and power lines, and/or other power facilities, dams, aqueducts, water drains, water supply and sewerage systems, pumping stations and systems for disposing of plant waste and sewage); (d) processing, storage and repair facilities, engines, machines, furnaces, or compressor stations; (e) administrative, laboratory and research facilities; (f) transportation facilities (including roads, bridges, railroads, airports, landing strips and landing pads for aircraft and/or helicopters; hangars and other airport facilities, garages, canals, aerial tramways, pipelines, docks, harbors, piers, jetties, breakwaters, terminal facilities and warehouses and loading and unloading facilities); (g) communication facilities (including telephone, telegraph, electronic mail, radio, satellite, television and telecommunications or other transmission facilities); and (h) all other movable and non-movable facilities and equipment affixed to, used as an integral part of or used in relation to or in connection with the items described in (a) through (g), inclusive, of this Section 1.17.

1.18 Investor Activities – All activities and transactions conducted by or on behalf of Investor, directly or indirectly, with respect to or incidental to this Agreement (including Production and the establishment, maintenance and administration of Investor, and the management and conduct of its business) as well as the financing of such activities and transactions.

1.19 Law – Any constitution, treaty obligation, law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or other sovereign act of Government other than this Agreement.

1.20 Liberian Currency – Any currency, except Dollars, that is legal tender in Liberia, or circulates freely in any part of Liberia by virtue of any Law or authority as a medium of exchange for the purchase or sale of goods and services.

1.21 Liberian Rice Farmer – Any Person other than Government engaged in the Production of Rice in the Republic of Liberia if:

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(a) In the case of a natural Person, such Person is a citizen of the Republic of Liberia, or

(b) In the case of a legal Person, all of the equity ownership of, and net profits interest in, such Person is owned by or for the benefit of one or more natural Persons who are citizens of the Republic of Liberia, and neither that Person nor any of its Affiliates is a party to a rice development, concession or other similar investment or license agreement with Government.

1.22 Minister – The official of Government designated by Government to act on its behalf with respect to matters relating to this Agreement, or if Government designates no such official, the Minister responsible for Agriculture.

1.23 Notice – As defined in Section 27

1.24 Party – Either Government or Investor and, in the plural form, both Government and Investor.

1.25 Person – Any natural person and any legal person. For purposes of this Agreement, a natural Person means a human being; and a legal Person means a partnership, joint venture, corporation, limited liability company, trust, estate or other entity that is recognized by the laws of any state as a distinct body possessing the right to enter into contracts as well as a government or state, and any branch, division, political sub-division, instrumentality, authority or agency of any government or state.

1.26 Prevailing Market Rate of Exchange – The predominant rate, expressed in Dollars, at which willing sellers and willing buyers, acting at arms' length and in the ordinary course of business, purchase or sell, or are willing to purchase or sell, any other money.

1.27 Private Land – Any land, other than land subject to a lease granted by this Agreement, and including any creeks, streams, rivers, and bodies of water and their residue contained on such land, that is owned by any Person except Government, or as to which any Person except Government or Investor has a right of possession recognized by Law. Private land shall include tribal reserve and tribal sacred ground.

1.28 Prohibited Person: Persons to be identified by the Government who pose risk or threats to the national security, health and safety, and the political and economic stability of the Republic. \_\_\_\_.

1.29 Production – Any or all of the following when carried out by or on behalf of Investor: the development, planting, cutting, replanting and care of rice; the harvesting, collecting, purchasing, selling, exporting, utilizing and/or marketing of rice; the processing, storing and transporting of rice and rice products; and all other operations of the Investor incidental to, arising out of or directly related to any of the foregoing, including, the installation, operation and maintenance of Infrastructure.

1.30 Production Area – The areas of Government Land located in Foya, Lofa County and Gbeiden, Nimba County consisting of fifteen thousand (15,000) hectares of land described in Appendix I to this Agreement and leased by Government to Investor.

1.31 Profound Changes in Circumstances – Such changes in the economic conditions of the rice industry worldwide or in Liberia, or such changes in the economic, political or social circumstances existing in Liberia specifically or elsewhere in the world at large as to result in such a material and fundamental alteration of the conditions, assumptions and bases relied upon by the Parties at the time during which they entered into this Agreement (or the time after any subsequent review pursuant to Section 29) that the overall balance of equities and benefits reasonably anticipated by them will no longer as a practical matter be achievable.

1.32 Section – Any clause in this Agreement designated at its beginning by a numeral or sequence of numerals, irrespective of the fact that it is or is not preceded by the word "Section".

1.33 Taxes and Duties – Any and all direct and indirect income, profits, gains, corporation, net worth, sales, payroll, import, export, customs, consul, inspection-related, value added, consumption, supply, use, turnover, severance, stumpage, cash flow, rental, land rental, property, real property, stamp and other taxes, duties, fees, royalties, levies, excises, rates, charges, imposts, surcharges and other Government-imposed revenue payments of whatever nature, to whomever payable and however called and whether similar or dissimilar to the foregoing.



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1.34 Term – As defined in Section 2.1.

The words “hereof”, “hereunder”, “herein”, or other similar words mean this Agreement and its appendices. The words “and” and “or” include the conjunctive and disjunctive, as the context may require or permit. The word “include” (and any variation of that word) means “includes but not limited to” and is used in an illustrative sense rather than a limiting sense.

Each Party fully participated in the negotiation and drafting of this Agreement. Therefore, this Agreement shall not be construed against any Party as the drafting party.

## SECTION 2: TERM

The Term of this Agreement shall be for a period of twenty years certain, commencing on the Effective Date and ending 240 calendar months thereafter unless sooner terminated in accordance with the other provisions of this Agreement. The Agreement may however be renewed, provided the terms and conditions are agreed upon within five years before the expiry of the term certain.

## SECTION 3: GRANT OF RIGHTS

### 3.1 Production and Other Basic Rights

(a) Government hereby grants to Investor the right, permit and license non-exclusively to engage in the Production in the Production Area and the utilization in Liberia of Rice and Rice Products, and in the export of Rice Products from Liberia, provided domestic consumption demands are met, free from any requirement to obtain any further license, permit or authorization from Government or any other Person in order to do so,

(b) Subject to the terms hereof, Government hereby leases the Production Area to Investor for its exclusive use in the Production and processing of Rice.

(c) The Investor shall within six months as of the effective date of this Agreement identify and survey the production area consisting of fifteen thousand (15,000) hectares of land, the coordinates of which are described in Appendix I. Such map shall be initialed by the parties hereto and attached as Appendix IA to form a cogent and material part of this Agreement.

### 3.2 Incidental Rights

(a) Subject to the terms and conditions of this Agreement, and only as necessary or desirable for the proper and efficient exercise of the rights granted to Investor under Section 3.1, Investor shall have the right:

(i) Exclusively to construct, install, maintain and/or repair, at its own expense, Infrastructure within the Concession Area, provided that Investor shall first obtain approval of Government concerning the design, location, size and, subject to Section 13, environmental impact of any roadway, highway, railway, waterway or other ways of communication, which approval shall not be unreasonably withheld; and provided further that nothing herein shall restrict or impair Investor’s right to construct within the Concession Area such Farm Roads as Investor deems necessary or desirable to properly conduct Production and that conform with Law.. All such Farm Roads shall remain open to the public subject to such reasonable restrictions on their use as Investor shall, in conformity with Law, impose in the interest of the security of its assets and that of its Associates and the safety of its employees and their dependents, and the employees and dependents of its Associates.

(ii) Non-exclusively, outside the Concession Area, at its own expense to construct and establish Infrastructure, subject to Law and the prior written approval by Government, all highways and roadways constructed pursuant to this Section 3.2 (a) (ii) shall, upon completion, become public property, provided that Investor shall have the right to use such highways and roadways without charge or the imposition



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of Taxes and Duties for or with respect to such use. Government shall have no obligation to refund to Investor any amounts expended by Investor in the construction and maintenance of such Infrastructure.

(iii) Exclusively, within the Production Area, to take and use, subject to any limitations pursuant to Section 13, but not to sell to any other Person without the written approval of Government), such water, stones, rocks, sand, clay, and gravel having no significant commercial mineral value other than as aggregate, filler or other construction material, as Investor may consider necessary or useful for its operations under this Agreement, provided such use does not interfere with rights of third parties or with use by Government. This activity shall not be considered mining for purposes of any Law.

(iv) Notwithstanding anything to the contrary in paragraph (iii) above, Investor may not dam any streams or use amounts of water that could materially harm nearby farmers or residents.

(b) The Parties agree that all trails across the Production Area used immemorially by the population shall remain open to free use by the public, subject to such reasonable restrictions as Investor shall, in conformity with Law, impose in the interest of the security of its assets and that of its Associates and the safety of its employees and their dependents and the employees and dependents of its Associates.

3.3 Other Natural Resources – Government reserves the exclusive right to explore for and develop mineral resources within the Concession Area and to grant such exclusive rights to any other Person (any such Person, a “Licensed Miner”). If Government (or a Licensed Miner under grant from Government) intends to explore for, develop or exploit mineral resources in the Concession Area, it shall first so advise Investor by notice, and the right of Government or such Licensed Miner to explore for, develop or exploit mineral resources in the Concession Area shall be subject to the following:

(a) Any exploration, development or mining activity to be undertaken either by Government or by a Licensed Miner shall not either unreasonably or materially interfere with Production and the rights of Investor hereunder;

(b) Any damage to property and assets and for any economic or other losses, including lost profits that Investor may suffer by virtue of any exploration, development or mining activities conducted by Government or any Licensed Miner shall be fully reimbursed by Government or such Licensed Miner, as applicable;

(c) Government or any Licensed Miner shall fully indemnify and save Investor harmless from all claims, damages, liability, and costs and expenses of defense (including reasonable attorney fees), arising out of or related to such exploration and/or mining activities. Investor shall have the right to appoint counsel of its own choosing in connection with the foregoing, provided that Government shall have the right to approve such counsel, which approval, (shall be deemed granted if not denied within 60 days after notice to Government of Investor’s choice of counsel or such earlier time as may be required by a judge or arbitrator in connection with pending legal proceedings. Government shall also have the right to approve the terms of any settlement to the extent the Government’s obligation to indemnify Investor under this Section is to be called upon to satisfy an obligation to be assumed by Investor in connection with such settlement; and

(d) Government shall require any Licensed Miner, as a condition to its grant of the right to explore for or develop mineral resources within the Concession Area, to be jointly and severally liable with Government for the obligations set forth in this Section 3.3 and to post an appropriate bond with Government to secure performance by the Licensed Miner of such obligations.

3.4 Agricultural Surface Leasehold – Except as otherwise limited herein, Investor’s rights with respect to the Concession Area shall be those inherent in leasehold of the surface of land for agricultural purposes, and Investor shall be considered such a lessee as to the Production Area and the Additional Areas, if any.

3.5 Warranty of Investor’s Rights – Subject to the timely and substantial fulfillment of all material obligations herein undertaken by Guarantor and Investor, Government warrants Investor’s title to and possession of all rights granted to it under the terms and conditions of this Agreement, and its quiet enjoyment of the leasehold granted to it hereunder, and agrees that it will defend and protect these rights for the benefit of Investor.

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3.6 Warranty of Ownership Personal Property – Government and Investor agree that, except for leasehold rights, the rights and privileges granted Investor under this Agreement are contract rights and constitute personal property and not real estate.

#### SECTION 4: UTILITIES

##### 4.1 Utilities

(a) Investor shall have the right to generate, distribute and allocate electricity and provide water for the purpose of supplying buildings and other facilities within the Concession Area, or otherwise conducting Investor Activities. Investor shall reasonably coordinate and consult with the relevant agencies of Government regarding such activities. Government shall not charge Investor any license fee or other Taxes and Duties for, or in connection with, the exercise of this right. Investor may also agree to provide electricity or water to Government or other Persons if it has quantities surplus to its needs. If Investor so elects, it shall provide such surplus electricity or water at rates it deems appropriate and on such other reasonable terms as it may decide but not to exceed the prevailing market rate. Government shall have first priority to purchase all or any portion of such surplus at the lowest price Investor sells such power to any other Person or at the generally applicable tariff rate charged by the Government public utilities.

(b) Government agrees that Investor may use public utilities on the same terms and conditions as, and subject to Section 29 at the generally applicable tariff rate charged to other similarly situated Persons in Liberia using such public utilities. If Government elects to provide utilities services, such as interconnection, to Investor, Investor shall pay any applicable fees for such services.

#### SECTION 5 CONSTRUCTION AND USE OF SUPPORT SYSTEMS

5.1 Roads – To the extent Investor Activities are not unduly impeded, Investor shall permit roads in the Concession Area other than Farm Roads to be used by other Persons subject, however, to such conditions as it may deem appropriate, except that no user fees shall be charged for the use of such roads. Investor shall have the right to place security gates or other checkpoints on roads within the Production Area when and for so long as it deems necessary, provided that Government shall have the right to assign security personnel to join with Investor's Plant Protection Department to monitor any such security gates and checkpoints (other than those on roads that lead directly to residential, Production or administrative buildings and facilities).

5.2 Government Construction – Government has the right to construct roads, highways, railroads, telegraph and telephone lines and other lines of communication within the Concession Area, provided, however, that Government does not unreasonably interfere with Investor Activities. Government shall fully indemnify and save Investor harmless from all claims, damages, liability, and costs and expenses of defense (including reasonable attorney fees) and all other costs and expenses of defense arising out of or related to any such construction activity, but excluding any damages for loss of the intrinsic value of any leasehold rights. Investor shall have the right to appoint counsel of its own choosing in connection with the foregoing, provided that if the Government is called upon to pay the cost of such counsel it shall have the right to approve such counsel, which approval shall not unreasonably be withheld (and shall be deemed granted if not denied within 60 days after notice to Government of Investor's choice of counsel or such earlier time as may be required by a judge or arbitrator in connection with pending legal proceedings). Government shall also have the right to approve the terms of any settlement to the extent the Government's obligation to indemnify Investor under this Section is to be called upon to satisfy an obligation to be assumed by Investor in connection with such settlement.

5.3 Other Businesses – Affiliates of Investor, but not Investor, shall have the right, subject to Law, to operate other businesses, including banking services and the operation of a banking facility in the Concession Area, for the benefit of Investor's employees and other Persons resident in the Concession Area.

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## SECTION 6: CONDUCT OF OPERATIONS

6.1 Financial Commitment – Investor shall make an investment of at least thirty million United States Dollars (USD 30,000,000.00), fifty percent or Fifteen Million dollars (USD 15, M) to be expended during the first four years and the remaining fifty percent (50%) within the next six years.

6.2 Production – Subject to the terms of this Agreement, Investor shall engage in Production and operate its business in the manner that, in its sole discretion, it deems best suitable. Subject to the rights of the Government pursuant to Section 24.2, it shall produce Rice Products in such quantities as Investor in its sole discretion deems appropriate taking into account world market conditions for Rice Products, economic conditions in Liberia and abroad, and sound business practices in the Production of Rice Products. Without limiting the foregoing, Investor shall provide timely information to Government regarding any business decisions that Investor reasonably determines may have a substantial social or economic impact in Liberia, so as to permit appropriate planning and response by Government

6.3 Management Costs – If Investor engages an Affiliate, or any other Person that is not owned or controlled by Government or by Persons resident and licensed to do business in Liberia, to render or furnish to or for Investor any management services or management assistance with respect to Production that is of a type that an efficient Rice farming company engaged in the production and marketing of Rice would ordinarily provide for itself, Investor shall pay for such management services or assistance only on an actual cost reimbursement basis unless otherwise inconsistent with Law.

### 6.4 Transactions with Affiliates

(a) Except as provided in Section 6.3, any transaction between Investor and an Affiliate, with respect to Production shall be on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arms' length. Such prices shall be determined to the extent practicable by reference to publicly available international reference prices or indices.

6.5 Sales Price of Rice – Subject to any price regulations by Government, Investor shall have the right to sell Rice to unrelated Persons of its choosing at prices it deems appropriate taking into account good, modern, competitive business practices, provided that every 6 months it shall inform Government of the terms and conditions of all such sales that took place during the immediately preceding 6 months.

6.6 Planting – Beginning on the Effective Date, Investor will implement a program to plant Rice in the Production Area such that by the end of the tenth year after the Effective Date it shall have planted the entire production area and intensively cultivate same by planting a minimum of two crops per year in the Production area.

Purchases of Paddy Rice– Subject to the any price regulation by Government, Investor shall have the non-exclusive right at all times to purchase, without limit, unprocessed rice from Liberian Rice Farmers and others in Liberia and to process, market, sell, deal in and export all such Rice and Rice products. Investor shall provide to the Minister each month a summary of the basis on which it calculated its purchase prices of Paddy Rice for the prior month, including (i) any allocations used in computing deductible costs and the basis for Investor's determination of mark up; (ii) the quantity of Rice paddies purchased by Investor from Liberian Rice Farmers and other Rice farmers; (iii) the amount of taxes withheld under Law from Liberian Rice Farmers and other Rice farmers for remittance to Government; (iv) the number of Liberian Rice Farmers and other Rice farmers from whom Rice Products were purchased; and (v) such other information as the Parties shall agree is pertinent.

## SECTION 7 PUBLIC HEALTH AND SAFETY

7.1 Health & Sanitation – Investor shall practice modern public health in accordance with generally accepted health and sanitation procedures and Law. Investor shall, within six (6) months after the Effective Date, construct or cause to be constructed sufficient latrines in the Concession Area, where applicable,



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and shall undertake other sanitary measures and/or safety measures, taking into consideration its expansion program and the population of the Concession Area.


7.2 Occupational Safety Procedures – Investor shall practice occupational safety procedures and precautions in accordance with modern industry practices, procedures and precautions (including regular safety training instruction for its employees) and Law in connection with all Investor Activities.

7.3 Employee Housing – Investor shall provide adequate housing facilities (one unit per family) to include bathroom and kitchen facilities for each unit for its employees and their dependents which shall comply at least with the minimum housing standards issued for general application by the Ministry of Public Works and the relevant government agencies and shall conform to the requirements of Law

7.4 Clean Water – Investor shall provide all employee residential communities within the Concession Area with pipe-borne safe drinking water. Investor shall construct wells so as to supply pipe-borne water at maximum 30 families per outlet in each of its developed plantation sub-divisions and shall include a sufficient number of wells to be constructed taking into consideration its expansion program and the population of the Concession Area. Potable water provided pursuant to this Section 7.4 shall meet or exceed the standards established by Law or, in the absence of any such Law, shall be determined by agreement between the parties.

7.5 Medical: Investor shall provide for medical care and attention of its employees and their dependents in accordance with Law and the guidelines of the Ministry of Health and Social Welfare. Within six months as of the effective date of this Agreement, Investor shall provide a modern Out-patient clinic in both locations identified in Section 1.31 to be staffed by qualified nurses/medical practitioners and a visiting physician. Before the expiration of the tenth year, and in consultation with the Ministry of Health, and the Ministry of Agriculture, Investor shall construct a modern 20-bed In-patient medical facility, to be staffed with competent medical practitioners and a physician, in either of the locations identified in Section 1.3 based upon a need assessment. The parties hereto mutually agree that Government officials assigned to, resident in and regularly working in the Concession Area in an official capacity shall, during the time of such assignment and residence, also be entitled to receive medical care on the same basis as Investor employees, along with the spouse and Dependents of each such official who have been registered as such with Investor. The number of such Government officials and their Dependents shall not exceed a reasonable number agreed upon from time to time by Government and Investor.

7.6 Security Force – The Government acting through the Ministry of Justice and by the lawful authority granted the said Ministry to act for and on behalf of Government, hereby authorizes Investor directly or under contract with other Persons of its choosing, authorized to perform such function, to establish, manage and maintain a security force (the "Plant Protection Department") in accordance with a written plan approved by the Minister of Justice (the "Security Plan") for the purpose of maintaining law, order and security through its own fully effective security force in the Concession Area and in other areas where Investor has or maintains property and assets and to do so always being subject to Law (including all Laws relating to apprehension and detention and human rights). The Parties also agree to subscribe to and adhere to the principles contained in the Voluntary Principles on Security and Human Rights. Those members of the Plant Protection Department certified by Investor to the Government's police and law enforcement authorities to have been specially trained and qualified shall have enforcement powers within the Concession Area, always being subject to Law. The Plant Protection Department shall generally have (i) the power of apprehension and detention in accordance with Law, the detention of any person to be immediately notified to the appropriate Government authority and any detained person to be turned over to such authority as soon as practical and in no case later than twenty four (24) hours from the time of detention, provided, however, that upon request of the Liberian National Police any person arrested or detained by the Plant Protection Department shall be immediately turned over to the Liberian National Police before the expiration of the twenty four (24) hour period and, provided, further, that no such detained Person having been presented to the police authorities need be released from detention except as required by Law, and (ii) the power, subject to Law, to search and exclude or evict unauthorized Persons from the Concession Area, and from such other areas as may be properly restricted for economic, operational or security reasons, subject to Law. Investor shall coordinate the activities of the Plant Protection Department with

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Government's police law enforcement and security authorities and periodically report to the Ministry of Justice on the activities of the Plant Protection Department, as per regulation of the Ministry.

## SECTION 8 EDUCATION

8.1 Education Facilities – Within six (6) months as of the execution of this Agreement, Investor shall provide, free of charge for the elementary education of its employees and their dependents within the policies and guidelines of the Ministry of Education. Based upon a need assessments, level of offering (e.g. from Elementary to Jr. High, and from Jr. High to Sr. High).shall be increased in consultation with the Ministry of Education and the Ministry of Agriculture.

8.2 Adult Literacy Program – Investor shall establish an adult literacy program for its employees and the registered dependents of the employees with a budget of at least seventy-five thousand dollars per annum which shall be tax deductible.

## SECTION 9 EMPLOYMENT AND TRAINING

9.1 Employment – Employment practices of Investor shall conform to Law. In no case shall Investor hire non-Liberian nationals for unskilled labor positions. Investor shall give preference for employment at all levels of financial, accounting, technical, administrative, supervisory and senior management positions and other skilled positions to qualified Liberian nationals as and when they become available, it being the objective of the Parties as soon as is practicable that the operations and activities of Investor under this Agreement should be conducted and managed primarily by Liberian nationals. Subject to availability of qualified applicants, Investor shall cause Liberian nationals to hold at least fifty percent (50%) of management positions at each level of management (including 50% of the ten most senior management positions) within five (5) years of the Effective Date, and at least seventy five percent (75%) percent of such positions within ten (10) years of the Effective Date. As of the Effective Date, the ten (10) most senior positions are the President and Managing Director, the General Manager, the Comptroller, the Operations Manager, the Plant Manager, the Technical Services Manager, the Agricultural Operations Manager, the Research and New Development Manager, Personnel/Human Resource Manager and Chief Accountant. The list of the ten (10) most senior positions may be amended from time to time by agreement of the Parties. Appointment of a Liberian national to a particular position shall not, however, preclude subsequent employment of a non-Liberian in such position as long as, subject to availability, the overall percentage of Liberian nationals employed in senior positions are otherwise met. In the event Investor is unable to meet the targets set forth above, upon the request of Government, Investor must demonstrate that it used all reasonable efforts to fill such positions with Liberian nationals but was unable to do so, and in the alternative pay a penalty of 25% of the salary of the expatriate staff so employed to the Government. Investor shall prepare (and revise when necessary) detailed plans for the implementation of this section 9.1, including timetables and schedules, as part of its reporting requirements under Section 20

9.2 Training –Investor shall provide for the training of Liberian citizens in order to qualify them, pursuant to Government's Liberianization policy, for positions required by its operations under this Agreement. Investor shall also provide on-the-job training, utilize vocational training facilities in Liberia, and undertake whatever other measures are necessary and reasonable to achieve this objective. Investor shall prepare (and revise when necessary) detailed plans and programs for its on-the-job training programs, including timetables and schedules, as part of its reporting requirements under Section 20 hereof. Investor shall provide annual scholarships in the amount of not less than fifty thousand dollars (to be tax deductible), for Liberian nationals and support to the University of Liberia's College of Agriculture, the use of which shall be determined by the University Administration and the Ministry of Agriculture.





**SECTION 10**  
**USE OF LIBERIAN PRODUCTS AND SERVICES**

When purchasing goods and services related to Investor Activities, Investor shall give preference to goods produced in Liberia by Liberian citizens, and services provided by Liberian citizens, who are resident in Liberia (and certified as such by Government) which are equal to or better than comparable goods and services obtainable from other Persons taking into account price, quality, delivery schedules, availability and other terms. In addition, Investor agrees to include in each contract or work order with its major contractors and other Associates a provision requiring them to adhere to the requirements of this Section, and to require their sub-contractors to do so, with respect to any activities undertaken in Liberia by such Associates and major contractors (and their sub-contractors), on behalf of Investor. Subject to the foregoing, Investor may freely contract with any Person.

**SECTION 11: RICE PROCESSING FACILITY**

Investor agrees to construct a modern Rice storage and processing facility capable of milling at a minimum 18 tons per hour of paddy rice and shall cooperate with Government in any investigation Government makes of the possibility of establishing manufacturing facilities within Liberia which utilize Rice as a basic raw material and in which Investor has expertise.

**SECTION 12: COMMUNITY RESOURCES**

12.1 Community Programs – It is the objective of the Parties that Production shall be carried out in a manner that is consistent with the continuing economic and social viability, both during the Term of this Agreement and thereafter, of communities that have formed, and may form, as a result of Production. Upon request of Government at any time, Investor shall consult with Government in order that Government may establish plans and programs for the implementation of this objective, and thereafter Investor and Government shall in good faith cooperate with Government's efforts concerning the realization of such plans and programs.

12.2 Support for Liberian Farmers

(a) Investor shall provide farm advisory support and, subject to availability, farm supplies to Qualified Liberian Rice Farmers (as defined below in Subsection 12.2(b)), to include seed rice, seeders, and fertilizers, at charges no greater than Investor's own cost for such items to which shall be added any Taxes and Duties imposed by Law on such items or on their provision to Liberian Rice Farmers.

(b) For purposes of this Section 12.2, a "Qualified Liberian Rice Farmer" shall be any Liberian Rice Farmer who meets the requirements imposed by any applicable Law and, in addition, who satisfies Investor that he, she or it is in fact an owner and operator of a Rice farm in Liberia, receives all or a substantial part of the income from such farm, is not and has not acted either as a front for other Persons with respect to the ownership or operation of a Rice farm in Liberia or as a middleman to sell farm supplies to other Persons except as permitted by Investor for good cause shown, and meets such other criteria and standards as Investor may reasonably impose to ensure that the benefits to be provided hereunder accrue primarily to Liberian Rice Farmers who have the capacity effectively to utilize them. Investor shall provide a list of all Liberian Rice Farmers that it supplies with farm supplies to Government and discuss with Government such concerns as Government may have. Investor shall also have the right to provide this list to such other Persons as Investor may deem appropriate.

12.3 Out grower's Program -

The Government and Investor shall assist Liberian small holders ("Outgrowers") in an outgrower's program the details of which to form part of the Development Plan pursuant to section 20.2. The Government shall provide additional public land up to not less than twenty (20) percent of Investor's Production area to be used for the Outgrowers Program. Investor shall undertake to plant not less than 500 hectares acres annually of land dedicated to the Outgrower's program. Investor shall provide support to such Outgrowers on a cost recovery basis and such support may include technical assistance, the provision of equipment, fertilizer, processing capacity, the sharing of expertise and the establishment of close working links with such Outgrowers including the provision of seed rice of the most scientifically advanced type planted by Investor, provided however the cost of the seed rice or cost of



managing the seed rice during the gestation period shall be borne by third party donors, if available, or paid by the outgrower, at cost, on a prorated basis as agreed with Investor. Investor commits to purchase rice harvested from the outgrowers in accordance with the terms of this Agreement.

### SECTION 13: ENVIRONMENTAL MEASURES

Investor's obligations with respect to the environment shall be as prescribed by Law including the Environmental Protection and Management Law of Liberia and international standards, including the Equator principles...

### SECTION 14: COORDINATION COMMITTEE

Investor and Government shall create a Coordination Committee, which shall consist of 5 members or such greater or smaller odd number as the Parties may agree. One member, who shall serve as the chair, shall be the Minister of Agriculture Of the remaining members, half shall be appointed by Government and half shall be appointed by Investor. The Coordination Committee may meet upon the request of either party, but not more than 4 times per year unless the Parties otherwise agree, for the purpose of matters related to Investor Activities, in order to coordinate the needs and plans of Investor with the needs and plans of Government. The Coordination Committee shall have no managerial responsibility or role, nor shall it be empowered to take any action on behalf of or with respect to the rights of Investor or the Government.

### SECTION 15 CAPITALIZATION

Investor shall maintain a ratio of Indebtedness to Equity Capital no greater than 3:1.

### SECTION 16: INCOME TAXATION

16.1 Income Tax Rate – Investor shall be taxed on its net taxable income in accordance with the Tax Law of general application provided the aggregate rate of tax applicable to its net taxable income shall not exceed fifteen (15) percent for the first eight (8) years of term of this Agreement.

16.2 Determination of Taxable Income – Subject to the provisions of Section 16.3, Investor's net taxable income shall be computed in accordance with Law. Unless otherwise provided in this Agreement, the net taxable income of Investor shall be determined in Dollars.

16.3 Loss Carried Forward – The loss carried forward period shall be extended for a period of 5 years starting from the first year in which Investor has taxable income under the Law of General Application. Thereafter Investor shall be subject to the laws of general application...

### SECTION 17: SURFACE RENTAL

17.1 Rental Fee – Investor shall pay to the Government five United States Dollars (US \$ 5.00) per hectare during the Term of this Agreement. All surface rentals shall be adjusted once every five years to reflect the rate of inflation in Liberia, as calculated by the "Liberian GDP Implicit Price Deflator" or such other index as the parties may agree but such adjustment not to exceed 20% for any 5 year period.

17.2 Payment – All surface rental shall be payable annually in advance, on or before January 15th of the year for which payment is being made, to the Ministry of Finance of Liberia or as the Government may otherwise direct by notice.



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## SECTION 18: OTHER PAYMENTS TO GOVERNMENT

### 18.1 Turnover (Advance) Tax

Investor shall be liable to pay the Turnover Tax quarterly pursuant to Law provided the amount shall not exceed one percent (1%) of its gross income as that term is defined by Law and shall be creditable against future tax obligation.

18.2 Import Duties – Investor shall be exempt from payment of such import duties as are generally applicable under Law in Liberia on items of agricultural, industrial machinery, capital spare parts, supplies and equipment, and raw materials used in Production and Investor's Activities (including but not limited to tractors, bulldozers, graders, four-wheel drive vehicles, seeds, fertilizer, rice mills, sterilizers, oil transport tankers and other such items) for a period of five years based on approved list of items hereto attached in Schedule "A" and thereafter the law of general application shall apply. Investor is not required to pay any duty on medical and educational products, and supplies. Investor shall be entitled to import and use for Investor Activities, machinery, equipment, vehicles, supplies, chemicals, and other capital equipment directly related to production. in accordance with the terms of this Agreement.

18.3 ECOWAS Trade Levy – Investor shall be subject to the ECOWAS Trade Levy on all goods from non-ECOWAS states which it imports into Liberia at the rate established by Law but not to exceed 1 percent of the CIF value of such goods unless such higher rate is generally applicable in all ECOWAS member states without exception.

18.4 Customs User Fee – Investor shall pay a customs user fee on imports as per the Law of general application.

18.5 Withholding Tax on Interest – During the first five years, Investor shall withhold from interest paid to non-resident Persons the amount of Taxes and Duties required by Law, but not to exceed 10 percent of such payments; and from residents, an amount of 8%. Thereafter the law of general application shall apply.

18.6 Withholding Tax on Dividends – Investor shall withhold from dividends paid to its shareholders or owners during the first five years the amount of Taxes and Duties required by Law to be withheld, but not to exceed 10 percent of such payments. Thereafter the law of general application shall apply.

18.7 Withholding Tax on Certain Other Payments – Subject to the provisions of Sections 18.5 and 18.6 above, Investor shall withhold from payments to any Person for the items set forth in Section 806 (d) and Section 905 (e) of the Revenue Code of Liberia (2000) the amount required by Law but not to exceed eight percent of such amounts during the first years

18.8 Goods and Services Tax – Investor shall be subject to the goods and services tax as imposed by Law provided that no goods and services tax shall be payable on capital goods or materials and supplies used for Production, for a period of five years and provided further that no goods and service taxes shall be paid at all time on Capital equipment used for agricultural purposes.

18.9 Inspection Fees – Investor shall utilize the services of the inspection company designated by the Ministry of Finance.

18.10 Rice Development Fees – Investor shall pay into a Rice Development Fund 1% of its gross sale as support to the industry.

18.11 Community Development Fund – Investor shall pay into a Community Development Fund a tax deductible fixed amount of three hundred thousand (USD 300,000.00) per annum to be prorated between the two locations identified in Section 1.31 based upon land allocation, of which not less than twenty percent (20%) or sixty thousand dollars (US\$60,000.00 shall be used for the development of Farmers Cooperatives).

18.12 Capital Incentives and Allowances; Investor shall be entitled to;



- (a) In addition to any capital incentive deduction allowed under Section 204 (d), of the Revenue Code of 2000 and subject to that subsection's tax cost reduction rule but without the limits specified in section 204 (d), there is allowed an incentive deduction of 30% of the purchase price of equipment and machinery used in the activities in the year that qualifying asset is placed in service.
- (b) In addition to the incentive deduction allowed under Sections 204 (d) and 204 (e) (2) (A) an additional zonal incentive deduction on all capital expenses as per the tax code.
- (c) When certified by the Minister of Finance, Investor shall be granted an additional five percent (5%) incentive deduction for investment activities provided Investor employs more than one thousand (1,000+) people in Liberia

**SECTION 19**  
**FINANCIAL REPORTING AND CURRENCY**

19.1 Accounting – All of Investor's accounting under this Agreement shall be in Dollars and all amounts paid or received, and obligations incurred or transactions carried out, in Liberian Currency or other currencies shall be converted to Dollars in accordance with and pursuant to United States Generally Accepted Accounting Principles or the International Accounting Standards (except to the extent inconsistent with the terms of this Agreement) based upon the Prevailing Market Rate of Exchange between Dollars and any such currency.

19.2 Currency of Payment – Except as otherwise provided below, Investor shall pay its obligations to Government in Dollars, including obligations for Taxes and Duties payable under Sections 16, 17 and 18 hereof. Any obligation originally stated in Liberian Currency shall be converted to Dollars at the Prevailing Market Rate of Exchange. Notwithstanding the foregoing, Investor shall make payments of sums it collects on behalf of Government, including taxes withheld from the salaries or wages of employees of Investor, and any other sums payable to other Persons from which a portion is required by Law to be withheld or retained by Investor on behalf of Government, in the currency in which such salaries or wages or such other sums are paid. For purposes of determining compliance by Investor with any Law (including without limitation any Law determining minimum wages) or satisfaction by Investor of any contractual obligation, the amount of any payment by Investor made in Dollars shall be converted to Liberian Currency at the Prevailing Market Rate of Exchange as of the date of such payment.

19.3 Right to Remit and Receive Payments – Investor shall have the right to remit and receive in Dollars all payments of dividends, interest, principal and other payments arising from or as a result of, or related to Investor Activities, and to do so without penalties, required total or partial surrender, exchange or confiscation of such Dollars, or other direct or indirect restrictions on such remittances or receipts.

19.4 Audit

(a) Investor shall cause its books of account to be audited within 3 months, or such longer period of time as the Minister of Finance may approve, after the close of each fiscal year by an independent auditor (which shall be a reputable international accounting firm) selected by Investor; and a copy of the annual financial statement duly certified by said auditor and any management letters or similar communications shall be furnished to Government within such period as provided by Law after its receipt by Investor. Government shall have the right freely to discuss with the said auditor the results of the audit and certification. Investor shall make said auditors available at its expense to Government and shall take all reasonable measures to ensure that said auditor shall cooperate fully in such discussions. The foregoing shall not in any way imply acceptance of any such audit or certification by Government or preclude Government from auditing such books of account as provided under Law, provided that Government shall provide Investor with a copy of any such audit within 45 days of receipt. Once either Government or Investor has audited any book of accounts, the financial statement thus audited shall be considered acceptable and the audit results binding and conclusive as to its findings, unless a Party shall have indicated to the contrary within 3 years after its receipt of a copy of the audited financial statement.

(b) Investor shall keep copies of its own books and records in Liberia at all times. In case a review of Investor's own records or books or those of any Affiliate outside of Liberia is required, Investor will

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cooperate to provide Government with copies of the information, books and records needed to complete the audit. If Government nonetheless deems it necessary for any part of such audit to be performed outside of Liberia, the cost of associated travel will be borne by Government except to the extent that Investor is unable to provide the information, books or records needed to complete the audit in Liberia, in which case Investor shall bear both the reasonable travel cost of a reasonable number of auditors selected by Government to travel to the place where such information, books and records may be obtained and their accommodation costs for a reasonable amount of time necessary to complete their review.

## SECTION 20: RECORDS, REPORTS & INSPECTION

20.1 Maintenance of Records – Investor shall, pursuant to its current/standard record retention policy and otherwise as required by Law, maintain at its principal office in Liberia or, upon prior notice to Government, at any other office in Liberia:

(a) An original of all scientific, agricultural, operational, technical, industrial and commercial records, studies and reports (except correspondence) received or compiled by Investor in connection with its operations under this Agreement (together with any relevant underlying data); and

(b) Complete, accurate and systematic financial records of all of its transactions, worldwide, relating to its operations under this Agreement, including all sales of Rice Products to Investor customers or any sales by Affiliates of Rice Products where such sales are used to compute any item of income, deduction or other amount affecting the liability of Investor and of such books of account and other financial records of operations as may be required by Law.

20.2 Development Plan – Beginning 90 days after the Effective Date, Investor shall present a development plan to be initially approved by Government and thereafter on or before June 1 of each succeeding year during the term of this Agreement, Investor shall submit a rolling 5-year development plan (the “Development Plan”). Once initially submitted, and approved, the Development Plan shall be subject to review and comment, but not approval or modification, by Government. Any reporting requirements which require approval by Government according to Law or this Agreement shall be reported separately as specified by Law or this Agreement.

20.3 Reports – Investor shall submit such reports to Government, in such form, in such detail and at such times as Government may reasonably require, with respect to the subjects specified in Appendix V attached hereto or such other subjects as may be otherwise agreed by the Parties from time to time (“Investor Activity Report”). To the extent that reporting requirements for the Development Plan and Investor Activity Report overlap in frequency and content, they shall be included only in the Development Plan with appropriate reference. This Section 20.3 shall not relieve Investor of its obligations to make such other reports as may be required by Law to such persons as designated by Law.

20.4 Inspection – Government may, through its authorized representative, at any reasonable time upon not less than 48 hours notice, inspect the records of Investor described in this Section 20 hereof and (to the extent Production is not unreasonably disrupted) any and all facilities and areas related to any of the operations hereunder. Investor shall make all reasonable arrangements to facilitate any such inspection and shall make its appropriate employees available to render assistance with respect to any such inspection. If any part of such inspection must be performed outside of Liberia because any of the records of Investor described in Section 21 hereof needed for the inspection are outside Liberia, then Investor shall bear the reasonable travel and per diem living costs of a reasonable number of Government inspectors to travel to the place where such records may be obtained for a reasonable amount of time necessary to complete their review.

20.5 Confidentiality

Trade secrets as is generally accepted in the rice industry to include marketing strategy, customer listing, processing information, etc shall be designated as confidential and shall used only for the purpose for which it was obtained and shall be maintained in confidence as to third parties by Government and its representatives except as may otherwise be required by a final, non-appealable order of any court having jurisdiction. Should any Person make a demand upon Government in the course of litigation or apply to any court in Liberia for the



production of such confidential information, Government shall timely provide Notice to Investor prior to revealing such information so that Investor may have an opportunity to intervene in the matter.

## **SECTION 21: OWNERSHIP OF INVESTOR; ASSIGNMENT, & CHANGE OF CONTROL**

21.1 Ownership of Investor – Investor represents and warrants that does not now have, nor will it, at any time for the duration of this Agreement, have as an Affiliate a Prohibited Person. Investor will promptly notify Government of any breach of the representation and warranty.

21.2 Assignment and Change of Control – Investor shall not assign its obligations or rights herein to any other Person without the prior written consent of the Government, which consent shall not be unreasonably withheld.

## **SECTION 22: FORCE MAJEURE**

22.1 Application – In the event of any Party being rendered unable, in whole or in part, by force majeure to carry out its obligations under this Agreement, other than an obligation to make payments of money due hereunder that accrued prior to the commencement of force majeure, such Party shall give notice and the particulars of such force majeure in writing to the other Parties as soon as practicable after its occurrence. Thereafter, any obligation of the Party giving notice of force majeure that said Party is unable to carry out because of such force majeure shall be suspended during the continuance of any inability so caused, but for no longer period, and such inability shall, as far as practicable, be remedied with all reasonable dispatch. All time periods specified in this Agreement for the performance of obligations or the enjoyment of rights that are affected by force majeure, except in connection with an obligation to make payments of money that accrued prior to the commencement of force majeure, but including the Term of this Agreement, shall be extended by the period of time the inability caused by such force majeure exists. Sixty days after giving notice to Government, Investor shall have the right to terminate this Agreement without further obligation or cost (except for obligations and costs that accrued prior to the commencement of force majeure) if a condition of force majeure has existed for a period of one year or more and continues to exist at the time of notice to the Government which prevents Production or the export or sale of Rice Products.

22.2 Definition – The term “force majeure” as used in this Agreement shall mean acts of God, major breakdowns in the factory or other Infrastructure required to maintain Production, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), terrorist acts against the safety of Investor’s employees or assets, embargoes, blockades, revolutions, riots, civil commotions, sabotage, fires, explosions, unavailability of or interference with the usual means of transporting Agricultural Products, shortages of materials required for Production, earthquakes or any other natural disasters, expropriation of facilities or goods, epidemics, public health emergencies, and any similar cause, provided any such cause was not within the reasonable control of the Party claiming suspension and could not have been avoided or overcome by such Party through the exercise of due diligence.

## **SECTION 23: TERMINATION**

This Agreement shall terminate at the end of the Term as set forth in Section 2 hereof, or may earlier terminate as provided below.

23.1 Termination by Investor – Notwithstanding any other provision of this Agreement, Investor shall have the right, without cause, to terminate this Agreement at any time, either in its entirety or as to any part of the Concession Area, [365 days] after giving notice to Government (subject to this Section 24) or alternatively pursuant to the provisions of Section 24.1, provided that in the case of any partial termination the Government may elect to treat such partial termination as a termination in its entirety by Investor. Any such

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termination shall be subject to the obligations of Investor under this Agreement that accrued prior to the date of termination.

23.2 Termination by Government – Subject to the provisions of Section 24, Government shall have the right to terminate this Agreement if any of the following events (hereinafter called “Events of Default”) shall occur and be continuing:

(a) Investor or Guarantor shall fail to comply with any material obligations under this Agreement.

(b) Investor, or any Affiliate controlling directly or indirectly Investor or Guarantor (“Controlling Affiliate”) shall (i) voluntarily make an assignment of all or substantially all of its assets for the benefit of creditor, (ii) file a petition or application to any tribunal for the appointment of a trustee or receiver for all or any substantial part of the assets of Investor, Guarantor, or any Controlling Affiliate, (iii) commence any proceedings for its bankruptcy, reorganization, arrangement or insolvency under the laws of any jurisdiction, whether now or hereafter in effect, or if any such petition or application is filed, or any such proceedings are commenced against it, indicate its approval thereof, consent thereto or acquiescence therein, which proceedings are not dismissed within 90 days of commencement or (iv) if any order is entered appointing any such trustee or receiver, or adjudicating Investor, Guarantor or any Controlling Affiliate bankrupt or insolvent, or approving the petition in any such proceedings, permit such order to remain in effect for more than 90 days.

(c) Investor shall cease Commercial Production for more than 365 consecutive days, unless Government consents to such cessation or it results from force majeure.

(d) Investor shall fail to comply with the requirements of Section 15 of this Agreement, i.e. debt equity ratio.

(e) Investor shall fail to invest a minimum of fifteen million dollars during the first four years and another fifteen millions in the next six years.

23.3 Opportunity to Cure – In the case of an alleged Event of Default described in Section 23.2, Government, before taking any further action, shall provide notice to Investor of such alleged occurrence of such Event of Default and of Government’s views in that regard and shall offer Investor a fair opportunity to consult with Government to resolve the matter. If, after a reasonable period of time of consultation, Government is of the reasonable opinion that the matter cannot be resolved by further consultation, Government may then send to Investor notice of Government’s intention to terminate this Agreement. If the Event of Default is not cured within 60 days after said notice of Government’s intention to terminate, or such longer cure period specified in such notice by Government in its sole discretion, then this Agreement shall be terminated.

23.4 Disputes Regarding Events of Default – Notwithstanding any other provision of this Section 24, if Investor disputes whether there has been an Event of Default described in this Section 24 and, within 60 days after receiving Government’s notice of its intention to terminate, refers such dispute to arbitration in accordance with Section 25, then termination of this Agreement shall not take effect until the finality of, and in accordance with, an arbitration award upholding Government’s right to terminate, except in the case of a state emergency compelling termination, in which case this Agreement shall terminate immediately upon Government’s giving notice. .

23.5 Winding-Up Commission

(a) At the time of Notice of any termination or non-renewal of this Agreement, pursuant to its terms, the Parties shall set up a winding-up commission (hereinafter referred to as the “Commission”) which shall consist of the Coordination Committee and two (2) additional members, one each to be appointed by Government and Concessionaire. Government shall appoint the chairman of the Commission from among its members. Each member of the Commission, including the chairman, shall have only one vote.

(b) The chairman of the Commission shall issue a Notice and agenda for the first meeting of the Commission, which shall be held no later than 3 weeks after the establishment of the Commission. Thereafter the Commission shall hold periodic meetings at least once a calendar month.

(c) Investor shall present to the Commission a detailed report on the status of the Investor Activities so that the Commission will be able to recommend steps that Government might take under the circumstances with a view to preserving the viability of the enterprise, employment in the area and the centers of population.

(d) At the request of Government, the Commission shall establish plans for the full or partial cessation of operations including, the disposition of assets and their demolition and/or removal according to Section 27.

(e) At the request of any Party, any meeting of the Commission shall be held outside Liberia, and the requesting Party shall be responsible for the travel cost of the participants.

(f) Investor may elect not to participate on the Commission, in which event its obligations under this Section 26 shall be limited to providing the information required in Section 23.5(c) above.

#### SECTION 24: DISPOSITION OF ASSETS

24.1 Non-movable assets – upon termination of this agreement, and subject to section 23, all permanent non-movable tangible assets of Investor in the production area, which are not otherwise the property of government, shall become the property of government without charge.

24.2 Movable assets – At any time after termination of this agreement and with respect to each movable asset of Investor in Liberia, which Investor desires to sell, government shall have the first option to purchase such asset at the fair market price thereof, such price to be paid in dollars. If government does not exercise such option within ninety (90) days after being informed by Investor that it desires to sell such asset, Investor may sell such asset to any other person, including government or an affiliate, for such price as it may be able to obtain, or remove such asset from Liberia. The proceeds of any such sale shall accrue to the seller subject to any taxes or duties payable at law. If government purchases any such asset, it shall pay the purchase price not later than sixty (60) days after such price has been agreed upon or determined, unless the parties otherwise agree.

24.3 Removal of movable assets – Government, by notice to Investor within a reasonable period but not to exceed one year after termination of this agreement pursuant to section 23, may require reasonable disposal or removal, in accordance with law, of any or all movable assets, including unusable assets, remaining within the production area after total disposition of assets in accordance with this section 24. If Investor does not reasonably dispose of or remove such asset or assets within a reasonable period after said notice, government may affect such reasonable disposal or removal at the expense of Investor, but Investor shall be entitled to any income realized from the salvage value of such assets.

#### SECTION 25: FINANCIAL REPORTING AND CURRENCY

##### 25.1 Submission to Arbitration

(a) Any dispute between Government and Investor arising out of, in relation to or in connection with this Agreement or its formation, or the validity, interpretation, performance, termination, enforceability or breach of this Agreement, which is not specifically provided elsewhere in this Agreement for resolution by submission to an expert, shall be settled by binding arbitration under the rules of the International Chambers of Commerce. Arbitration hereunder shall be the Parties' exclusive remedy and no Party to arbitration shall be required to exhaust any local administrative or judicial remedy, provided that in a dispute involving a violation of Law, Investor shall not initiate arbitration prior to a final administrative determination of a violation unless upon a reasonable showing that to do so would be futile, or that conditions in Liberia make participation in such a determination by Investor's representatives, or traveling to Liberia to do so, difficult or impossible as a practical matter, or as a matter of any applicable Law.





**SECTION 26: INDEMNIFICATION**

Any breach by either Party to this Agreement of an obligation provided for in this Agreement or any inability of Government to honor any commitment, undertaking, or other obligation expressed in this Agreement by virtue of a change in Law subsequent to the Effective Date where such action of Government in the absence of a change in Law would have resulted in a breach of this Agreement shall entitle the Party aggrieved by such breach or inability to be indemnified by the defaulting Party in an amount equal to the damage suffered by the aggrieved Party.

**SECTION 27: NOTICES**

27.1 Written Communications

(a) All orders, approvals, declarations, consents, and/or notices of any kind required, expressly authorized or provided under this Agreement (hereinafter each referred to as a "Communication") between Government and Investor and/or Guarantor shall be in writing and delivered by hand, by telefax, by electronic mail, by postage prepaid registered mail or by any other means of communication agreed upon by the Parties. Any Communication sent by Government shall be signed on behalf of Government by any one of the Persons designated as the Minister pursuant to Section 1.20, and any Communication sent by Investor shall be signed on its behalf by either the President or Managing Director of Investor.

(b) A delivery of a Communication to a Party shall be deemed to have occurred in any of the following circumstances:

(i) The Minister, in the case of the Government, or the President, Managing Director or other officer of Investor or Guarantor, in the case of Investor or Guarantor, has signed a return receipt of registered mail,

(ii) A telefax or electronic mail confirmation of receipt has been electronically issued to the sender indicating receipt of a Communication sent either by electronic mail or by telefax to an electronic mail address, in the case of electronic mail, or to a telefax number, in the case of a telefax, authorized hereby,

(iii) Verification of receipt of the Communication has been obtained in any manner specifically agreed to in writing by the Parties, or

(iv) A Party has directly or indirectly acknowledged receipt of the Communication in writing.

(c) Communications to Investor shall be sent to:

Wendell J.E. McIntosh  
President/CEO  
ADA Commercial Inc  
P.O. Box 3024  
Oldest Congo Town  
Monrovia, Liberia

Communications to Government shall be sent to:

The Minister of Agriculture  
Ministry of Agriculture  
P.O. Box 10-9010  
19<sup>th</sup> Street  
Monrovia, Republic of Liberia

With copy to:



*me*



The Minister of Finance  
Ministry of Finance  
Broad Street  
P.O. Box 10-9013  
Monrovia, Republic of Liberia

The Chairperson  
National Investment Commission  
Tubman Boulevard  
Monrovia, Liberia

The Minister of Justice  
Ministry of Justice  
Ashmun & Center Streets  
Monrovia, Republic of Liberia

27.2 Change of Address and Designated Recipient – Any Party may, upon prior notice to the other Parties at any time, change the Person designated to receive Communications from the other Party, the postal or electronic mail address and/or fax number of the office in Liberia or in the United States authorized to receive such Communications, or the postal or electronic mail address or addresses and/or fax number or numbers of the offices to which copies of Communications from one Party to the other are to be delivered.

### SECTION 28: GOVERNING LAW

28.1 Applicability of Liberian Law – Except as explicitly provided in this Agreement, Investor shall be subject to Law as in effect from time to time, including with respect to labor, environmental, health and safety, customs and tax matters, and shall conduct itself in a manner consistent with Liberia's obligations under international treaties and agreements insofar as those have the effect of Law in Liberia.

28.2 Construction and Interpretation – This Agreement and the rights, obligations and duties of the Parties under this Agreement shall be construed and interpreted in accordance with Law and by such rules and principles of international law as may be applicable, particularly with regard to an investment by nationals of one country in another country. However, in the event of a conflict between this Agreement and any Law--except for the Constitution of Liberia as in effect as of the Effective Date--the rights, obligations and duties of a Party shall be deemed to be those set forth in this Agreement and each Party shall have such remedies as are provided for in this Agreement.

### SECTION 29: PERIODIC REVIEW

29.1 Profound Changes in Circumstances – For the purpose of considering Profound Changes in Circumstances from those existing on the Effective Date or on the date of the most recent review of this Agreement pursuant to this Section 29.1, Government on the one hand and Investor on the other hand, shall at the request of the other consult together. The Parties shall meet to review the matter raised as soon after such request as is reasonably convenient for them both. In case Profound Changes in Circumstances are established to have occurred, the Parties shall effect such change in or clarification of this Agreement that they agree is necessary.

29.2 Other Consultation – In addition to the consultation provided by 29.1, each Party may at any time request a consultation with the other Party with respect to any matter affecting the rights and obligations of the Parties pursuant to this Agreement or any matter relating to Investor Activities. The Parties shall meet to review the matter raised as soon after such request as is reasonably convenient for them both. Subsequent to such consultation, the Parties shall take such action, if any, that is mutually agreed to address the matter.

### SECTION 30: AFFIRMATION

30.1 Binding Effect and Effective Date of Amendment – This Agreement shall become law and be effective and binding on the Parties on the Effective Date.

30.2 Non-Derogation – Government affirms that at no time shall the rights (and the full value and enjoyment thereof) granted by it under this Agreement be derogated from, unreasonably delayed or otherwise undermined by the action or inaction of Government, any Minister of the Republic, or any other Person whose actions or inactions are subject to the control of Government including any action that rescinds, or purports to rescind, the rights or benefits granted Investor hereunder.

30.3 Third Party Beneficiary – No Person that is not a Party to this Agreement shall have any rights under it unless so provided by its terms.

30.4 Necessary Acts – Each Party shall execute such documents, grant such authorizations, licenses and approvals and do such other and further things as may be necessary to give full and complete effect to the provisions of this Agreement.

30.5 Protection against Nationalization or Expropriation – Government undertakes and affirms that it shall not nationalize or expropriate (or take any measure tantamount to nationalization or expropriation with respect to):

(a) Any Infrastructure or other property, movable or immovable, of Investor, and those of its employees, agents or representatives, to the extent connected with or affecting the activities of Investor.

(b) Rice Products in any form resulting from the activities of Investor.

(c) Any equity, shares or ownership interests of whatever nature held in or owned or issued by Investor.

(d) Any structure or entity put in place by Investor in connection with Production.

(e) Any capital invested by Investor in the Republic of Liberia.

Nothing in this Section 30.5 shall prohibit Government from taking title to non-movable tangible assets of Investor upon termination of this Agreement as provided in Section 24. Any violation by Government of the terms of this Section shall entitle Investor, in addition to any other remedy provided by Law, international law or otherwise by this Agreement, to prompt payment equivalent to [the fair market value of] the investment, asset or property nationalized or expropriated immediately before the nationalization or expropriation (or the measures tantamount to nationalization or expropriation) took place. Interest shall accrue at the rate provided for in Section 28.6 of this Agreement as and from the date of nationalization or expropriation (or of the measures equivalent to nationalization or expropriation).

30.6 Application of Section 204(e) of the Revenue Code of Liberia (2000) – Government hereby affirms that the investment that is the subject of this Agreement is a qualifying investment project for purposes of Section 204(e) of the Revenue Code of Liberia (2000) and that Investor is a beneficiary thereof.

30.7 Remedies – Subject to the terms of Section 28.6 hereof, each of the Parties shall have the remedies permitted by Law for a breach of this Agreement by another Party.

### SECTION 31: GUARANTY

This Agreement shall be guaranteed by the Guarantor as defined in Section 1.16 which said Guaranty shall be attached as an integral and cogent part of this Agreement.



**SECTION 32: ENTIRE AGREEMENT; AMENDMENT; WAIVER**

This Agreement constitutes the entire Agreement between the Parties with respect to its subject matter. Any purported amendment to this Agreement shall be null, void and of no force or effect unless in writing signed by the Parties and ratified by the Liberian Legislature. This Agreement is binding upon the Parties and their respective successors and assigns. No Party may unilaterally alter the rights granted under this Agreement. Unless otherwise agreed in writing by the Parties, no failure by a Party to exercise, nor any delay by a Party in exercising, any right, nor any forbearance shown by a Party, shall operate as a waiver of any right nor preclude the further or future exercise of any right.

**SECTION 33: SURVIVAL AND SEVERABILITY PROVISION**

33.1 Severability – Should any section of this Agreement, or any provision or term of any section, be found to be void, invalid or unenforceable, in whole or in part, then the remaining sections, and those unaffected provisions or terms of any other sections which contain some void, invalid or unenforceable provisions or terms, shall nevertheless remain valid and subsisting and shall be construed as if this Agreement had been executed without such void, invalid or unenforceable sections, provisions or terms. Any otherwise void, invalid or unenforceable section, term or provision of this Agreement shall be so construed, or reformed, as to alter, amend or change any such term, provision or condition to the extent necessary to render it valid, lawful and enforceable, while also giving maximum effect to the Parties' originally intended purpose or result, short of creating any void, invalid or unenforceable provision, term or condition.

33.2 Survival – Notwithstanding termination of this Agreement by either Party for any reason, including a termination due to a finding that this Agreement or a portion thereof is void, invalid, or unenforceable, this Section 32.2 and Sections 1, 25, 27 and 28 shall survive such termination and shall remain effective as to any matters which are the subject of this Agreement or which arise out of, in relation to or in connection with this Agreement. Moreover, any such termination shall be without prejudice to rights and obligations that have accrued prior to termination and, notwithstanding such termination, such provisions of this Agreement as are reasonably necessary for the full enjoyment and enforcement of such rights and obligations shall survive such termination for the period necessary.


**SECTION 34: PUBLICATION**

Subject to law, this Agreement and any amendments thereto shall be made public by the Government.


IN WITNESS WHEREOF, the Parties have executed this Agreement on the date above mentioned.

FOR THE GOVERNMENT OF THE  
REPUBLIC OF LIBERIA:


  
/s/ Dr. J. Chris Toe  
MINISTER OF AGRICULTURE

  
/s/ Dr. Antoinette M. Sayeh  
PP Minister of Finance

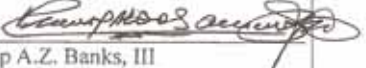


*/s/*   
Hon. Richard V. Tolbert  
Chairman, National Investment Commission

For ADA Commercial

  
Wendell J. E. MCINTOSH  
President/CEO  
ADA Commercial Inc  
P.O. Box 3024  
Oldest Congo Town  
Monrovia, Liberia

ATTESTED:

*/s/*   
Phillip A.Z. Banks, III  
MINISTER OF JUSTICE  
REPUBLIC OF LIBERIA

APPROVED ON this 10<sup>th</sup> day of April, 2008:

*/s/*   
Ellen Johnson Sirleaf  
PRESIDENT  
REPUBLIC OF LIBERIA





