

Your ref:

Our ref: CHR3/0001

Windhoek, Monday, 23 October 2017

BY HAND

**ERWIN MBAMBO MUNIKA
HAMBUKUSHU TRADITIONAL AUTHORITY
P O BOX 2230
RUNDU
NAMIBIA**

URGENT

Dear Sir or Madam

Re: CRUSHCO TRADING CC / ERWIN MBAMBO MUNIKA // MEMORANDUM OF AGREEMENT

We are acting on the instructions of Crushco Trading CC. Our client forwarded us your letter dated 21 August 2017 for our consideration and action.

Our instructions are that our client has been operating a business concern for several years in the communal area of Kavango East, Namibia. The business concern was purchased from successive entities, which have been operating for several years in the area.

Our further instructions are that you presented our client with a memorandum of agreement of which the terms and conditions are not only unreasonable, but certainly unlawful. The memorandum of agreement was presented to our client as a pre-condition to operate its business in the communal area, and in terms of your aforementioned letter of 21 August 2017, you have "ordered" our client that due to the failure to pay royalties in terms of the agreement (which agreement has not been signed by our client), our client's business operations are to stop.

We place on record that such order or instructions as contained in your aforementioned letter is unlawful, and that you do not have such powers to order the closure of a legitimate business operating in the communal areas, be in under the Communal Land Reform Act and or the Traditional Authorities Act.

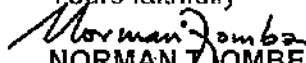
Our instructions are further that you have been demanding the payment of moneys – and in fact received several thousand Namibian dollars – from our client in exchange of it operating its business in the communal area. We consider such demands and receipt of such moneys as a violation of the Anti-Corruption Act of Namibia, and we shall accordingly make the necessary complaints to the Anti-Corruption Commission of Namibia for further investigation.

We are further instructed that should you persist in your unlawful actions, our client will not hesitate to approach the High Court of Namibia for an appropriate order, including a costs order against you personally. Further, we understand that you have demanded that our client attend a meeting at your office to discuss our client's refusal to enter into an agreement with you on the terms as set out in the memorandum of agreement presented to our client. We expressly inform you herewith that our client will not attend the said meeting, and any further correspondence must be addressed to our office.

Also, our client will not make any further payments to you pending you providing us with the basis on which you are entitled to such payments.

We trust that the above is in order.

Yours faithfully


NORMAN TJOMBE
TJOMBE-ELAGO INC.



**MBUKUSHU DISTRICT
KAVANGO REGION**

LEASE AGREEMENT
(For business or project purposes)



**THE HAMBUKUSHU TRADITIONAL AUTHORITY
MBUKUSHU DISTRICT
KAVANGO REGION**

MEMORANDUM OF AGREEMENT ENTERED INTO AND BETWEEN

(Herein after called the "Lessor")

AND

.....

.....

MARITAL STATUS.....

ADDRESS.....

(Herein after called the" lessee)

Permission is hereby granted to occupy THE PIECE OF LAND (STAND) known as
.....situated at.....

In the District of MBUKUSHU For the purpose of

Glossary

1. H.T.A : Hambukushu Traditional Authority
2. MBUKUSHU LAND/ DISTRICT: the land (area) of jurisdiction of the Hambukushu
3. LEASE AGREEMENT : memorandum of understanding between the two parties
4. EXCLUSIVE AREA : the restricted areas where business are not allowed to operate e.g. island, lake, river (special permit to be applied for) etc

The rights, privileges, duties and obligations of the holder and any right in or over the allotment shall be determined and exercised in accordance with the Hambukushu Traditional Authority and special conditions and with such rules, regulations or laws as already or may be in force and in MBUKUSHU DISTRICT in which the allotment is situated.

Subject to the amendments of the said conditions, rules, regulations or laws, this permission is issued subject to the following conditions:

Business Background

Business Profile & Curriculum Vitae (CV)

- Any applicant who shall acquire a business plot (piece of land), to conduct a Business in Hambukushu land is entitled to provide a business profile.
- Any applicant will be advised to provide Curriculum (CV) that will include ID, Birth Certificate, Qualification and previous experience (3/5 years).

1. DURATION OF LEASE

- The Tour operator shall have the right to occupy the land for first period of eight years (8), commencing on the date, signing and renewal of after eight (8) years.
- And any Tour operator within the Hambukushu land (area) of jurisdiction is entitled to pay a monthly levy to the Hambukushu trust fund

The following right to occupation shall be for a period ofyears, commencing on theday of20..... And terminating on theday of20....., unless otherwise agreed in terms upon in clause 1.1 hereunder.

1.1 The holder(s) shall have the option BUT NOT THE RIGHT to renew the permit to occupy for further period of at least 5 (FIVE) years reckoned from date of termination.

1.2 Should the option be exercised in terms of clause 1.1 hereof, royal escalation of such further period shall be in accordance with the provision of clause 7 hereunder.

2. PERMISSION TO OCCUPY AND THE RIGHTS

Ownership is based on permission to occupy right, which means that the LAND REMAINS THE IMMOVABLE FIXED ASSETS OF THE HAMBUKUSHU COMMUNITY, and in ALL accommodation establishments a local person or the community shall become share holders in partnership with the developer or investor. The percentage should be pegged at 50/50

THE LESSEE HAVE ONLY THE LEASE RIGHT FOR THE PERIOD AGREED ABOVE.

3. TRANSFER AND SUBLETTING

The LESSEE shall not have the right to transfer this agreement to a tenant or his successor in the title, or sublet any portion of the allocated land to any person, unless he has obtained the written permission from the HAMBUKUSHU TRADITIONAL AUTHORITY. It is specifically recorded that the premises (Land) is Let to the Lessee and he may not sublet same to any other third party.

4. WHEN SELLING THE PROPERTIES ON THE LAND

When selling the assets and properties on the land, being immovable (fixed) assets or movable properties, the first option to purchase thereof should be given to the Lessor for 10% discount of the costs price. The selling price must be equivalent to the average from two sworn valuers, one to be appointed by the Lessor and the other by the Lessee at his costs. If the properties are sold to other person other than the Lessor, 10% of the selling price will be paid to the Hambukushu Traditional Authority by the Lessee.

5. ACCESS TO PREMISES

The Lessor or any person authorized in writing to do so, shall at all reasonable times have the right to enter the premises to INSPECT the allotment and any building there for the purposes of ensuring compliance by the Lessee.

6. DECLARATION OF INTEND

For the duration of this right of occupation the allotment at
.....(name of the village/place) shall be used solely for the purpose of
.....and NO OTHER PURPOSE
without prior written consent having been obtained from the HAMBUKUSHU TRADITIONAL
AUTHORITY.

7. ROYALTY

The Royalty shall be the sum of NS per month, payable in advance on or before end of the month. All rates (royalties) in this agreement are subject to revision by the Lessor, and any amendments thereto shall be made known by means of written notice given at least 1 (ONE) month before coming into force.

8. COMPLIANCE WITH THE LAWS

All rates and taxes, licence fees, or any income accrued to the government of the Republic of Namibia shall be paid by the Lessee himself.

The Lessee shall not contravene or permit the contravention of any of the conditions of title under which the premises (Land) is being Let by the Hambukushu Traditional Authority laws relating to natural resources.

Retailers (shop)

- Any shop owner within the Hambukushu land (area) jurisdiction is entitled to pay a monthly levy of To the Hambukushu Trust Fund.

9. BEACONS

The Lessee shall keep in good order at his/her own expenses the boundaries of the allotment and the Lessor shall have the RIGHT at any time to call upon the Lessee to effect or replace the dilapidated or damaged beacons.

Exclusive areas.

All applicants are entitled to operate within demarcated area and shall not be allowed to conduct his/her business beyond the boundary of his/her area of operation. And no livestock, farming, hunting of its kind may take place in the exclusive area.

10. BUILDINGS AND OTHER INFRASTRUCTURES AT THE ALLOTMENT

The Lessee shall have the Right subject to the existing building regulations and the laws, to erect such buildings as he/she may think fit for his/her own use and benefit at his/her own expense.

The Lessor shall have the authority to reallocate the premises (Land) to any interested applicant (s), should the Lessee close or abandon the premises for more than 3 (THREE) years without any business and without making any arrangement in writing regarding his/her future plans with the Lessor.

Buildings and infrastructures that are left idling at such premises (Land) shall be sold at a reasonable price by the Traditional Authority on behalf of the Lessee.

11. EMPLOYEES ON THE PREMISES (ALLOTMENT)

The employees shall have the rights to freedom including the right to join trade unions. This right extends to agriculture, domestic servants and all other economic sectors.

Guarantees of their constitutional rights

Normalization of relationship between the employer and employees

The employment shall be give to local people from Hambukushu community, except the position which acquires skill and knowledge and shall train the local for a period of two (2) years, for them to run the management.

The local people (Namibians) should be given preference when employing or recruiting people.

12. AMENDMENTS

-The Lessor shall have the right to amend any of the condition of this AGREEMENT, or to lay new conditions should public interest demand it, after having given the Lessee 1 (ONE) month written notice of his/her intent.

-All dispute may arise between the two parties, will be addressed to the line Hambukushu Traditional Authority for final resolution and no other parties will be allowed to seek any neutral board to interfere.

13. CANCELLATION/BREACH OF CONTRACT

This agreement may be cancelled in the event the Lessee:

13.1. Waives his/her right to let the premises (Land) in writing;

13.2. He/she has obtained the Lease and documents in a deceptive manner or under false pretenses;

13.3. He/she has failed to pay the royalties or any other fees for a period of 3 months to the Traditional Authority in terms of this agreement.

13.4. He/she is in breach of any condition of this agreement after him/her has been notified in writing.

13.5. He/she does not use the premises (Land) for BONA FIDE trade purpose stated in the agreement for an uninterrupted period of 2 (TWO) years.

13.6. He/she has cancelled or failed to sign a written partnership agreement with the local Mbukushu person or the community.

13.7. He/she failed to submit and make a full business plan and presentation with a comprehensive EIA to the Hambukushu Traditional Authority.

1. The plan should include all of the below and more
2. An ethos commitment statement – this to evaluate what kind of people we are dealing with and whether or not they will fit into the Hambukushu way of life.
3. Financial capacity balance sheet
4. Guarantees that they have the financial capacity to complete the project as submitted.
5. Marketing plan & strategy and financial commitment to this aspect
6. Knowledge of community social norms and commitment to abide by these norms
7. Labour practices
8. Environmental commitments
9. Employment commitment
10. Profit sharing
11. Respect for other lodge staff employees and not stealing
12. Staff training
13. Other previous experience in all aspects as above
14. A comprehensive CV of the applicant and his company and ALL the Directors or shareholders
15. Police fitness certificate

14. ADDRESS

14.1. The domicilium citandi et excutandi of the Lessor shall be HAMBUKUSHU TRADITIONAL AUTHORITY CENTRE (MUKWE OFFICE), KAVANGO EAST of RUNDU and all royalties, levies and deposits shall be payable at this address.

14.2. The domicilium citandi et excutandi of the Lessee shall be.....
.....

This was done and approved at (state place) on..... day of20.....by or on behalf of the Lessee in the presence of the undersigned witnesses.

AS WITNESSES

1.....

2.....

LESSEE

AND on behalf of the **LESSOR**

On thisday of20.....at **MUKWE OFFICE**

HAMBUKUSHU TRADITIONAL AUTHORITY

.....

FUMU



HAMBUKUSHU TRADITIONAL AUTHORITY

Hambukushu Traditional Authority

P.O.BOX 2230 Rundu

Kavango East

August 21, 2017

Att; Mr. Jan Louw

P.O.Box 302

Rundu.

The Hambukushu Traditional Authority is hereby bringing to your Attention that, you have been operating the crusher at Kangongo, here in Mbukushu District for two (2) years now without Lease Agreement.

In accordance with the Hambukushu Traditional Authority regulations .you could have entered into and signed Lease Agreement with this Authority. It also came to our attention that you have defaulted on your 10% contribution to the Traditional Authority.

In accordance with clause 13.3 we quote; that he/she has failed to pay royalties or any other fees for a period of three (3) Months to the Traditional Authority in terms of this Agreement you are informed that operation of crusher is stopped.

Thanks for Cooperation

CC: Tulio Van Der Merwe Parreira (Sakka Electric)

Hambukushu Traditional Authority



Fumu Erwin Mbambo Munika.

HAMBUKUSHU TRADITIONAL AUTHORITY
FUMU ERWIN MUNIKA MBAMBO

07 SEP 2017

P / BAG 2230, RUNDU
TELL: (066) 258 303
CELL: 081 790 5779
KAVANGO REGION
REPUBLIC OF NAMIBIA

You have been granted the authority to...
In accordance with the Hambukushu Traditional Authority...
In accordance with clause 1.3...
Thanks for cooperation...
CC: Tjiba Vata Sar Marwa Patreica