

## **Timber Sales Agreement (TSA)**

TIMBER SALES AGREEMENT

TSA: 06/85

GUYANA

COUNTY OF DEMERARA

This AGREEMENT made the 13<sup>th</sup> day of December 2011 between the **GUYANA FORESTRY COMMISSION** having its registered office at **Lot 1 Water Street, Kingston, Georgetown, Guyana** (hereinafter referred to as "the Grantor" of the first part and [REDACTED] A company registered under the companies Act of Guyana 1991 of [REDACTED] **Georgetown, Guyana**, hereinafter referred to as "the grantee") of the second part.

WITNESS AS FOLLOWS:

1. The grantor grants to the Grantee exclusive rights for a period of **Five (5) years** from the date of this Agreement to occupy the area of State Forest falling within the boundaries as described in Exhibit 1. hereto (hereinafter referred to as "the concession") for the purposes of cutting and taking or obtaining timber. (old 1)
2. The Grantee shall upon the award of the concession, immediately demarcate the boundaries of the concession and shall place and maintain at the corners of the area and in such other places as the Commissioner of Forests (hereinafter referred to as the "Commissioner") may direct a board on which shall be painted in plain legible letters and figures the name of the Grantee and the number of this Agreement. (old 5 – Schedule B)
3. In the event of any doubt or disagreement arising as to the exact position of any of the above boundaries the decision of the Commissioner of Forests shall be final. (old 2)
4. The Grantee shall be responsible for patrolling the boundaries of the concession and reporting any illegal activities to the Grantor. (new)
5. This agreement shall convey to the Grantee the right to cut and remove timber from the area on payment of the prescribed fees and royalties, for the period described above and do such things as can reasonably be regarded as necessary for the purpose but shall convey no other rights whatsoever. (old 3)
6. The Grantee shall pay annually to the Grantor such fees and royalties as prescribed by the Forest Act Cap. 67:01 and its Regulations. Where any forest charges are payable in advance, the payment shall be made on or before the 31<sup>st</sup> day of January of the year in which it is due. Any payment after the due date will be subjected to interest at commercial rate compounded. (replaces old 4 – minimum royalty)
7. The Grantee shall work the area to the satisfaction of the Commissioner in accordance with the terms of this Agreement and only in accordance with the Forest Management plan, as approved by the Commissioner, referred to in paragraph A of the Schedule hereto. The Commissioner, if not satisfied with the work will notify the Grantee thereof in writing and give the Grantee reasonable time to remedy any breaches of this provision. The failure of the Grantee to remedy the breach within such reasonable time shall be deemed to be breach of this Agreement. (old 6)
8. The Grantee shall keep true and complete records declaring all timber cut and removed. The Grantee shall be responsible for ensuring that such records are

accurate and that the full charges are paid on all timber taken. Any omission in this respect, whether deliberate or arising through negligence, shall be deemed to be a breach of this Agreement. (old 7)

9. Throughout the continuance of this Agreement the Grantee shall, at all times, allow the Grantor through its accredited servants to monitor the progress of operations and inspect the forest production and forest utilization records of the Grantee. (old 8)
10. The Grantor hereby reserves to itself and to all persons acting with its permission and authority, right of way and right of access to all parts of the concession including the right to transport any produce or material across the said area. (old 9)
11. The Grantor, and any persons acting on its behalf shall be entitled to make reasonable use on visits of inspection, of such transport facilities as the grantee maintains on the area. Wherever the Grantor considers it necessary to have resident Forest Officers the Grantee shall, if requested by the Commissioner, construct and maintain at his own expenses permanent quarters for the accommodation and use of such Forest Officers in accordance with particulars supplied by the Grantor. (old 10)
12. The grantee shall not transfer, sublet, mortgage or otherwise dispose of any interest arising under this Agreement except in accordance with the Forest Regulations and any purported disposition made except in accordance with such Regulations shall be null and void. (old 13)
13. The Grantee shall be liable for the errors and omissions of his agents and servants. (new)
14. This Agreement shall be subject to the provisions of the Forests Act, and any Regulations made thereunder, and to any terms and conditions contained in the Schedule annexed to this agreement and to any other which may be subsequently added to which the parties set their signatures. The grantee shall comply with the provisions of the Forest Act, the Forest Regulations and the Environmental Protection Act. (old 15)
15. In the event of the Grantee or assignee failing to observe the terms and conditions of this Agreement or of the Schedule to this Agreement or any of the provisions of the Forests Act and Regulations or any provisions of the Environmental Protection Act for the time being in force, the Grantee shall be liable to the penalties prescribed under the Forests Act Chapter 67:01 and Section 39 of the Environmental Protection Act No. 11 of 1996. In the event of the penalty not being paid within three months of demand, the unpaid amount of the penalty shall be deemed to be liquidated damages and a debt due to the State, or the Grantor shall have the right to determine this Agreement and to enter upon the area and take possession of the same together with all buildings, roads and improvements on the area and all timber products remaining thereon. (old 16)
16. The Grantee shall execute a bond for a sum of US\$ ..... at the time of approval of the Management Plan for the performance and observance by the Grantee of the conditions of this Agreement and shall make arrangements satisfactory to the Commissioner to replenish the bond from time to time where it, or any part of it, has been forfeited to pay penalties, fines or compensation, or to remedy damages. (replaces old 4 – minimum royalty)
17. Without prejudice to any other remedies that may be available to the parties, the Grantor may terminate this Agreement on the occurrence of any of the following events: (old 17)

- i) if the Grantee goes into liquidation, whether voluntarily or compulsorily (otherwise than for the purpose of amalgamation or reconstruction), or compounds with its creditors, or takes or suffers any court action or proceeding in consequence of a debt or other liability of the Grantor which action or proceeding seriously impairs the continued ability of the Grantee to carry out its business.
  - ii) if the Grantee makes a written statement to the Grantor in connection with this Agreement which it knows or ought to have known is false.
18. No tree shall be felled unless its girth measurement at a point 1.3 meters (4 feet 3 inches) from the ground, or in the case of a buttressed tree at a point immediately above the top of the buttress, is not less than the measurement prescribed in the Third Schedule to the Forest Regulations and in accordance with the Code of Practice for Timber Harvesting: (old 19)

PROVIDED THAT the Commissioner may, where he is satisfied that under the system of working being practiced in any area adequate provision is being made for the establishment of seedling growth exempt the Grantee from the provisions of this clause or such conditions as he may think fit.

19. (1) No bulletwood tree shall be felled without permission in writing of the Commissioner first being obtained. (old 20)
- (2) No tree specified in paragraph 1 of the Third Schedule of the Forest Regulations shall be felled for making firewood or charcoal or any forest products without the permission in writing of the Grantor first being obtained:

PROVIDED THAT where any such tree has been felled for its timber, the branch wood and waste wood of such tree maybe used as firewood or for making charcoal.

20. (1) No tree shall be felled at a height of more than 0.5 metres from the ground, or in the case of a buttressed tree at a height of more than 0.1 metres above the top of the buttress except to avoid unmerchantable timber. (old 21)
- (2) If the Grantee or any of his servants, agents or workmen fells any tree in contravention of this clause the Grantee shall be liable in addition to any other penalty prescribed, to pay royalty on any merchantable timber thereby wasted at five times the prescribed rate.

21. The Grantee shall not be liable for any delays in the performance hereunder, or for any temporary suspension of such obligations, due to any cause beyond his control including acts of God, fire, acts of wars, riot, civil commotion, strikes, bans or embargoes or other similar acts which could not reasonably have been foreseen. (old 22)

PROVIDED THAT the Grantee shall give notice to the Grantor within fourteen days of the occurrence of such an event.

22. Subject to the other relevant clauses of this Agreement it is hereby agreed that the Grantee shall, for the duration of this Agreement and for any period thereafter mutually agreed, have security and tenure in respect of all buildings erected for the purpose of logging, sawmilling and any other purposes connected with this Agreement. (old 23)
23. (1) The Commissioner may grant permission to the Grantee to construct and use such road-ways, tramways, railways, timber and cart paths in any

State Forest outside the limits of the area herein before described in Clause 1 of this Agreement, as may be necessary to facilitate the transportation of timber from such area. (old 18)

- (2) The Commissioner may grant permission to the Grantee to occupy at a convenient point along, at or near the end of any roadway, railway, tramway, timber or cart path, or at or near the entrance of any creek, any State Forest not exceeding ten hectares in extent for the purposes of:
- (a) depositing or storing timber or any goods appertaining to or necessary for the operations of felling and extracting timber;
  - (b) erecting houses, garages, workshops and other buildings and installation necessary for the operation of felling and extracting timber;
  - (c) cultivating any portion of such land for the support of national agricultural objectives.

PROVIDED THAT on being satisfied that an additional area is required in view of the size of the operations of the Grantee, the Commissioner may grant the permission in respect of an area exceeding four hectares provided that due authorization so to do has first been obtained from the Minister.

24. The Grantee, if he shall desire to renew this Agreement for a further term, shall give notice to the Grantor not less than three calendar months before the end of the current term. If no notice is given, this Agreement shall expire on the agreed date ( 12<sup>th</sup> December 2016 ) whereupon, the Grantor shall given notice to the Grantee to remove within six (6) months all buildings and erections, failing which all buildings and erections and all improvements on the area shall become the property of the State. (old 11)

Provided that, the agreement as renewed shall not contain this clause.

**25. VARIATION OF AGREEMENT (old 24)**

The parties to this Agreement may from time to time by agreement in writing substitute, cancel or vary all or any of the terms and conditions of this Agreement or of the Schedule to this Agreement for the purpose of more sufficiently or satisfactorily implementing or facilitating this Agreement.

26. This Agreement comes into force on 13<sup>th</sup> December 2011

## **SCHEDULE**

### **A. National Policy and Law**

The Grantee must comply with all laws of the Parliament of Guyana including but not limited to the following:

- i. Termination and Employment and Severance Pay Act No.19: 1997;
- ii. Prevention of Discrimination Act No. 26: 1997
- iii. Occupational Safety and Health Act No. 32: 1997;

and international treaties, conventions and agreements to which Guyana is a signatory.

### **B. Rights of employees**

The Grantee shall recognize the right of employees to be members of a trade union of their choice, and the right to education and training opportunities. The Grantee shall at all times provide employees with comfortable housing, sanitary, medical and recreational facilities and safe drinking water.

### **C. Rights of indigenous people**

The Grantee is duly bounded to recognize the legal customary and individual rights of the Amerindian people of Guyana.

### **D. Reporting**

The Grantee shall maintain accurate records on the operations and provide the Grantor with monthly reports as required and a copy of the Company's annual audited report.

### **E. System of Working (old A)**

The grantee shall submit within six (6) months, a Forest Management Plan and Annual Operational Plan prepared in accordance with the GFC Code of Practice for Timber Harvesting, as revised from time to time, or any other special condition(s) specified by the GFC.

The proposals shall provide for the systematic harvesting of timber within the concession in contiguous blocks to be determined by the Grantee in consultation with the Grantor. The Grantor and Grantee acknowledge that the plan shall be prepared in accordance with sound forestry practices and, as far as practical, be based on the principle of sustainable management.

The Forest Management Plan shall be binding on the Grantee in respect of all matters therein set out and the Grantee shall not depart from the approved Plan without the written consent of the Grantor. The approved Forest Management Plan shall remain in force and effect for the first five years and shall be revised every five years or more frequently as shall be agreed between the Grantor and Grantee, or any other special condition(s) specified by the GFC.

### **F. Access routes (old C)**

The Grantee shall not hinder or otherwise interfere with the unrestricted right of way or roads and the navigation of creeks and rivers used in connection with the working of the concession. Where the Grantee uses a road, creek or river jointly with others, the Grantee agrees to accept the decision of the

Grantor as to the proportion, which each party shall be required to develop and maintain.

**G. Reserve areas (old D)**

The Grantor shall have the right at any time to reserve for silvicultural, environmental or other purposes, any lands within the boundaries of the concession as may be considered suited for purposes other than timber production. The Grantor shall serve upon the Grantee three months notice in writing of his intention so to do, and may at his discretion reduce the amount of forest charges payable.

**H. Inspection by Forest Staff (old E)**

The Grantee shall be required to provide for inspecting Forest Staff the following:

- i) suitable accommodation;
- ii) transportation;
- iii) at least one guide to accompany the inspecting Forest Staff during their visit to the concession and all its operations.

**I. Place of measurement of Forest Produce (old F)**

The place where forest produce is to be measured shall be identified and fixed by the Grantor from time to time after consultation with the Grantee.

No timber shall be removed from the place of measurement, utilized, disposed of or converted until it has been measured and marked in a manner directed by the Grantor or defined under the Forest act Cap 67:01 and its Regulations.

**J. Protection of the Environment (old G)**

The grantee shall undertake to exercise all reasonable care in the felling, extraction, conversion, transporting and any other activities of his operations, to limit and or prevent the degradation of the environment through excessive felling damage, soil erosion, stream pollution and fires. In the event of such occurrences as a result of the Grantee's negligence all remedial or corrective works shall be carried out by the Grantee to the satisfaction of the Grantor and if warranted any penalty imposed must be paid and a deposit of a security bond may be demanded by the Grantor as part of the conditions before production operations are permitted to restart.

## **State Forest Permission (SFP)**



COPY

**THE FORESTS ACT  
(CHAPTER 67:01)  
STATE FOREST PERMISSION**

SFP No: Bce 07/03

PERMISSION IS HEREBY GRANTED TO: [REDACTED]

OF [REDACTED] Georgetown, Guyana.

(here-in-after called "the Grantee"), under Section 6 of the Forests Act, Cap. 67:01, to occupy and harvest the quota of forest produce specified in the Schedule A hereto from the area of State forests shown on the diagram annexed hereto and more particularly described as falling within the following boundaries:

SFP No: Bce 07/03

Right Bank Demerara River, Western side UNAMCO road, Right Bank Kamwatta River.

Commencing at the junction of the **Ituni-Unamco road and Kamwatta River**, having approximate geographical coordinates of 03 58 795 E, 05 44 202 N; thence along the Ituni-Unamco road in a **South-easterly** direction for an approximate distance of 3km to a point where it intersects the **Marlissa creek** having an approximate UTM geographic coordinates of 03 60 056 E, 05 41 444 N; thence up the **left bank Marlissa creek** to a point near its **source** having an approximate UTM geographic coordinates of 03 59 622 E ; 05 36 225 N; thence by a **cut line** in a **South-westerly** direction for approximately 2. 2 km to a point near the source of an **small unnamed tributary of a large unnamed tributary of the Demerara River**, having an approximate UTM geographic coordinates of 03 57 963 E ; 05 34 728 N; thence down the **right bank** of this **small unnamed tributary** to its **mouth** on the **right bank** of the **large unnamed tributary of the Demerara river** having approximate geographical coordinates of 03 54 605 E, 05 34 457 N; thence down the **right bank** of the **large unnamed tributary** for an approximate distance of 4.1 km to a point having approximate geographical coordinates of 03 50 857 E, 05 33 764 N; thence by a **cut line** in a **North-westerly** direction for an approximate distance of 4.5 km to a point on an **unnamed tributary of the Charabaru river** having approximate geographical coordinates of 03 47 533 E, 05 36 783 N; thence by another **cut line** in a **North-easterly** direction for an approximate distance of 3.5 km to a point intersecting a trail and having approximate geographical coordinates of 03 48 926 E, 05 40 005 N; thence along this trail in a **North,North-westerly** direction for an approximate distance of 2.6 km to a point having approximate geographical coordinates of 03 48 327 E, 05 42 053 N; thence by **cut line** in a **South-easterly** direction for an approximate distance of 3.5 km to a point near the **source of an unnamed tributary of the Kamwatta river** having



approximate geographical coordinates of 03 51 687 E, 05 41 137 N; thence down the **right bank** of this **unnamed tributary** to its **mouth** on the **left bank Kamwatta river** having approximate geographical coordinates of 03 54 300 E, 05 40 906 N; thence across and down the **right bank Kamwatta river** to its **intersection** with the **Unamco road** this being the point of commencement.

Save and except all lands legally held.

Description subject to change upon verification.

Coordinates have not been field tested.

Map Reference: 52 NW

Approximately area : 7,871 Hectares (19,449 acres)

This permission is valid until **31<sup>st</sup> December, 2013**, subject to the conditions outlined on the pages 2 and 3 of this Agreement:


1. This Permit does not confer upon the Grantee a right of any kind to the land or any other forest produce whatsoever within the aforesaid area of State forests nor the right to occupy or harvest any forest produce from any part of the aforesaid area of State forests lawfully occupied by an Amerindian community.
2. This Permit is not transferable without the prior consent in writing of the Commissioner. It may not be assigned or sublet nor may the grantee allow any person to work under it on payment to the Grantee of any consideration whatsoever.
3. This Permit will expire on **31<sup>st</sup> December 2013** whether the whole of the specified quota of forest produce has been harvested or not. Any forest produce harvested under this Permit and left in the State forest on the expiry of this Permit shall remain the property of the State, unless this Permit is renewed on the application of the Grantee.
4. The rights granted by this Permit are not exclusive and the Commission reserves the right to allow more than one holder of a forest Permit to occupy the same area. The exercise of the rights granted by this Permit shall not interfere with or hinder the lawful operations of any other person within or outside of the area occupied hereunder.
5. The Grantee is required to sustainable utilise the allocated quota contained in Schedule A of this Agreement during the two year period. In the event that the allocated quota is exceeded, the excess quota will be computed by the GFC and deducted from the quota to be allocated during the next renewal period.



6. The Grantee shall pay to the Commission all royalties due on the forest produce harvested under this Permit on the date or dates on which such payment is due.
7. Forest produce harvested under this Permit shall not become the property of the Grantee until all forest charges payable thereon have been paid.
8. This Permit shall be kept with the Grantee or the Grantee's agent in the area of State forests specified herein whilst forest produce is being harvested and produced on the demand of any forest officer or peace officer.
9. The Grantee shall bring all the forest produce harvested under this Permit to ..... for inspection and check and shall not remove from that place, dispose of or consume any of the forest produce until it has been marked and has been measured for the purpose of calculating the royalties payable thereon and a removal permit has been made out for the removal of that forest produce. The date of the removal permit shall not be later than the date of expiry of this Permission.
10. The Grantee and/or any person acting under the authority of this Permit shall not fell, injure or kill any protected species, for the purposes of harvesting any forest produce under this Permit.
11. The Grantee is required to maintain the size of canopy gaps to a minimum during harvesting operation by keeping the distance between stumps above 8m.
12. Any application for the renewal of this State Forest Permission for a further period of two years must be made to the Guyana Forestry Commission at least one month before the date of expiry of this Permission.
13. The Guyana Forestry Commission may amend the conditions under which this Permission is granted at any time.
14. The Grantee is required to demarcate the boundaries of the Permit area and to maintain the boundaries to the satisfaction of the Guyana Forestry Commission.
15. Trees shall not be felled unless its girth measurement at a point 1.3 meters (4 feet 3 inches) from the ground, or in the case of a buttressed tree at a point immediately above the top of the buttress, is more than the measurement prescribed on Schedule B and shown in Schedule C of this Agreement.
16. The grantee will affix log tracking tags to tree stumps and forest produce, measure all logs produced and record all forest produce in accordance with the instructions contained in the Guyana Forestry Commission's Production Register.
17. The grantee will at all times abide with the guidelines and Regulations of the Guyana Forestry Commission.

18. The Commissioner may suspend or revoke this Permit where there is a breach by the grantee or any person acting under authority of this Permit of any condition of this Permit or any provision of the Forests Act, Cap. 67:01 or the Forest Regulations, made under (Section 42) of the Forests Act, Cap. 67:01.

Issued this 24 day of July 2012

  
.....  
Commissioner of Forests



# SCHEDULE A

## Quota of Forest Produce for which Permission Granted

Class of Forest Produce Minimum dbh at 1.3 m Breast Height as shown in Schedule C	Volume to be Harvested		
As Per Schedule B Attached			
True Volume (Logs)	4250.34 m3 (calculations for 24 mths)		
Converted Volume (Lumber, shingles, etc.)	2125.17 m3( with approximately 50% recovery from total volume of logs or otherwise informed by assessment completed by GFC)		
Minimum Royalty (60% of declared produce to GFC)	Year	If Produced as Logs	If Produced as Lumber, Shingles, etc.
	2012	2550.20	1275.10
	2013	2550.20	1275.10

**SCHEDULE D**  
**SPECIES NOT TO BE HARVESTED WITHOUT GFC's APPROVAL**

SFP #: Bce 07/03

Attn: [REDACTED]

1. Please be advised that the following species may only be harvested with prior written approval from the Guyana Forestry Commission.

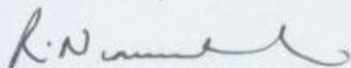
1. **Bulletwood** (*Manilkara bidentata*)
2. **Hog Plum** (*Spondias mombin*)
3. **Hubudi** (*Anacardium giganteum*)
4. **Kokoritiballi** (*Pouteria egregia*)
5. **Duru** (*Apeiba petoumo*)
6. **Pasture tree** (*Trymatococcus paraensis*)
7. **Sawari nut** (*Caryocar nuciferum*)
8. **Akuyuru** (*Astrocaryum aculeatum*)

2. In addition please note that for the two species listed below

- i. **Aromata** (*Clathrotropis brachypetala*)
- ii. **Maho** (*Sterculia pruriens*)

- Three or more trees of these species with dbh greater than 40 cm must remain in the block (100 ha or per unit area of 100 ha) following logging.

I hereby agree to the above stated conditions



Signature of Permittee

National Identification Number

132552732

(\* please check with the Forest Officers for further guidance)

Acreage and Issuance Fee

The sum of \$642,368 due on this State Forest Permission summarised thus:

Issuance Fee \$20,000

Acreage Fees \$622,368 (calculations for 24 mths)

A handwritten signature in black ink, appearing to be 'S. J. B.', is written over the printed name of the Commissioner of Forests.

Commissioner of Forests