

THIRD PARTY FOREST MANAGEMENT AGREEMENT

THIS THIRD PARTY FOREST MANAGEMENT AGREEMENT, made and entered into this 13th day of December, A. D., 2017 by and between **GBLOR ZODUAH COMMUNITY FOREST MANAGEMENT BODY**, representing **GBLOR ZODUAH COMMUNITY FOREST** located in Doe Administrative District, Nimba County, hereinafter known and referred to as the "Community", and **OPULENCE LOGGING COMPANY**, a company organized and existing under the Laws of the Republic of Liberia, represented by its President, Mr. Samuel Givens, Jr., hereinafter known and referred to as "Opulence or Company", hereby:

WITNESSETH:

WHEREAS, the people of GblorZoduah Community are the owners of the Gblor Zoduah Community Forest in Doe Administrative District, Nimba County; and

WHEREAS, the people of Gblor Zoduah Community have entered into an agreement with the Government of Liberia, by and through the Forestry Development Authority for the sustainable management and use of its forest resources in line with the Forestry Laws of Liberia; and

WHEREAS, the people of Gblor Zoduah Community have expressed their readiness to offer their forest for Commercial purposes in line with the requirements of the Community Rights Laws with Respect to Forest Lands, the Community Rights Law Regulations, the National Forestry Reform Law of 2009 and its attending regulations; and

WHEREAS, Opulence Logging Company(Opulence) is a duly registered and qualified Company with a Pre-Qualification Certificate to engage directly or indirectly in logging activities in the Republic of Liberia; and

WHEREAS, Opulence has represented to the people of Gblor Zoduah Community through the Gblor Zoduah Community Forest Management Body that it is disposed to manage their Community Forest for commercial purpose to further the development of the people of Gblor Zoduah Community ; and

WHEREAS, Gblor Zoduah Community Forest Management Body has consented and determined it to be in the best interest of the people of Gblor Zoduah Community for Opulence to commercially manage their forest under this Community Forest Management Agreement.

NOWHEREFORE, for and in consideration of the premises, mutual promises, covenants and agreements herein contained, the Parties hereby agree as follows:

1. COMMUNITY FOREST AREA

The Community Forest Management area for the purpose of this Agreement is situated in Doe Administrative District Nimba County, Republic of Liberia and covers a total area of **6,377 hectares** as detailed in Annex A.

2. DURATION OF AGREEMENT

This Community Forest Management Agreement shall be in full force and effect for a period of ten (10) years which shall commence immediately upon the signing of this Agreement between the Gblor Zoduah Community Forest Management Body (GZCFMB) and Opulence. It is mutually understood and agreed that the Social Agreement (which forms an integral part of this agreement) and its implementation shall be subject to periodic review by the parties hereto every five (5) years during the life of this agreement. This agreement shall be deemed terminated if Opulence failed to commence operation within eighteen (18) months after the signing of this Agreement.

② # 0776331312

Samuel Givens Jr.

- 3.1 **Opulence** shall pay the amount of US\$1.25 (United States Dollars One 25/100) per hectare annually for land rental fee in accordance with the National Forestry Reform Law. This fee shall be paid directly to the Forestry Development Authority (or its agent). The FDA in accordance with the Community Rights Law with Respect to Forests Land shall remit fifty five percent (55%) of the collected Land Rental to the GZCFMB in a timely manner. Opulence shall inform GZCFMB of its payment of the Land rental at the time of each payment.
- 3.2 **Opulence** shall pay the amount of US\$1.50 (United States Dollars One and Fifty Cents) for every cubic meter of log felled and shipped, to the GZCFMB on a quarterly basis. **Opulence** shall furnish the GZCFMB with copies of Log Data Form (LDF), which shall serve as the official source to determine actual volume felled. Payment of all royalties or fees due the Community (excluding land rental) shall be deposited directly into the Community's bank account. The Community shall furnish Opulence with its bank's account number and other banking information required for such deposit(s).

4. REQUIREMENTS BEFORE COMMERCIAL FELLING

It is mutually understood and agreed by **Opulence** and GZCFMB that no commercial felling shall commence until the completion of the Community Forest Management Plan, and the completion of the Environmental Impact Assessment and other felling requirements established by the FDA. .

5. SOCIAL AGREEMENT

The people of Gblor Zoduah Community Forest, having identified its representative body, firstly the Glor Zoduah Community Assembly and the Gblor Zoduah Community Forest Management Body (GZCFMB), to represent it in accordance with the Community Rights Law with Respect to Forest Land and its regulations, shall ensure no other person outside of the GZCFMB shall in anyway represent himself/herself/themselves as the authorized representatives of the people of Gblor Zoduah Community Forest in relation to any terms of this Agreement, including financial payments or social obligations. It is mutually understood and agreed by **Opulence** and GZCFMB that:

1. **GZCFMB** has the power to negotiate on all of the affected community's behalf.
2. **GZCFMB** shall provide a list of its members and be responsible to inform **Opulence** of any change to its membership immediately.
3. **GZCFMB and Opulence** hereby agree and stipulate that the social commitment to the people of Gblor Zoduah Community Forest shall follow the guidelines as prescribed by the Forestry Development Authority.
4. **Opulence** agrees to design its logging operations to minimize effects on traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plants sites, hunting grounds, to the extent that they will respect the traditional practices, laws and regulations of the people of Gblor Zoduah Community Forest.
5. **GZCFMB** agrees to inform **Opulence** of all relevant traditional practices and regulations to ensure compliance.
6. **GZCFMB** agrees to ensure that water collection points are protected and maintained. Opulence shall construct one (1) hand pump in each of the seven towns/villages including Doeyelay, Gwinyeayayenbopea, Diallah, Fahulay, Wrolay, Kwipea and Gboutuo. The construction of pumps shall be completed within the first two years of Opulence's operation. The site/location of the construction shall be determined by the GZCFMB.
7. **Opulence** agrees that its timber operations shall be timed to minimize disruption to subsistence agricultural activities.
8. **Opulence** agrees that its timber operations shall respect the existing cash crops within the Community Forest Management Area.
9. **Opulence** agrees to participate substantially in community development programs (such as town hall development, construction of school etc....)
 - A. **School:** The Company shall build, in the first three years of its operation one school in the affected community. The school shall be constructed up to the standard set by

the Ministry of Education. The school must be completed by the end of the third year of operation. The construction site shall be determined by the community. Opulence also agree that where it is decided and requested by the Community that the funding for the school be diverted to other development project(s) it shall consent to such request up to the value of intended school project.

B. Scholarship Fund: Opulence agreed to make an annual contribution of US\$4,000.00 towards the Community's Scholarship program annually commencing the second year of operation.

C. Town Hall: The Company shall build in or before the third year of its operation one Town Hall in the affected community. The construction site of the Town Hall shall be determined by the community.

10. **Opulence** agrees to assist the Community or member/members thereof with transportation during emergency situation and major development activities. **Opulence** and GZCFMB agree that the community can request transportation in the event of emergency.
11. **Opulence** agrees to build company camps near existing towns or dependent areas, to the extent feasible.
12. **Opulence** agrees not to harvest palm trees for processing, bridge construction and/or export.
13. **Opulence** agrees to rehabilitate/maintain roads in the affected Community and also repair bridges on primary and secondary roads with ~~solid durable wood like Ekki or other hard wood for longer life.~~ *iron/steel* Construction of new roads shall begin in the soonest time possible after the signing of this agreement subject to the identification of roads to be constructed and construction timeframe.
14. **Opulence** agrees that the Community shall use, free of charge, any roads constructed and/or maintained Opulence provided, however, that such use shall not unduly prejudice or interfere with either party.
15. **GZCFMB** agrees to educate the entire community that once any road and bridge is constructed, it becomes the responsibility of the Community and Opulence to maintain them.
16. **Opulence** agrees to have GZCFMB representative(s) monitor and verify production. All expenses of this representative(s) shall be at the expense of the GZCMB.
17. **Opulence** agrees to provide first preference for employment for skilled and unskilled labor to the dependent communities in the boundaries of the commercial logging area.
18. **Opulence** agrees to afford equal opportunities for the employment of women in the - skilled and unskilled labor force in the commercial logging area.
19. **GZCFMB** agrees that it shall operate completely within the guidelines and regulations prescribed by Forestry Development Authority.
20. **GZCFMB** agrees that the Community shall be educated to avoid the expansion of subsistence agriculture activities within the commercial area and that where possible assist any existing agricultural activity to relocate.
21. **GZCFMB** agrees to educate the community to discourage unnecessary fire disposal and encourage fire safety practices especially in contract area.

6. NON-TIMBER FOREST PRODUCTS

This agreement does not cover the harvesting of non-timber forest products. The Community retains exclusive right over the use and harvesting of non-timber forest product or the contracting of its use or harvesting to a third party.

OBLIGATIONS OF MANDRA

7. OBLIGATIONS OF GLOR ZODUAH COMMUNITY FOREST

- 7.1 The community shall ensure that the GZCFMB shall be the sole entity responsible for official interaction with **Opulence**, to avoid any misunderstanding.
- 7.2 The community shall ensure that it performs and maintains full education and information to its clan members to avoid confusion arising from operation.
- 7.3 The Community must ensure full access to **Opulence** to the contracted area at all times for the duration for this Agreement.
- 7.4 The Community shall protect **Opulence** from any challenges to its right to manage the contractual area, whether legal, cultural or otherwise, that may arise during the life of this agreement.
- 7.5 The Community shall ensure that materials, such as sand, gravel, etc., be made available without charge of any kind for **Opulence's** use for building camp sites, housing units, building and road work within the community forest area. In the case of access roads leading to the community forest area, the Community shall be responsible to ensure that the same materials are available for use by **Opulence** in the affected community forest areas, also without charge to **Opulence**.

8. FORCE MAJEURE

The parties mutually agree that in the event **Opulence** is prevented from performing this Agreement as contemplated and provided herein due to force majeure, this Agreement shall be extended by the period of such force majeure on the request of **Opulence**. Force majeure as used herein is defined as any event beyond the reasonable control of **Opulence**, including, but not limited to Acts of God, war, elements of war, civil commotions, armed incursion, armed insurrection, land dispute(s) and fire not attributed to the conduct or negligence of **Opulence** management, its agent and affiliate, which **Opulence** could not have reasonably anticipated or could have been expected to prevent or control.

9. DISPUTE SETTLEMENT

- 9.1 Any dispute connected with the formation, performance, interpretation, nullification, termination or invalidation of this agreement or arising from, or related to this agreement in any manner whatsoever which cannot be resolved through the direct consultations and negotiations by and between the parties shall be referred to arbitration by the affected party
- 9.2 Arbitration shall be conducted by an arbitral panel of three (3) persons; one (1) arbitrator shall be named by the parties hereto. The third arbitrator, who shall act as chairman of the arbitral panel, shall be the Managing Director of the Forestry Development Authority or his/her designated representative
- 9.3 The Arbitration shall be conducted in keeping with arbitral rules under Liberian laws. Each Party shall be responsible for, and shall pay the fees expenses of its appointed/designated arbitrator. The fees and expenses of the third arbitrator shall be shared on equal basis by the parties, while the cost and expenses of the arbitration proceeding itself shall be assigned by the arbitral as it fit and shall be paid by the party adjudged liable to the other or in default of Agreement.
- 9.4 A decision by the majority of the arbitral panel shall be binding on the parties and *enforceable in court of law without delving into the merit of the dispute or the award*
- 9.5 In invoking arbitration, a party of this Agreement shall give written notice to other party, stating the nature of the dispute and appointing its arbitrations. The other party must appoint its arbitrator and state its responses to the dispute as stated by the party giving the notice of arbitration within ten (10) days after notice to the chairman, the arbitral panel shall commence its work and shall work every day until a decision is arrived at and rendered.

This Agreement shall be binding on the parties, their successors in office as if they were physically present at the execution of this instrument.

IN WITNESS WHEREOF, WE HAVE HEREUNTO AFFIXED OUR SIGNATURES ON THE DAY AND DATE FIRST MENTIONED ABOVE.

For: The Glor Zoduah Community Forest Management Body (GZCFMB)

my Mitchell Skumbeley
WITNESS

By: Emmanuel K. Boahn, Chief Officer
Glor Zoduah Community Forest Management Body

For: **OPULENCE.**

JOHN L. BLEEMIE
WITNESS

By: Samuel Givens, President
Opulence Logging Company

Attested by: Forestry Development Authority