PRIVATE USE PERMIT CONTRACT
BETWEEN THE
FORESTRY DEVELOPMENT AUTHORITY
&
THE PEOPLE OF
KONGBA DISTRICT

F.D.A.
P.O. Box 10-3010
Whein Town, Mount Barclay
1000, Monrovia 10 Liberia
Thursday, October 6, 2011
PRIVATE USE PERMIT CONTRACT BETWEEN THE FORESTRY DEVELOPMENT AUTHORITY AND THE PEOPLE OF KONGBA DISTRICT, GBARPOLU COUNTY, FOR THE HARVESTING OF 122,972 HECTARES OF FORESTLAND

THIS CONTRACT made and entered into this 16th day of October, A.D. 2011, 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 Kongba District, Gbarpolu County, hereinafter referred to as Kongba, represented by the Tribal Authority of Kongba Chiefdom, hereinafter collectively the Parties, hereby;

WITNESSETH:

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

WHEREAS, the People of Kongba are legitimate owners of a tract of forestland of 122,972 hectares by virtue of inheritance through a legitimate purchase from the Republic of Liberia;

WHEREAS, the Kongba Administrative District encompassing of Jawajeh and Zuie clans made an application to the Authority on March 10, 2011 on behalf of said citizens for the issuance of a Private Use Permit to commercialize their deeded forested land as can be seen from copy of said letter hereto attached and marked Exhibit "A";

WHEREAS, by virtue of Section 5.6 (d) (i) of the National Forestry Reform Law (NFRL) of 2006, copy of a duly certified Aborigee's Grant Deed issued in 1941 under the signature of President Edwin J. Barclay, in proof of ownership of the subject tract of land is hereto attached and marked Exhibit "B" 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 Kongba Deed through a letter under the signature of Assistant Minister Maxwell C.F. Gwee. Attached also is the said verification letter marked Exhibit "C" 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 "D" to form also an integral part of this contract;
WHEREAS, Kongba is desirous of commercializing harvestable tree species on the said tract of 122,972 hectares of land;

WHEREAS, the Authority having examined Kongba's application and the requirements of Section 5.6 of the NFRL having been met, declares Kongba community 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;

WHEREAS, the people above described have given their written consent through a Memorandum of Understanding (MOU) to the Gbarpolu Resources for the management and supervision of their forestland as can be seen from copy of said MOU hereto attached and marked Exhibit “E”

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

1. 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 Kongba District Land & Location Map

Starting at a point near Timba Village, thence a line runs S 13° E for 2,666 feet to a point; thence a line runs S 64° E for 28,547 feet to a point; thence a line runs S 21° E for 6,678 feet to the point on the tributary of the Lofa River; thence a line runs along the Lofa River in the northern direction for 139,285 feet to a point; thence a line runs N 11° W for 53,689 feet to a point; thence a line runs S 86° W for 13,523 feet to the point on the Mano River; thence a line runs along said tributary westward for 14,159 feet to a point; thence a line runs S 86° W for 17,782 feet to a point; thence a line runs N 26° E for 27,934 feet to a point; thence a line runs N 59° W for 8,136 feet to a point; thence a line runs S 22° W for 11,240 feet to a point; thence a line runs S 87° W for 9,266 feet to a point; thence a line runs Due North for 10,023 feet to a point; thence a line runs N 80° W for 14,905 feet to a point; thence a line runs N 34° W for 13,368 feet to a point; thence a line runs N 41° E for 13,386 feet to a point; thence a line runs S 88° W for 15,435 feet to a point; thence a line runs Due South for 20,432 feet to the point on the Morn River; thence a line runs along said river southward for 59,273 feet to a point; thence a line runs S 48° E for 3,817 feet to a point; thence a line runs N 58° E for 21,300 feet to a point; thence a line runs S 1° W for 13,498 feet to a point; thence a line runs S 60° E for 13,826 feet to a point; thence a line runs S 33° W for 11,978 feet to a point; thence a line runs S 20° E for 25,364 feet to a point; thence a line runs S 70° W for 24,520 feet to a point; thence a line runs S 9° E for 42,149 feet to a point; thence a line runs S 63° W for 11,212 feet to the point of commencement, containing 303,864 acres of land and NO MORE.
3. Contract Objective

a. To harvest merchantable tree species from 122,972 hectares of tract of land otherwise called the Kongba District Land
b. To engage in reforestation of the area involving indigenous species
c. To create alternative uses of the tract of land after harvesting of trees
d. To create employment for about 300 locals of the contract area and surrounding towns and villages.

4. Contract Duration

The contract shall be for twenty five (25) years, the land area being as an FMC.

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 & Stampage 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  
d. Social Contract

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 KONGRA ADMINISTRATIVE DISTRICT

John Try
Paramount Chief/Zuie

Blama Kporkpor
Acting Paramount Chief/Jawaje

Approved: Florence Chenoweth
Chairman-FDA Board of Directors

Republic of Liberia
Friday, August 19, 2011

Hon. Moses D. Wogbeh, Snr.
Managing Director
Forestry Development Authority
Wein Town
Mount Barclay
Monrovia, Liberia

RE: REQUEST FOR PRIVATE LAND USE PERMIT

We the citizens of Gbarpolu County, represented by our civil and Traditional leaders, Elders, Chiefs, Zoes, Youth opinion leaders and the District Development Association has been communicating with you since August 12, 2010, for the possibility of your institution granting parcels of forest land to our people through Private Use Permits as a way of self sustenance and contributing to the Government’s Poverty Reduction Strategy.

Hon. Wogbeh, reference to your letter dated September 27, 2010, Ref: MD/147/2010-1, in which you requested us to pay some fees for the verification and analysis of our deeds before the issuance of the PUP; we paid the full amount to Dr. John D. Kantor and Dr. Augustine B.M. Johnson of your technical department; they sent engineers Stephen Slewin and Bandal Sambellah of your survey department who conducted the survey; the survey report was accepted by Dr. E.C.B. Jones of the Ministry of Lands, Mines and Energy who later wrote that your department conduct a rigorous GIS Desk Study for the issuance of a Private Use Permit.

Owing to this back drop, we are again requesting you to issue our people Private Use Permit in favor of the attached district deeds that were verified, analyzed and computed by Dr. Kantor, Dr. Johnson of the FDA and Dr. Jones of the Ministry of Lands, Mines and Energy.

Your earliest response in granting our District Private Use Permit would highly be appreciated by the people of Gbarpolu County.

Signed: Norris Kollie
SENIOR CITIZEN.
Gbarpolu County

Cc:
Superintendent/Gbarpolu County
House of Senate/Gbarpolu County
House of Representatives/Gbarpolu County
March 10, 2011

Honor. Moses D. Wogbeh, Sr.
Managing Director
Forestry Development Authority (FDA)
Wein Town, Liberia

Dear Sir:

I bring you greetings from the people of Kongba District, Gbarpolu County. It has come to our attention that the Forestry Development Authority (FDA) is proposing the establishment of a Forest Management Contract (FMC “D”) in Kongba District. If this Forest Management Contract is implemented, it will consume 291,996 hectares of our established 300,900 hectares, leaving the Kongba people with only 8,994 hectares of land.

Mr. Managing Director, I ask that you please revisit your decision to encroach on our ancestral land. Please see the attached deed. We will be highly encouraged were we to be invited to your office for a discussion and resolution to what could be perceived as a developing problem.

We look forward to an early response per this communication. We wish you will in the administration of your duties in that interest of the Liberian people.

Very truly yours,

Sando B. Brown
Chairman-Kongba District Community Forest Management Authority

CC: Senior & Junior Senator-Gbarpolu County
District #1 Representative
Superintendent
Commissioner
May 2, 2011

Mr. Sando B. Brown  
Chairman  
Kongba District Community Management Authority

Dear Sir:

We offer our compliments and acknowledge receipt of your communication dated April 26, 2011 in which you made reference to the verification and authentication of your 300,900 hectares of forest in Kongba District.

Please note that the communication of March 23, 2011 that you referred to in your communication was not meant to verify or authenticate your deed. It was meant to capture Way Points in UTM (Universal Transmetal Mectator) to identify the actual commencement point along the Lofo River. The Deed presented to the FDA did not give the actual commencement point but only mentioned a point along the Lofo River. It was not also readable as the prints were dull.

We are therefore requesting that you adhere to the cost estimate sent to you by the FDA Management to verify and correct other topographic information of your deed and land.

Kind regards,

Sincerely yours,

Moses D. Wogben, Sr.  
MANAGING DIRECTOR

MDW/JDK/sfl
March 23, 2011

Mr. Sando B. Brown
Chairman
Kongba District Community
Forest Management Authority
Zuje Headquarters, Kongba District
Gbarpolu County, Liberia

Dear Mr. Chairman,

We write to acknowledge receipt of your letter dated March 10, 2011, relating to the proposed Forest Management Contract (FMC) Area "D" in Kongba District in which you mentioned that it would consume 291,996 Hectares of your established 300,900 hectares.

In response to your claim, we are pleased to inform you that your communication submitted did not include a Title Deed/ Aborigine's Grant Deed as stated in your letter to enable the Management of FDA to conduct field and ground base verification.

In view of the aforementioned, we request that you submit a clear photo copy of your deed/diagram covering the entire 300,900 hectares of the Kongba people's land as to permit a team of Geographic Information System and Remote Sensing Technicians to conduct field validation.

Thanks in advance for your understanding and cooperation as we strive to sustainably manage and protect the remaining tropical forest in West Africa.

Kindest regards,

Kedric F. Johnson
Acting Managing Director
Forestry Development Authority

CC: Moses D. Wagbeh – MD
TM/R&D
TM/Commercial
File GIS/RS LAB

Whein Town, Mount Barclay, Liberia
P. O. Box 10-3010
Mobile #: 077287355/06769107
Email: kjohnson97@yahoo.com
THIS IS TO CERTIFY THAT the document herein is a true and correct copy of a PUBLIC LAND GRANT DEED from the Republic of Liberia to the People of Kangbor as registered according to law in Vol. 43 pages 49-51, re-registered in Vol. 21-2001 pages 278-280 and filed at the Center for National Documents & Records/National Archives, R.L.

Given under our hands and seal of the Center for National Documents & Records/National Archives, R.L. this 26th day of June 1,J.J. 2006.

CHECKED BY:

ACTING DIRECTOR OF LAND AND TITLES REGISTRY
CHERA/NATIONAL ARCHIVES, R.L.

REPUBLIC OF LIBERIA
CENTER FOR NATIONAL DOCUMENTS & RECORDS ARCHIVES

Lincoln B. C. Bartee, Jr.
ACTING DIRECTOR GENERAL/CHERA

1/25
the Grantee covenant with Grantee to perform the following duties as cultivating the land and hereby granted the planting of products as may be prescribed by government Regulations and that Grantee shall at all times conform to all regulations prescribed by laws failing the performance of these obligations this grant shall become null and void otherwise to remain in full force and virtue.

TO HAVE AND TO HOLD the above granted premises together with all and singular the buildings, improvements and appurtenances thereof and thereto belonging to the said people of Kengbar and the inhabitants thereof and their heirs forever and I the said Edwin Barclay, President of Liberia for me and my successors in office do covenant with the people of Kengbar and their heirs that at and until the canceling hereof I the said Edwin Barclay President as aforesaid by virtue of my office and promise to the said people of Kengbar and the inhabitants thereof as tenants in common and I the said Edwin Barclay, President as aforesaid and my successors in office subject to the reservation herein expressed will forever Warrant and Defend the said land to the said people of Kengbar and their heirs against any grant of the above granted premises the above treat of land cannot be sold transferred or assigned without consent of the Government of Liberia.

In Witness Whereof I Edwin Barclay
President of Liberia have hereunto set my hand and caused the seal of the Republic to be affixed on this 23rd day of March A.D. 1941 and of the Republic the

Edwin J. Barclay  
President

ENDORSEMENT

PUBLIC LAND GRANT from the Republic of Liberia to the People of Kengbar in the Western Region of Liberia "Let this be Registered" J.A. Gittens Commissioner of the Monthly and Probate Court presented this 23rd day of February A.D. 1942 J. Everett Ball Clerk of Monthly and Probate Court Registered according to law in Vol. 43 page 49-51 due to mutilation Re-registered according to law in Vol. 21-2001 pages 278-280 and filed at the Center for National Documents & Records/National Archives, B.L.
Monday, October 03, 2011

Hon. Moses O. Wogbeh, Sr.
MANAGING DIRECTOR
Forestry Development Authority
Wein Town, Mount Barclay
Monrovia, Liberia

Dear Hon. Wogbeh:

We write to present our compliments, and acknowledge receipt of your letter dated 26th August 2011, Ref. No. FDA/MD/05/62-11, requesting the Ministry of Land, Mines & Energy to review, verify and authenticate deeds pertaining to Kpo, Dugbeh River, Jaedea, Beawor, Zorzor, Voinjama, Seekon, Gboploe, Gbarna, Kulu-Shaw Boe, Gola Konneh, Bellah Yellah, Bopolu and Kongba Districts for which we are pleased to furnish you with our findings.

After plotting, analyzing and verification, it was observed that the documentations submitted to the Ministry, were all found correct and the land un-intruded. Thus advising the Forestry Development Authority (FDA) to proceed with the granting of the Private Use Permit (PUP) in the interest of the people of the above localities.

This Ministry remains available to these endeavors always.

Truly yours,

[Signature]
Maxwell C. F. Gwede
ACTING ASSISTANT MINISTER
Ministry of Lands, Mines & Energy
MEMORANDUM

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

FROM: Towon Nyenty
Acting Manager, FDA GIS Labs

THROUGH: John D. Kantor, Sr.
Technical Manager, R&D/FDA

Subject: Verification of Bopolu, Kongba, Belle Yellah, Gola Konneh,
Gbarma, Beawor, Voinjama, Zorzor, Seckon, Kulu-Shaw
Bade and Marbo forests

DATE: October 16, 2009

Background

Predicated on a communication under the signature of Mr. August Abrihim, Planning Manager, Atlantic Resources Logging Company, requested an authentication of a tribal deeds, diagrams and locations of the above properties situated and lying in Lofa, Gbarpolu, Grand Cape Mount, Grand Gedeh, River Cess and Sinoe Counties. A team of technicians from the FDA was mandated to visit said properties for detail ground truthing, capturing of deed land marks and sightseeing of the area for management’s reaction.

In light of the above, thematic maps were prepared for various localities using GIS desk studies and validation concluded by sending two surveyors and two Global Positioning System (GPS) operators, traveled to the land under consideration to conduct a joint ground truthing exercise of the area along with the tribal people and company representative.
**Field Patrol**

During the period 2010-2011, the joint team patrolled a significant portion of the area and gathered detail information relating to ongoing multiple uses of the area, types of vegetation, topology, and livelihood of communities dwellers within the parameters of the forest.

**Findings**

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

- New maps and technical descriptions were prepared for Bopolu, Kongba, Gola Konneh, Gbarma, Belle, Voinjama, Beawor, Zorzor, and Seekon Districts that excluded the Gola National Forest, Alpha Logging and other concessions.
- Indeed the Bopolu, Kongba, Gola Konneh, Gbarma, Belle, Voinjama, Zorzor deeded land falls directly into proposed Forest Management Contract areas “D” and “M”
- Beawor, Kulu Shaw Boe and Boe are un-encumbered but Bade forest is heavily occupied by miners
- Large portion of the area under investigation consists of primary forest while at least five percent is totally degraded
- Technically, the description in the Metes & Bounds on all the deeds are correct

**Recommendation**

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

- That the deed be forwarded to the Ministry of Lands, Mines & Surveys for authentication. After authenticating the and found legitimate, the FDA should perform the below activities:

  * 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 Permits** of the above districts 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.

  * Forestry Development Authority requests the companies representing the communities to demarcate their deeded land property boundary lines to avoid possible trespass cases.
FOREST MANAGEMENT AGREEMENT

THIS FOREST MANAGEMENT AGREEMENT is made and entered into this day of September, A.D. 2006 between the Chiefs, Elders, and Citizens of Kongba District, Gbarpolu County, Republic of Liberia represented by prominent and eminent citizens of Kongba District in persons of the Representative for the Tribal Authority, Messrs John Try, Blama Kporklor, John Boakai, Boakai Gban, Singbe Staffa, Madam Hawa Gbectu, Madam Hawa Kanneh, Mr. Richard Falladjui, Mr. Lawrence V. Sherbo, Jr., Mr. Fahm K. Musa, Mr. Singbe Danda, Amah Fallajui, Hon. Sam Cusoh Blaham, and attested by Hon. Gbondojever Quiah, Representative District No. 1 Gbarpolu County (hereinafter known and referred to as "LESSORS") and GBARPOLU RESOURCES INC., represented by its Chief Executive Officer, Hon Dong Chiu, of the City of Monrovia, Republic of Liberia (hereinafter known and referred to as "LESSEE"), hereby,

WHEREAS, the LESSORS owned and possessed 576,250 (five hundred seventy-six thousand) acres of forest land granted to them by the Government of the Republic of Liberia situated and lying in Kongba District, Gbarpolu County, Republic of Liberia, and

WHEREAS, the LESSORS have agreed to lease and convey 40% or 230,500 (two hundred thirty thousand) acres which form a portion of the 576,250 acres of forest land to the LESSEE for a period of fifteen (15) calendar years certain commencing on the day of ____________ A.D. 2006 up to and including the day of ____________ A.D. 2021 with an optional period of 10 (ten) years, subject to LESSEE conducting a survey of the timber resources in the tribal land. The metes and bounds of said land are as follows:

"Commencing at a point along the Lofa River said point being on the western bank of the said Lofa River and also 150 chains up river above the confluence of the Batula Creek to the Lofa River and running an magnetic bearing as follows: Charting Northwest along the said Lofa River 4101 chain to a point and said point being the confluence of major creek to the Lofa River in the vicinity of Kandoon Town; thence charting northwest ward along the said creek 1,000 chain to its source in the hills around Ngimma Town to a point; thence running north 31 degrees west 250 chains to a point along the headwater of the Mono River; thence charting down stream along the said Mono River 875 chains to a point being the confluence of a tributary; thence charting northwestward along the said tributary 250 chain to a point; thence running north 50 degrees west 1,250 chain to a point on the Methomi Creek; thence point being at the international boundary of the Republic of Liberia and the Republic of Sierra Leone; thence running due south 1025 chain to a point on the Mano River said point also being the international boundary of the Republic of Liberia and the Republic of Sierra Leone; thence charting down stream along the said Mano River which also forms the boundary of the Republic of Liberia and the Republic of Sierra Leone 2,250 chain to a point and said point being the confluence of the said Mano River and it's tributary the Kutuya Creek; thence charting eastward along the said Kutuya Creek 1,000 chain to a point; thence running south 75 degrees 30 minutes east 425 chain to a point; thence running south 30 degrees east 510 chain to a point; and thence running south 13 degrees 30 minutes east 500 chain to the place of beginning and containing 576,250 acres of land and no more.

NOW THEREFORE, the LESSORS and LESSEE have agreed to work, for mutual interest of both parties on the below terms and conditions:
1. That it is mutually understood and agreed upon by both parties that the LESSEE will undertake various development projects which will include the construction of school(s), clinic(s) and latrine facilities for the education and medical needs of the District.

2. It is mutually agreed and understood that the LESSEE shall pay to the LESSORS the sum of US$4,000.00 (Four Thousand United States Dollars) at the signing of this agreement, representing advance land rental fee payment under this agreement.

3. That the LESSEE will also pay to the LESSORS the amount of US$3.00 (Three United States Dollars) per every cubic meter of merchantable timber for the exploitation of productive forest land of the 40% or 230,500 acres herein granted by the LESSORS.

4. It is understood and agreed by both parties that the payment of the annual land rental fee of US$9.20 (Twenty Cents United States Dollars) per acre will be paid by the LESSEE to the LESSORS annually in advance for the duration of this agreement; however, this payment takes effect at the end of the third year of this agreement, that is, on the ______ day of __________ A.D. 2009.

5. It is further understood and agreed by both parties that considering the fact that it will take some time before actual operations commence on the timber forest, the LESSEE shall pay to the LESSORS the amount of US$2,000.00 (Two Thousand United States Dollars) as gratis per annum for a projected period of three (3) years as of the date of the signing of this agreement by the mutual parties.

6. That the LESSEE will construct and improve roads within the concession areas, which will be in accordance to Ministry of Public Works standards.

7. It is further understood and agreed upon by both parties that the LESSEE shall operate the forest for the sole purpose of producing logs, timber, and other finished or semi-finished forest and wood products.

8. It is further agreed and understood by both parties that the LESSORS will build or cause to be built a sawmill to facilitate the processing of round logs, timber and other wood products. The erection of the sawmill by the LESSEE is in efforts to create jobs facilities within the District, which is a direct and indirect benefit to the citizens and residents of the District.

9. It is further agreed and understood by both parties that the building of the sawmill will take place within the first five (5) years as of the signing date of this agreement and that employment preference will be given to qualified and willing to work citizens of the District of Kangba.

10. It is agreed upon by both parties that in the event of disputes between the parties, either party will give ninety (90) days notice to the other party of his intention to nullify the contract. Within this period, efforts should be made to correct or solve the problem. In the event that the issue is not resolved a board of arbitrators comprising of five (5) persons will be setup comprising of two (2) representatives from each parties, and a Chairman selected by the both parties. The decision from the board shall be final.

11. It is further understood and agreed by both parties that the following conditions shall be considered for cancellation of the agreement:
   a. That the LESSEE does not meet the stipulated payment terms.
   b. That the concession areas are found to be non-productive for logging.
12. It is also agreed that in the event of force majeure, that is, civil disturbances, civil war, invasion, and government actions which may make impossible the performance of this agreement that said agreement shall be extended for an additional term to cover the period of the force majeure. If during the period of force majeure, LESSEE is without the bailiwick of the Republic of Liberia, the right of LESSEE's leasehold shall not be affected by his absence until LESSEE expressly state that he has no intention to return to Liberia, or LESSEE has received demand from LESSORS and refuses to such a demand; in that case, LESSORS shall repossess the forest land to avoid it from waste.

13. It is also mutually agreed and understood by both parties that the LESSORS constituted by the Chiefs, Elders, Chairladies, Chairman and Representative and citizens of Kongba Chiefdom/District, Gbarpolu County, shall be considered the legal representatives of the District, except where the LESSEE is otherwise informed through a written communication of any changes.

14. It is finally understood and agreed that the terms and conditions of this agreement shall be binding on the heirs, administrators, administratrix, and successors in business and all legal representatives of the parties as if they were physically present at the signing of this document.

DONE ON THE ___ DAY OF ___________, A.D. 2006 WHEN WE HAVE HERETO AFFIXED OUR HANDS AND SIGNATURES IN THE CHIEFDOM OF KONGBA, GBARPOLU COUNTY, AND REPUBLIC OF LIBERIA.

IN THE PRESENCE OF FOR LESSORS:

__________________________________
For the Tribal Authority of Kongba Chiefdom
Gbarpolu County, Republic of Liberia
The Chiefs, Elders and Citizens of Kongba Chiefdom

Musa Zimba

John Try, Paramount Chief, Zuie Chiefdom
Kongba District, Gbarpolu County, Liberia.

Steven Zimba

Blama Kporkor, Acting Paramount Chief, Lawajer Clan, Kongba District, Gbarpolu County, Liberia.

Joseph Mcquill

John Boakai, General Town Chief, Zuie Chiefdom,
Kongba District, Gbarpolu County, Liberia.

Cephas Bia

Boakai Gban, Dean Elder
Kongba District, Gbarpolu County, Liberia.

John K. V. Abena

Singbee Siata, Elder,
Kongba District, Gbarpolu County, Liberia.
M. S. Must, Clan Chief
Mbarma Clan, Gbarpolo County

Singbe Dande, Elder
Mbarma Clan, Gbarpolo County

Amah Falaje,h, Elder
Jawajeh Clan, Gbarpolo County

Hon. V. Sam Cuch Blamah
County Commissioner
Kongba District, Gbarpolo County
Ben F. Quiah, Chairlady, Zue Chiefdom
Kongba District, Gbarpolu County, Liberia.

Hawa Kamara, Chairlady, Jawajer Clan
Kongba District, Gbarpolu County, Liberia.

Richard Fallah, Development Chairman
Kongba District, Gbarpolu County, Liberia

Lawrence V. Sherbo, Jr., Youth Chairman
Kongba District, Gbarpolu County, Liberia.

Attested:
Hon. Gbondojever Quiah, Representative
District No. 1, Gbarpolu County, Republic of Liberia

FOR LESSEE:

Han Dong Chun, Chief Executive Officer
GBARPOLU RESOURCES, INC.

$5.00 Revenue Stamps affixed on the original.
NOTARY CERTIFICATE

Personally appeared before me, ALETHA W. SIMPSON, a duly qualified Notary Public for the County of Montserrado, Republic of Liberia, for the parties to the attached "POWER OF ATTORNEY FROM CHIEF, ELDER AND CITIZENS OF KONGA DISTRICT, GARPAULU COUNTY, REPUBLIC OF LIBERIA, EXECUTED IN FAVOUR OF MR. JAMES B. BROWN OF SAID CHIEF." and did in my presence and in the presence of each other execute and sign their genuine signatures on the said instrument to be the person(s) they represent and that the same was made in my presence and declared by each of them to be their voluntary acts and in their own handwriting.

Therefore, I, ALETHA W. SIMPSON, Notary Public aforesaid, have attached my Official Signature and Notary Seal so availed of and where necessary.

Given under my hand and seal at office this 20th day of December, 200_ A.D.

Seal

Notary Public, Montserrado County, R. I.

$2.50 Revenue Stamp
REPUBLIC OF LIBERIA
MONTGOMERY COUNTY

POWELL DISTRICT
GRANT COUNTY, REPUBLIC OF LIBERIA

KNOW ALL MEN BY THESE PRESENTS, that the Chiefs, Elders, and
CITIZENS OF KROJBA DISTRICT, GRANT COUNTY, REPUBLIC OF LIBERIA, HEREBY
MAKE, CONSTITUTE, AND APPOINT Mr. SAMUH BUSI, of KROJBA DISTRICT,
GRANT COUNTY, REPUBLIC OF LIBERIA, OUR TRUE AND LAWFUL ATTORNEY-IN-
FACT FOR US AND IN OUR NAME, PLACE, ANDSTEAD, GIVING TO M. SAMUH BUSI
FULL POWER TO BE AND PERFORM ALL AND EVERY ACT AS ADMINISTRATOR OF THE
FOREST AND TRIBAL RESERVE OF KROJBA DISTRICT, GRANT COUNTY, REPUBLIC
OF LIBERIA, THAT WE MAY IDEALLY LOCATE LOCAL AND OVERSEA INVESTORS WHO
MAY WISH TO EXPLOIT SAID FOREST RESERVE FOR COMMERCIAL USE.

GIVING AND GRANTING FULL POWER OF ATTORNEY OF SUBSTITUTION, AND REVOCATION.
ACHIEVING MEMORANDUM OF UNDERSTANDING AND AGREEMENT BETWEEN THE DISTRICT
AND INDIVIDUALS AND COMPANIES.

IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR
HANES AND SIGNATURES ON THE TWENTY-SEVENTH DAY
OF DECEMBER, 1904 (DECEMBER 27TH, 1904)

SIGNED:
1. ISAAC KAHNE, ELDERS, AHIE CLAN
2. JOHN BUSI, CHIEF, AHIE CLAN
3. SAMUH BUSI, ELDERS, AHIE CLAN
4. FAIN BUSI, CHIEF, AHIE CLAN
5. THOMAS AHIE, ELDERS, AHIE CLAN
6. MABILE BUSI, CHIEF, AHIE CLAN
7. ABRAH JOHNSON, ELDERS, TONCAY CLAN
8. ARMAHA BUSI, CHIEF, TONCAY CLAN
9. VARIOUS RAIN, GENERAL TOWN CHIEF, AHIE CLAN
10. HOMO BUSI, GENERAL TOWN CHIEF, AHIE CLAN
11. VARIOUS GUILLA, GENERAL TOWN CHIEF, AHIE CLAN

APPROVED:

J. E. TR, PAYMENT CHIEF
VIRG CHIEF

DIANA KISHON
PAY MOUNT CHIEF, JAMAISH CHIEF

DISTRICT COMMISSIONER

[Signature]