

SOCIAL AGREEMENT
Between
International Consultant Capitol (ICC)
And the
COMMUNITY FORESTRY DEVELOPMENT COMMITTEE (CFDC)
OF
FOREST MANAGEMENT CONTRACT (FMC) AREA-K,
Grand Gedeh, Nimba & River Cess COUNTIES
LIBERIA



Forestry Development Authority

LEGAL REQUIREMENT FOR THE FORMATION OF CFDC

This Social Agreement is hereby made and entered into by and between the **International Consultant Capital (ICC)**, hereinafter referred to as **ICC**, the communities of Grand Gedeh, Nimba & River Cess, Community Forest Development Committees(CFDC), hereinafter referred to as the Communities, for Forest Management Contract Area "K", and attested to as to its completeness by the Forestry Development Authority, Monrovia, Liberia, hereinafter referred to as the FDA, under the provisions of the 2006 National Forestry Reform Law, and FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.

TECHNICAL DESCRIPTION OF THE AREA

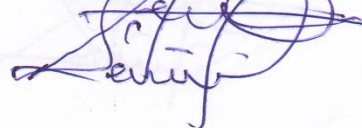
Technical description of Forest Management Contract Area-A

International Consultant Capital Logging Company lies within Latitudes 5°54'0" - 6°24'0" North of the equator and Longitudes 8°36'0" - 9°18'0" West of the Greenwich meridian and it is located in Grand Gedeh, Nimba and River Cess Counties-Liberia.

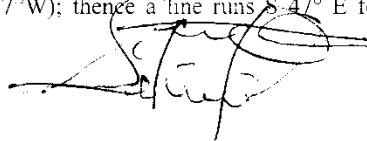
Forest Management Contract area "K" is 206 miles accessible by primary motor road by way of Monrovia, Buchanan, Yarkpah's Town, and Sand Beach Junction, and is 133 miles accessible to the *Port of Buchanan* and 109 miles to the *Port of Greenville*.

Metes and Bounds

Starting from Toe town (6° 24'32.02"N- 8°33'27.68"W); thence a line runs S 57° W for 3,987 meters to the point of COMMENCEMENT (6°23'22.59"N - 8°35'16.42"W); thence a line runs S 4° E for 12,917 meters to a point (6°16'22.32" N- 8°34'50.78"W); thence a line runs S 89° E for 4,502 meters to a point (6°16'20.81" N- 8°32'24.17"W); thence a line runs S 2° W for 7,198 meters to a point (6°12'27.97"N- 8°32'33.24"W);thence a line runs S 41° W for 5,214 meters to a point (6°10'22.48"N- 8°34'25.09"W); thence a line runs S 61° W for 5,639 meters to a point (6°08'51.77"N- 8°37'05.31"W); thence a line runs S 75° W for 8,944 meters to a point (6°07'37.69"N- 8°41'47.96"W);thence a line runs Due South for 5,793 meters to a point (6°04'27.75"N- 8°41'47.74"W); thence a line runs S 53° E for 8,020 meters to the point on the Jobo River (6°01'48.61"N- 8°38'19.97"W);thence a line runs along the Jobo river in the Southern direction for 16,535 meters to the point on the boundary line of the Gbi Proposed Protected area boundary line (5°55'19.16"N- 8°39'56.06"W); thence a line runs Due East for 293 meters to a point (5°55'19.93"N- 8°39'46.95"W); thence a line

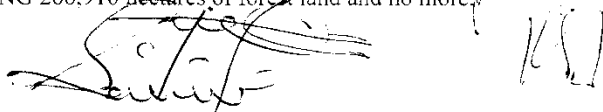


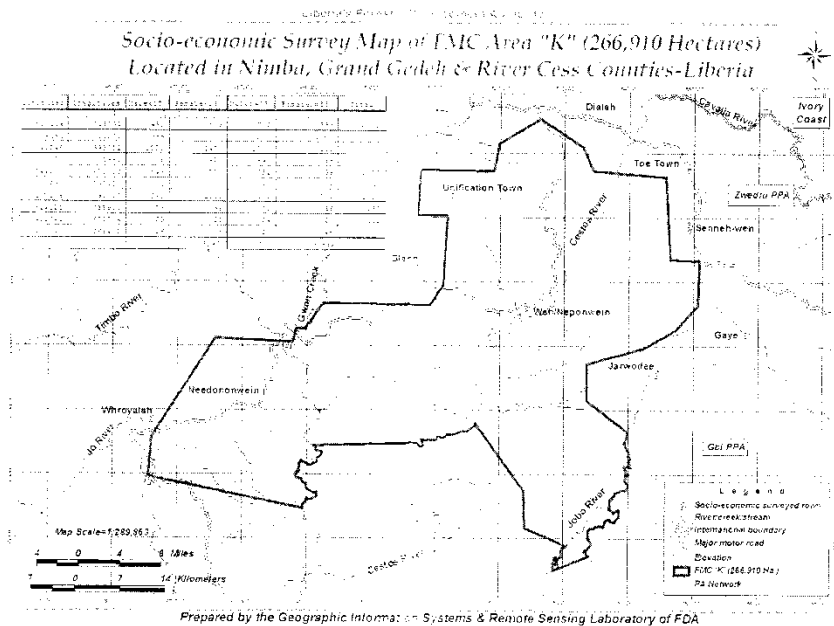
runs S 50° E for 112 meters to a point (5°55'17.55"N- 8°39'44.28"W);thence a line runs Due South for 157 meters to a point (5°55'12.36"N- 8°39'44.28"W); thence a line runs S 45° E for 290 meters to a point (5°55'05.69"N- 8°39'37.67"W); thence a line runs S 16° E for 114 meters to a point (5°55'02.01"N- 8°39'36.66"W); thence a line runs S 66° E for 133 meters to a point (5°55'00.24"N - 8°39'32.72"W); thence a line runs S 49 E for 123 meters to a point (5°54'57.67"N- 8°39'29.75"W); thence a line runs N65°E for 116 meters to a point (5°54'59.18"N- 8°39'26.32"W); thence a line runs N 8° E for 165 meters to a point (5°55'04.48"N- 8°39'25.61"W); thence a line runs N 35° E for 147 meters to a point (5°55'08.27"N- 8°39'22.99"W); thence a line runs Due East for 144 meters to a point (5°55'08.22"N- 8°39'18.19"W); thence a line runs N 47° E for 140 meters to a point (5°55'11.30"N- 8°39'14.86"W); thence a line runs S 75° E for 184 meters to a point (5°55'09.88"N- 8°39'09.06"W); thence a line runs N 45° E for 167 meters to a point (5°55'13.72"N- 8°39'05.28"W); thence a line runs S 1° W for 1,151 meters to a point (5°54'36.45"N- 8°39'06.15"W); thence a line runs S 67° W for 175 meters to a point (5°54'34.31"N- 8°39'11.35"W); thence a line runs S 41° W for 419 meters to a point (5°54'23.89"N- 8°39'20.28"W); thence a line runs S 13° W for 295 meters to a point (5°54'14.69"N- 8°39'22.51"W); thence a line runs S 41° W for 141 meters to a point (5°54'11.25"N- 8°39'25.53"W); thence a line runs Due West for 143 meters (5°54'11.20"N- 8°39'30.18"W); thence a line runs N 65°W for 219 meters to a point (5°54'14.22"N- 8°39'36.59"W); thence a line runs N 85° W for 132 meters to a point (5°54'14.64"N- 8°39'40.91"W); thence a line runs N 61° W for 267 meters to a point (5°54'18.92"N- 8°39'48.49"W); thence a line runs N 37° W for 192 meters to a point (5°54'23.89"N- 8°39'52.21"W); thence a line runs N 86° W for 428 meters to a point (5°54'25.01"N- 8°40'06.15"W); thence a line runs S 42° W for 155 meters to a point (5°54'21.29"N- 8°40'09.54"W); thence a line runs S 4° W for 325 meters to a point (5°54'10.78"N- 8°40'10.24"W); thence a line runs S 71° W for 126 meters to a point (5°54'09.43"N- 8°40'14.15"W); thence a line runs S 3° W for 404 meters to a point (5°53'56.32"N- 8°40'14.98"W); thence a line runs S 12° W for 218 meters to a point (5°53'49.44"N- 8°40'16.42"W); thence a line runs S 64° W for 132 meters to a point (5°53'47.54"N- 8°40'20.28"W); thence a line runs N 71° W for 98 meters to a point (5°53'48.56"N- 8°40'23.30"W); thence a line runs N 39° W for 230 meters to a point (5°53'54.32"N- 8°40'27.90"W); thence a line runs S 86° W for 353 meters to a point (5°53'53.77"N- 8°40'39.29"W); thence a line runs S 67° W for 402 meters to a point (5°53'48.75"N- 8°40'51.33"W); thence a line runs N 89° W for 216 meters to a point (5°53'48.93"N- 8°40'58.35"W); thence a line runs S 52° W for 337 meters to a point (5°53'42.24"N- 8°41'07.04"W); thence a line runs N 87° W for 503 meters to a point (5°53'43.03"N- 8°41'23.45"W); thence a line runs S 57° W for 389 meters to a point (5°53'36.19"N- 8°41'34.09"W); thence a line runs S 25° W for 293 meters to a point (5°53'27.87"N- 8°41'38.22"W); thence a line runs S 22° E for 219 meters to a point (5°53'21.31"N- 8°41'35.61"W); thence a line runs S 5° W for 234 meters to a point (5°53'13.76"N- 8°41'36.33"W); thence a line runs S 42° W for 141 meters to a point (5°53'10.44"N- 8°41'39.39"W); thence a line runs S 5° E for 396 meters to a point (5°52'57.68"N- 8°41'38.22"W); thence a line runs S 22° W for 198 meters to a point (5°52'51.75"N- 8°41'40.65"W); thence a line runs S 38° E for 313 meters to a point (5°52'43.68"N- 8°41'34.52"W); thence a line runs S 31° E for 400 meters to a point (5°52'32.74"N- 8°41'27.77"W); thence a line runs S 47° E for 248 meters to a point



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(5°52'27.15"N- 8°41'22.00"W); thence a line runs S 11° E for 251 meters to a point (5°52'19.18"N- 8°41'20.30"W); thence a line runs S 45° W for 119 meters to a point (5°52'16.37"N- 8°41'23.12"W); thence a line runs S 39° W for 882 meters to a point (5°51'54.25"N- 8°41'41.13"W); thence a line runs S 65° W for 387 meters to a point (5°51'48.89"N- 8°41'52.53"W); thence a line runs S 22° W for 154 meters to a point (5°51'44.28"N- 8°41'54.49"W); thence a line runs S 41° E for 973 meters to a point (5°51'20.42"N- 8°41'33.88"W); thence a line runs S 67° W for 5,987 meters to the point on the point on the Jobo River (5°50'06.00"N- 8°44'33.98"W); thence a line runs along the Jobo River in the Northern direction for 7,493 meters to a point (5°52'11.65"N- 8°43'29.08"W); thence a line runs N 67° W for 6,981 meters to a point (5°53'40.48"N- 8°46'57.49"W); thence a line runs N 1° W for 5,818 meters to a point (5°56'48.57"N- 8°47'02.49"W); thence a line runs N 36° W for 13,061 meters to the point on the Cestos River (6°02'33.08"N- 8°51'11.26"W); thence a line runs along the Cestos River in the Southwestern direction for 12,328 meters to a point (6°00'53.87"N- 8°56'12.06"W); thence a line runs S 88° W for 15,980 meters to the point on the point on the Gwen Creek (6°00'40.61"N- 9°04'53.39"W); thence a line runs along the Gwen Creek in the Southern direction for 19,435 meters to the confluence of the Bra Creek and the Gwen Creek (5°55'21.00"N- 9°05'44.49"W); thence a line runs N 78° W for 24,303 meters parallel with L.T.T.C. Northern boundary line to a point (5°58'09.13"N- 9°18'39.55"W); thence a line runs N 4° E for 6,171 meters to a point (6°01'23.58"N- 9°18'23.97"W); thence a line runs N 32° E for 18,194 meters to a point (6°09'41.53"N- 9°13'08.79"W); thence a line runs S 87° E for 11,799 meters to the point on the Gwen Creek (6°09'22.42"N- 9°06'44.98"W); thence a line runs along the Gwen Creek in the Northern direction for 15,603 meters to a point (6°12'39.50"N- 9°03'43.08"W); thence a line runs S 89° E for 16,002 meters to a point (6°12'28.62"N- 8°55'01.91"W); thence a line runs N 31° E for 3,920 meters to a point (6°14'16.93"N- 8°53'56.49"W); thence a line runs N 3° E for 10,647 meters to a point (6°20'01.04"N- 8°53'35.07"W); thence a line runs N 87° W for 4,680 meters to a point (6°20'08.94"N- 8°56'07.32"W); thence a line runs N 4° E for 7,091 meters to a point (6°23'56.84"N- 8°55'49.27"W); thence a line runs Due East for 11,390 meters to a point (6°23'52.33"N- 8°49'41.61"W); thence a line runs N 11° E for 4,298 meters to a point (6°26'07.71"N- 8°49'14.54"W); thence a line runs N 59° E for 7,576 meters to a point (6°28'12.95"N- 8°45'44.77"W); thence a line runs S 57° E for 7,975 meters to a point (6°25'54.17"N- 8°42'07.11"W); thence a line runs S 23° E for the 4,119 meters to a point (6°23'50.07"N- 8°41'17.48"W); thence a line runs S 85° E for 11,155 meters to the point of COMMENCEMENT (6°24'32.02"N- 8°33'27.68"W); EMBRACING 266,910 hectares of forest land and no more.

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The Forest Management Contract area "K" was awarded to **International Consultant Capitol (ICC)**. In the preparation of the Forest Management Contract area "K", 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 FMC 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 Forest Management Contract area "K" that they intend to negotiate a social agreement in good faith with the winner of the competitive bid.

SECTION I PURPOSE/ OBJECTIVE:

The Social Agreement is an agreement, between communities around a given logging contract area and the logging company authorized to operate in that area, which establishes the relationship between community and company.

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The Social Agreement is an agreement required by FDA Regulation No. 105-07 between any company that plans to harvest timber and the affected communities that could be affected by that commercial activity.

Social Agreements are:

- a) Only established between companies that have been authorized by the FDA through the competitive bidding process and affected communities¹;
- b) To establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- c) To establish the financial benefits for all affected communities with respect to section 34 of FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.
- d) Negotiated directly between companies and local communities; and
- e) Attested to and regulated by the FDA. However, the FDA does not play an active role in the negotiation process beyond serving as a facilitator or mediator if discussions break down.


SECTION II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:

The **International Consultant Capitol** and Forest Management Contract Area "K" **Community Forestry Development Committee (CFDC)** of **Grand Gedeh, Nimba & River Cess** communities, strive to engage in a mutually beneficial relationship by agreeing to the terms of this agreement. Working cooperatively in the on-going implementation of the FMC will allow the affected communities and the **International Consultant Capitol (ICC)** to achieve their respective goals.

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

SECTION III THE DUTY AND RESPONSIBILITIES OF *International Consultant Capitol (ICC)*, (HOLDER):

The Holder shall identify the representative of the Timber Company designated by the Company to represent it in negotiating the terms of a social agreement. Corporation representatives must include:



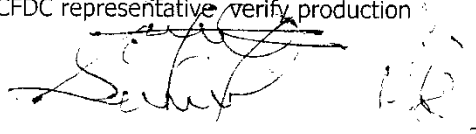
(1) Persons whose names are maintained on the list of names identified in the Corporation pre-qualification documents or has such documentation to verify his employment with the company and has the power to negotiate on the company's behalf; and

(2) In the event that this person is unable to negotiate with the Affected Community, any other person that the Company may designate, subject to the requirements of this Paragraph.

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

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

- That **ICC** agreed to design its logging operations to minimize effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plant sites, hunting ground, non timber forest products sites.
- That **ICC** agreed to ensure that water collection points are protected and maintained.
- That **ICC** agreed that timber operations are timed to minimize disruption to subsistence agricultural activities.
- That **ICC** agreed that timber operations respect the existing cash crops.
- That **ICC** agreed to participate in **community** development programs (such as human resource development, construction of school, clinic, etc).
- That **ICC** agreed to provide transportation during emergency situation and major development activity.
- That **ICC** agreed to pay \$1.50 USD/ cubic meter to the **community Forestry Development Committee** apart from the payment of 30% land rental (\$2.50 per hectare) to the **community** benefit sharing scheme.
- That **ICC** agreed to build company camps near existing towns or affected areas
- That **ICC** agreed not to harvest palm trees for processing , bridge construction and or export
- That **ICC** agreed not to construct logged bridges on primary roads.
- That **ICC** agreed to have CFDC representative verify production



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- That **ICC** agreed to provide first preference for employment for skill and unskilled employees of the affected communities in Grand Gedeh, Nimba & River Cess Counties.
 - That **ICC** agreed to recondition and maintain roads adjacent to the contract areas and connect nearby towns.
 - That **ICC** agreed to make available timber products to the community during **community** development project.
 - **In addition to the quarterly meetings, ICC** shall hold emergency meetings with the CFDC's and affected **community** to discuss any issues affecting the community when the need arises;
 - That **ICC** agreed to construct schools for the education of employees dependents;
 - That **ICC** agrees that the community shall use, free of charge, any roads constructed and/or maintained by **ICC**: provided, however, that such use shall not unduly prejudice nor interfere with either party.

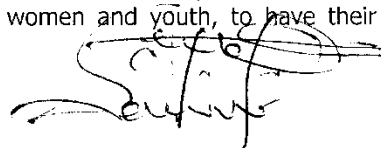
SECTION IV. DUTIES AND RESPONSIBILITIES OF AFFECTED COMMUNITIES:

The Affected **Communities** shall identify their representatives through the election of their members to a **Community Forestry Development Committee**. The **Community Forestry Development Committee** is responsible for representing the affected communities in negotiating the terms of a social agreement. **Community Forestry Development Committees** must abide by the following conditions:

(a) A **Community Forestry Development Committee** must consist of at least five members who are residents of the community or communities that the Committee represents.

(b) All members of a **Community Forestry Development Committee** must be freely and fairly elected by residents of the community or communities represented by the Committee.

(c) A **Community Forestry Development Committee** must provide a means for all residents that it represents, including women and youth, to have their views heard and considered.



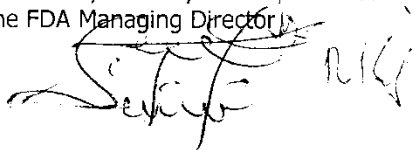
c) Prior to the disbursement of funds, a **Community Forestry Development Committee** must be incorporated under the laws of the Republic.

Code of Conduct

- The **community** agreed to avoid the expansion of subsistent agriculture activities within Contract Area. Hence community shall promote and encourage low land agriculture development.
- The **community** agreed to discourage unnecessary fire disposal and encourage fire safe practices especially in contract area.
- Existing cash crops will be identified and Company inform by the **community** to not conflict with harvest operations.
- The affected **community** can request transportation during emergency and some major **community** development programs.

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

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

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

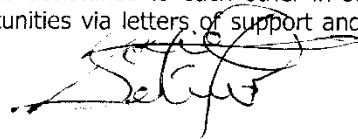
A. PRINCIPAL CONTACTS. The principal contacts for this agreement are:

1. International Consultant	2. Community Forest
Capitol	Development Committee
Mr. Mulbah K. Willie	Cell #
Resident Manager	Email:
International Consultant	
Capitol	
Phone:	
Email:	

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 Community Forestry Development Committee, FDA and authorized representatives of the FMC 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.

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

SECTION VIII. PARTICIPATION IN SIMILAR ACTIVITIES.

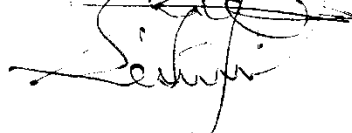
This agreement in no way restricts the FMC Holder or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.

SECTION IX. DISPUTE RESOLUTION.

In the event of any issue of controversy under this agreement, the parties will seek to initially resolve their differences with the assistance of FDA. In the event that there are still differences, local government officials (District Commissioner, Paramount Chiefs, Clan Chief, and Town Chief) should be considered as neutral parties in a third-party mediation process. If not resolved by the steps above, any controversy or claim arising out of or relating to this agreement shall be exclusively settled by binding arbitration in accordance with the Commercial Arbitration Rules and judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Social Agreement and the interpretation thereof are the laws of Liberia.. The arbitration shall take place at an acceptable location within the towns represented by the CFDC and the arbitral proceedings will be in English with interpreter provided for local languages.

SECTION X. AUTHORIZED REPRESENTATIVES:

By signing below, the Chairperson of the Community Forestry Development Committee certifies that the individuals listed in this document and representatives of the Affected Communities and are authorized to act in their respective areas for matters related to this agreement. Also, by signing below, the assigned representative of the FMC Holder certifies that this individual is authorized to act in this capacity for matters related to this agreement.

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.SECTION XI COMMENCEMENT/EXPIRATION DATE.

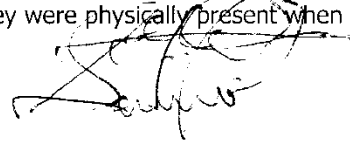
This agreement is executed as of the date of the last signature and is effective through the duration of a FMC and reviewed every 5 years for a FMC after which time it will expire.

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

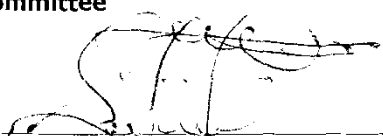
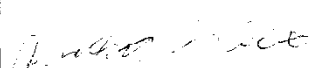
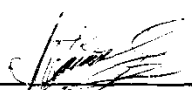
This agreement shall be binding on the parties, their heirs, administrators/trix assigns, successor -in-office as though they were physically present when this agreement was signed.

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A handwritten signature in black ink, appearing to be "Z. Lopez", written over a horizontal line.

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

<p>Chairperson Community Forestry Development Committee</p> 	<p>Date 03-21-2010</p>
<p> Mr. Mulbah K. Willie Resident Manager International Consultant Capitol</p>	<p>Date 2-1-2010</p>
<p> Hon. Moses D. Wogbeh, Sr. Managing Director Forest Development Authority</p>	<p>Date March 21, 2010</p>

Affected Community as defined in the regulation is as follows: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by Operations carried out under a Forest Resource License. "Interests" for purposes of this definition may be an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.

