

Private Use Permit
Contract
Between The
Forestry Development
Authority
&
The People of
Lorla Clan



F.D.A.

P.O. Box 10304

Wheir Town, Mount Barclay

1000, Monrovia 10 Liberia

January 4, 2011



REPUBLIC OF LIBERIA)
MONTSERRADO COUNTY)



PRIVATE USE PERMIT CONTRACT BETWEEN THE FORESTRY DEVELOPMENT AUTHORITY AND THE PEOPLE OF LORLA CLAN, BONG COUNTY, FOR THE HARVESTING OF 13,636 HECTARES OF FORESTLAND

THIS CONTRACT made and entered into this ~~1st~~^{4th} day of January A.D. 2010, by and between the Government of Liberia, through the Forestry Development Authority, hereinafter referred to as the **Authority**, represented by its Managing Director, Moses D. Wogbeh Sr., and the People of Lorla Clan, Fauma District, Bong County, hereinafter referred to as **Lorla** represented by Paramount Chief Joseph K. Tarte, Clan Chief Moses Yoorfee and Youth Leader Augustine K. Dukuly, hereinafter collectively the Parties, hereby;

W I T N E S S E T H:

WHEREAS, the Authority is statutorily responsible for the sustainable management and use of all categories of forest resources;

WHEREAS, the People of Lorla are legitimate owners of a tract of forestland of 33,695 acres/13,636 hectares by virtue of inheritance through a legitimate purchase from the Republic of Liberia;

WHEREAS, by virtue of Section 5.6 (d) (i) of the National Forestry Reform Law (NFRL) of 2006, copy of a duly certified Public Land Grant Deed issued on January 10th 1944 under the signature of President Edwin J. Barclay, in proof of ownership of the subject tract of land is hereto attached and marked Exhibit "A" to form a cogent part of this Permit;

WHEREAS, in further verification of the subject property, the Ministry of Lands, Mines & Energy finally gives authentication and verification to the said Lorla Clan, Fauma Deed through a letter under the signature of Acting Assistant Minister Maxwell C.F. Gwee. Attached also is the said verification letter marked Exhibit "B" to form an integral part of this Contract;

WHEREAS, validation of the area in keeping with Section 5.6 (d) (ii) of the NFRL and Section 61 of FDA Regulation 102-07 shows that the said tract of land is suitable for commercial forestry. Said validation report is hereto attached and marked Exhibit "C" to form also an integral part of this contract;

WHEREAS, Lorla is desirous of commercializing harvestable tree species on the said tract of 13,636 hectares of land;



WHEREAS, the Authority having examined **Lorla's** application and the requirements of Section 5.6 of the NFRL having been met, declares **Lorla** qualified for issuance of a Private Use Permit that will allow it enter into contractual agreement with a company or corporation to carry out said commercial activities;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties do hereby agree as follows:

I. Definitions

- a. Authority: The Forestry Development Authority (FDA) created by an Act of the Legislature on November 1, 1976.
- b. Annual Operations Plan: the plan that guides the annual operations of the Holder
- c. Chain of Custody: the path of custodianship followed by logs, Timber and wood products through harvesting, transport, interim storage, processing, distribution and export from source of origin in the forest to end use.
- d. Code of Forest Harvesting Practices: a set of standards for environmentally sound forest use prepared by the Authority
- e. Conservation: the sustainable management and protection of forest resources to achieve maximum environmental, social, economic and scientific benefits for present and future generations
- f. Forestry: the science, art and practice of conservation of forest resources
- g. Forest Resources License: any legal instrument pursuant to which the Authority allows a person, subject to specified conditions, to extract forest resources or make other productive and sustainable use of forest land. This includes Forest management Contracts, Timber Sale Contracts, Forest Use Permit and Private Use Permit.
- h. Forestland: a tract of land, including its flora and fauna capable of producing forest resources, or land set aside for the purpose of forestry, but not including land in permanent settlements and land that has been in long term use for non-shifting cultivation of crops or raising livestock.
- i. Forest Product: any material or item derived from forest resources.
- j. Forest Management Contract: forestry contract which covers a land area of 50,000 – 400,000 hectares



- k. Holder: a person who holds a valid forest resources license
- l. Land Owner: a person who owns land by legal title
- m. Operator: a person harvesting or making commercial use of forest resources under a forest resources license, including a person working as an employee, contractor or other agent for a Holder.
- n. Pre-Felling Operations: legal requirements of the Holder before felling of logs. They include posting of required performance bond; preparation of initial annual operations plan and preparation of environmental impact assessment.
- o. Private Use Permit: a forest resource license issued by the Government to allow commercial use of the forest resources on private land.
- p. Public Use Permit: a forest resource license issued to extract forest resource from an area less than 1000 hectares.
- q. Reforestation: the establishment of a tree plantation in a previously forested area that has been affected by cutting, fire, or some other act of tree removal.
- r. Societe Generale de Surveillance (SGS): the institution/company responsible to manage the Chain of Custody System.
- s. Timber Sale Contract: a short term forest resources license issued by the Government for a period of three (3) years that allows a person to harvest timber from a specified tract of forest land.

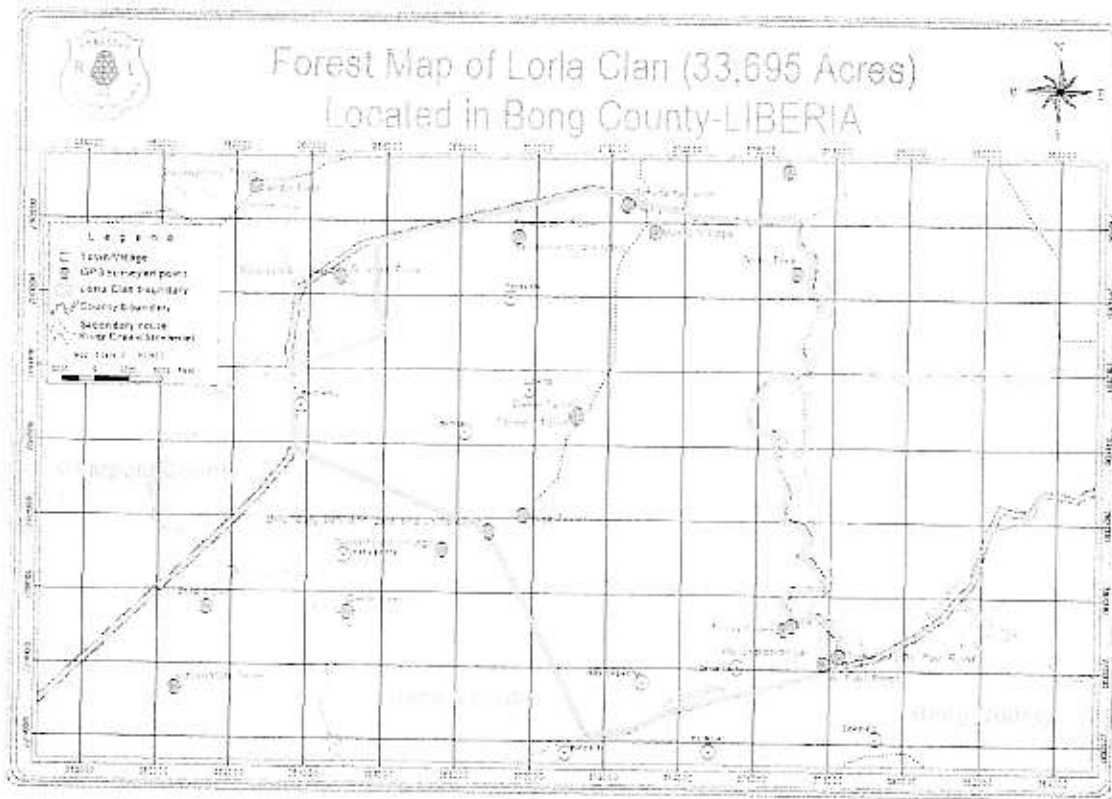
2. Metes and Bounds/Technical Description of Lorla Clan Forest Land & Map

The boundary line of Lorla Clan commences at the confluence of the Tuma creek and the Saint Paul River; thence a line runs along the Tuma creek in the northern direction for 56,116 feet to a point; thence a line runs N 84° W for 18,631 feet to a point; thence a line runs S 76° W for 18,111 feet to a point; thence a line runs S 42° W for 1,557 feet to a point; thence a line runs Due South for 4,992 feet to a point; thence a line runs S 25° E for 2,637 feet to a point; thence a line runs S 68° W for 9,030 feet to a point; thence a line runs S 5° E for 7,349 feet to a point; thence a line runs S 68° E for 18,518 feet to a point; thence a line runs S 26° E for 19,984 feet to the point on the Saint Paul River; thence a line runs along the Saint Paul River in the Northeastern direction for 23,527 feet to the point of commencement (TUMA CREEK & SAINT PAUL RIVER), containing 33,695 Acres of land and NO MORE.



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Map of Lorla Forestland



3. Contract Objective

- To harvest merchantable tree species from 13,636 hectares of tract of land otherwise called the Lorla Forest Land
- To engage in reforestation of the area involving indigenous species
- To create alternative uses of the tract of land after harvesting of trees
- To create employment for about 200 locals of the contract area and surrounding towns and villages.

4.

Contract Duration

The contract shall be for eight (8) years



5. **Chain of Custody System**

In keeping with Section 13.5 of the National Forestry Reform Law of 2006 and sections (1-35) of FDA Regulation 108-07, the Chain of Custody System will apply during the life and implementation of this contract. The system so established for the tracking of logs, timber and wood products from forest to processing and then to domestic or foreign market shall be managed by Societe Generale de Surveillance (SGS) using SGS/Helveta equipment and software as provided for by section 3.2 (3) of the Chain of Custody System Management Contract of 2007.

6. **Land Rental & Stumpage Tax**

Consistent with Section 5.7(b) of the National Forestry Reform Law of 2006, the Company shall not be charged to pay land rental tax. However, stumpage shall be paid consistent with Section 5.7 (c) of the National Forestry Reform Law and also consistent with Section 22(b) of Regulation 107-07.

7. **Other Fees & GOL Taxes**

All other fees and GOL Taxes levied on the project shall be consistent with the Revenue Law of Liberia and FDA Regulation.

8. **Pre-felling Date**

Before Company is certified for felling, all pre-felling operations including the following must be completed:

- a. Posting US\$50,000.00 performance bond
- b. Submission of initial annual operations plan
- c. Environmental Impact Assessment

9. **Employment**

Recruitment and employment by the Company shall be consistent with Labor Law of Liberia and International Labor Organization.



Termination

This contract shall be terminated if the company upon notice of breach of any term of this Contract fails to remedy said breach within a period of (60) sixty days.

9. Force Majeure

In the event of force majeure, which causes either party from meeting its obligations herein stated, the Contract shall be suspended as long as the force majeure continues.

10. Duty of Care

The Authority shall ensure that the Company maintains environmental quality of the cutting area and comply with all other conditions consistent with the Liberia Code of Harvesting Practices to include:

- a. Water course protection
- b. Erosion prevention
- c. Prevention of pollution to rivers, streams and other waterways by disposal of wastes
- d. Prevention of fire disaster

The operation shall also be in conformity with international conventions to which Liberia is a party. They include: the Convention on Biodiversity, the International Tropical Timber Agreement, the United Nation Framework Convention on Climate Change, the United Nations Convention to Combat Desertification, the Convention on International Trade in Endangered Species and the RAMSAR Convention on Wetland Management

11. Governing Laws

In effecting this Contract between the Corporation and the Authority, the relevant Laws of Liberia including but not limited to the National Forestry Reform Law and regulation governing Chain of Custody will prevail.

12. Binding Effect

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



In witness whereof, we have affixed our signatures on the day and date first mentioned above.


FOR THE AUTHORITY


Witness

Approved:


Moses D. Wogbeh, Sr.
Managing Director

FOR THE PEOPLE OF LORLA CLAN, FAUMA DISTRICT

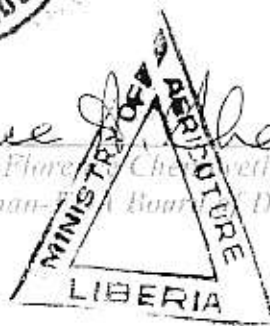

Clan Chief Moses Yoorfee


Youth Leader Augustine K. Dukuly



Approved:


Florence Chebweh
Chairman of the Board of Directors



FUAMAH DISTRICT COMMUNITY FOREST, BONG COUNTY,
REPUBLIC OF LIBERIA

November 22, 2010

The Managing Director
Forestry Development Authority (FDA)
Monrovia, Liberia

RESUEST FOR PRIVATE USE PERMITS FOR FUAMAH DISTRICT, BONG COUNTY
COMMUNITY FORESTS.

Dear Sir:

We write to request for Private Use Permits (PUP) for the following community forests in
Bong County, Liberia.

ZULO CLAN, FUAMAH DISTRICT 57, 589 ACRES


LORLA CLAN, FUAMAH DISTRICT 33, 695 ACRES

DOBLI CLAN, FUAMAH DISTRICT 19,961 "

We the citizens, elders and chiefs of Fuamah District, Bong County, Liberia would highly
appreciate were you to guide us through the process of acquiring PUP for the listed
forests.

We thank you very kindly for your usual cooperation in revamping the nation's economy
through sustainable forest management.

Respectfully yours,


Joseph K. Tetteh
Paramount Chief

M/W

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REPUBLIC OF LIBERIA
MINISTRY OF LANDS MINES & ENERGY

P. O. BOX 10-9024
1000 MONROVIA 10, LIBERIA, WEST AFRICA
TEL. : (231) 226-858, FAX:(231) 226-281



Exhibit B

December 14, 2010

Hon. Kedrick F. Johnson
Acting Managing Director
Forestry Development Authority (FDA)
Monrovia, Liberia

Dear Hon. Johnson:

Compliments and Season Greetings from the Ministry of Lands, Mines & Energy.

We acknowledge receipt of a communication of Wednesday, December 1, 2010 requesting the review and verification of a Public Land Grant from the Republic of Liberia to Fuama Chiefdom, Bong County.

As per the attached, under the pen of Mr. Joseph M.S. Melin, Acting Resident County Surveyor, Gbanga, Bong County, this Ministry is pleased to inform the FDA that she can now proceed to grant the Private User Permit (PUP) to the People of Fuama, Bong County, Liberia.

We hope that the above shall assist you in your endeavors.

Kind regards.

Sincerely yours,

Maxwell C. V. Gwce
Mr. Maxwell C. V. Gwce.
Acting Assistant Minister/DLS & C



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REPUBLIC OF LIBERIA
MINISTRY OF LANDS MINES & ENERGY

P. O. BOX 10-9024
 1000 MONROVIA 10, LIBERIA, WEST AFRICA
 TEL.: (231) 226-858, FAX:(231) 226-281



*Office of the Resident County Surveyor
 Gbarnga City, Bong County*

December 14, 2010

This is to certify that the following documents of:-

- (1) (57,589 Acres = (23,306= hectares of Zulo Clan)
- (2) (19,961 Acres = (8,078 = hectares of Dobli Clan) and
- (3) (33,695 Acres = 13,636 = hectares of Lorla Clan)

all of Bong County, Republic of Liberia have been inspected and all documents relating to the said above mentioned quantity of land are correct and the said quantity of land do exist.



Signed: _____

Joseph S. M. Melin
ACTING RESIDENT COUNTY SURVEYOR
GBARNGA CITY, BONG COUNTY

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Exhibit C

Forestry Development Authority
P.O. Box 10-3010

Elise Saliby's Compound
Kappa House, Congo Town
Monrovia, Liberia



MEMORANDUM

TO: Moses D. Wogbeh, Snr.
*Managing Director
Forestry Development Authority*

FROM: Technical Team *Alfred D. Bargor Sr.*

Subject: **FAUMA DISTRICT DEEDED LAND VALIDATION REPORT**

DATE: October 25, 2010

Background

Predicated on a communication under the signature of Mr. Alfred D. Bargor, Sr., requesting an authentication of deed, diagram and location on behalf of the people of Fauma District; situated and lying in Bong County. A team of technicians from the FDA was mandated to visit Fauma's District for detail ground truthing and sight seeing of the area for management's reaction.

In light of the above, the inventory officers, surveyors accompanied by the cartographer and a GPS officer along with representatives of Fauma District traveled to the land under consideration to conduct a joint ground truthing exercise of the area.

Field Patrol

During the period October 7-24, 2010, the joint team patrolled a significant portion of the area and gathered detail information relating to on going multiple uses of the area, types of vegetation, topology, and livelihood of communities dwellers within the parameters of the forest.



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Findings

Following an intensive tour by the team we observed and authenticated that:

- ⊗ Indeed the area is surrounded by rubber farms with mix trees of cash crops presently undergoing rehabilitation (under brushing).
- ⊗ A large portion of the area is Primary forest.
- ⊗ The entire Fauma District actually covered by closed dense forest and suitable for harvesting (commercial logging and sawn timber) is 58.4% or 65,000 acres out of the entire 111,245 acres according to FDA's analysis.
- ⊗ Fauma's District deeded land area on the ground is larger than what is stipulated in the deed submitted to FDA (*Deed reported 13,000 acres; actual area calculated is 17,063 acres*).
- ⊗ The area is truly situated in Fuama District, Zulo, Doblí and Lorla clans.
- ⊗ The area is the home of some un-protected wildlife animal's species.
- ⊗ The area does not fall or overlapped with any Forest Management Contracts, Timber Sale Contracts or Community designated forests.
- ⊗ The area is 156 kilometers by way of Bopolu and 158 kilometers by way of Bong County.

Recommendation

In view of the verification and confirmation of documents for this area by the Forestry Development Authority, we herein recommend that:

- ♣ As per National Forestry Reform Law (NFRL) of 2006 provision in chapter five section 5.6, we therefore recommend that FDA Management issue a Private Use Permit to the people of Fauma District in compliance with all relevant requirements of this section (particularly section 5.6 c(i,ii,iii) and d (i,ii,iii,iv,v,vi) respectively.
- ♣ That Fauma's elders, citizens hire trained forest economist, and a tree finder to conduct small scale forest inventory as to determine the economic viability and value of the forest as it relates to merchantable tree species availability, topology and transportation,
- ♣ That the Metes and Bounds in the deed be change appropriately to allow FDA surveyors conduct a cadastral re-survey.





***Private
Use Permit***