

LOAN AGREEMENT

10478 / 102

in respect of

CERES URBAN INFRASTRUCTURE

Entered into by and between

CERES MUNICIPALITY

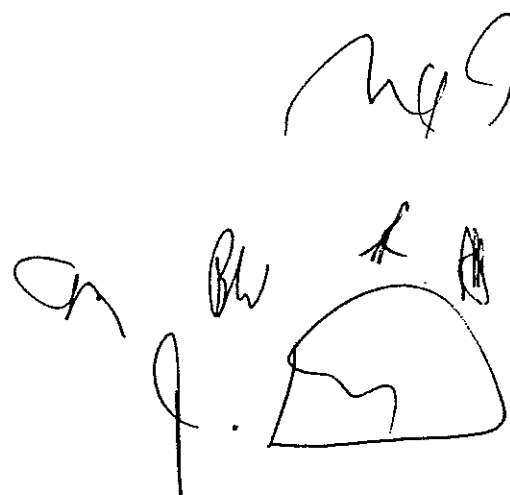
and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA

[Handwritten signatures and initials]

TABLE OF CONTENTS

| | | <u>PAGE</u> |
|--------------------|--|-------------|
| MEMORANDUM OF LOAN | | 1 |
| CLAUSE 1 | DEFINITIONS AND HEADINGS | 2 |
| CLAUSE 2 | PROJECT CO-OPERATION | 3 |
| CLAUSE 3 | THE LOAN | 7 |
| CLAUSE 4 | INTEREST | 9 |
| CLAUSE 5 | PAYMENTS | 9 |
| CLAUSE 6 | ON-LENDING | 10 |
| CLAUSE 7 | ACCELERATION OF MATURITY AND | |
| <hr/> | | |
| CLAUSE 8 | SUSPENSION AND TERMINATION | 11 |
| CLAUSE 9 | VALIDITY OF AGREEMENT: ARBITRATION | 12 |
| CLAUSE 10 | GENERAL | 13 |
| | 10.1 Notices | |
| | 10.2 Amendments | |
| | 10.3 Non-enforcement | |
| | 10.4 Entire agreement | |
| CLAUSE 11 | SUSPENSIVE CONDITION | 14 |
| CLAUSE 12 | FURTHER TERM AND CONDITION | 14 |
| ANNEXURE A | PROJECT DESCRIPTION | 16 |
| ANNEXURE B | APPLICATION AND SOURCE OF FUNDS; TERMS AND CONDITIONS OF DISBURSEMENT | |
| ANNEXURE C | LIST OF CONSULTANTS AND CONTRACTORS ALREADY APPOINTED | |
| ANNEXURE D | AUTHORISATION - BORROWER | |
| ANNEXURE E | AUTHORISATION - DBSA | |



SUMMARY

1. LOAN AMOUNT : R7 696 000
 2. LOAN PERIOD : 20 years
 3. INTEREST RATE : 12 per centum per annum
 4. GRACE PERIOD END
-

5. CAPITALISATION OF INTEREST: 1 year

6. CAPITAL REPAYMENT AND PAYMENT OF INTEREST : 38 equal six-monthly instalments, commencing on the last day of the 3rd Half-year after the Half-year during which the first disbursement was advanced to the Borrower.

7. PROJECT FILE NO. : LS10478

Handwritten signatures and initials in the bottom right corner of the page. There are several distinct marks, including what appears to be a large signature and some smaller initials.

MEMORANDUM OF LOAN AGREEMENT

in respect of

CERES URBAN INFRASTRUCTURE

Entered into by and between

CERES MUNICIPALITY

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA

In fulfillment of the role of the Development Bank of Southern Africa to support development in Southern Africa, it is hereby agreed as follows:

Handwritten signatures and initials in black ink. There are several distinct marks, including what appears to be a large signature on the right, and several smaller initials or marks below it, including 'OP', 'BW', and a large stylized signature.

1. DEFINITIONS AND HEADINGS

1.1 In this agreement, unless the contrary appears from the context, the following words have the meanings as stated -

1.1.1 "Borrower" Ceres Municipality;

1.1.2 "DBSA" the Development Bank of Southern Africa, established in terms of an agreement (hereinafter referred to as the "Establishment Agreement") signed at Cape Town on 20 June 1992.

1.1.3 "Parties" the Borrower and DBSA;

1.1.4 "Project" Ceres Urban Infrastructure, as described in more detail in Annexure A attached hereto;

1.1.5 "Loan" the financing granted to the Borrower in terms of clause 3;

1.1.6 "On-Lending" the transfer of any amounts by the Borrower to third parties out of the proceeds of the Loan, excluding payments for the procurement of goods and services;

1.1.7 "Project Agent" a person nominated in writing by the Borrower to act on its behalf in respect of the Project;

1.1.8 "Half-year" from the first day of April to the 30th day of September and/or from the first day of October to the 31st day of March during the next calendar year.

1.2 Headings to the clauses of this agreement, the table of contents and summary are for reference purposes only and do not form part of this agreement.

2. PROJECT CO-OPERATION

2.1 To ensure that the purposes of the Loan are accomplished the Parties shall:

2.1.1 periodically and at the request of either Party:

2.1.1.1 exchange views with regard to the progress of the Project, the benefits derived therefrom and the performance of their respective obligations under this agreement as well as other matters relating to the purposes of the Loan; and

2.1.1.2 furnish each other with all such information as may be reasonably requested with

general status of the Loan;

2.1.2 promptly inform each other of any fact which interferes with, or threatens to interfere with, the progress of the Project, the accomplishment of the purposes of the Loan, any related matter, and in particular the performance by either Party of its obligations under this agreement;

2.1.3 jointly determine the technical, financial and organisational requirements in respect of planning, management and control of the Project in order to ensure the efficient and effective execution and maintenance of the Project and related matters; and

2.1.4 jointly determine the criteria to be taken into consideration when awarding contracts for items and services to be financed by the Loan, bearing in mind that preference shall be given to the involvement of natural persons and bodies corporate respectively resident and registered in South Africa.

2.2 The Borrower shall:

2.2.1 grant representatives of DBSA the opportunities reasonably necessary to visit any relevant area for purposes related to the Loan;

2.2.2 in addition to the amount made available in terms of this agreement, be responsible for the provision of all other funds necessary for the successful execution of the Project as set out in Annexure B, including funds to be supplied by third parties as reflected in that Annexure;

2.2.3 be responsible for the management and maintenance of the Project, including

when reasonably necessary;

2.2.4 with regard to the procurement of goods and services for the Project, in consultation with DBSA, invite participation in tender or quotation procedures on equal terms from natural persons and bodies corporate respectively resident and registered in South Africa and, unless otherwise agreed to by the Parties, follow the following procedures in respect of tenders and quotations:

2.2.4.1 tender documents or invitations for quotations shall be drawn up in consultation with DBSA's project team and ratified by DBSA;

2.2.4.2 the tenders and quotations shall be invited and, after completion of the steps described in clause 2.2.4.4, adjudicated by the Tender Board, or other responsible body, of the Borrower;

2.2.4.3 open tenders shall be open to all interested parties falling within the description contained in clause 2.2.4, and it shall not necessarily be a pre-requisite that the tenderer be a member of any particular association;

Handwritten signatures and initials are present at the bottom right of the page, including a large signature, the initials "CIP", "BW", and "A", and a large scribble.

2.2.4.4 after consultation with and formal ratification by DBSA, the evaluation and recommendation for appointment of a tenderer shall be submitted to the Borrower's Tender Board or other responsible body by the Project Agent. If this recommendation, in part or whole is not acceptable to the Borrower's Tender Board or other responsible body, that Board or body may make amendments, but such amendments may be implemented only after ratification by DBSA; and

2.2.4.5 strict tender procedures shall be adhered to. Where deemed necessary advice and support on possible improvements will be forthcoming from DBSA;

2.2.5 ensure that contractors to whom contracts are awarded

2.2.6 insure and keep insured at the replacement value thereof, such of its interests in the Project against such risks as may be agreed upon by the Parties;

2.2.7 maintain or cause to be maintained records adequate to identify the operations carried out by means of the Loan and furnish DBSA with all such information (e.g. progress reports) concerning the implementation of the Project;

2.2.8 submit a statement reasonably acceptable to DBSA, certified on behalf of the Borrower, reflecting the expenditure incurred against goods and services financed in respect of the Project, within 6 (six) months after the end of each financial year of the Borrower during which a drawing is made on the Loan;

2.2.9 apply the Loan in accordance with Annexure B;

2.2.10 require each contractor to whom a contract is awarded to furnish a performance guarantee acceptable to DBSA, in terms whereof the completion of such contract is guaranteed; and

Handwritten signatures and initials are present at the bottom right of the page, including "CIPM", "BW", and several other illegible signatures.

2.2.11 preserve all documents and accounting records pertaining to the Project up to the expiry of a period of 3 (three) years after completion of the Project, and shall allow DBSA at DBSA's cost at any reasonable time to have such documents and records audited by a person or persons nominated by DBSA.

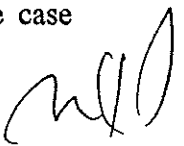

2.3 It is hereby placed on record that the consultants and contractors mentioned in Annexure C hereto have been appointed by the Borrower in respect of the Project, and are acceptable to DBSA.

2.4 Where the Parties agree that the further appointment of consultants or the revision of the brief of appointed consultants is necessary, the Borrower shall consult with DBSA.

2.4.1 Before the formal appointment of any consultant for the Project it will be necessary for the Borrower, in the person of the Project Agent and his/her supporting staff, and with the approval of DBSA, to formulate the terms of reference required for such consultant. Particular attention should be given to the following:

- a precise statement of the objectives for the assignment;
- the scope and timing of the required services;
- the inputs to be provided by the Borrower;
- particulars of the outputs (that is reports, drawings, etc.) required of the consultants; and
- identification of a specific person who will be responsible, in the case where the consultant is a firm or a company.

2.4.2 The Borrower will then prepare a short list of capable consultants to be approved by DBSA, utilising the following criteria:


 APM f BW K B


- past experience with similar projects;
- knowledge of local conditions;
- abilities and qualifications;
- membership of professional institutions;
- curriculum vitae of key personnel in the local office in the territory of the Borrower or other office of the consultant from where the work will be carried out.

2.4.3 DBSA's information on capable consultants will be made available to the Borrower for this purpose.

2.4.5 The Borrower will then appoint one of the consultants from the short list, subject to the approval of DBSA.

2.4.6 Should arrangements be made to the effect that DBSA will provide funds to remunerate any consultant, such consultant shall not be appointed without the prior written consent of DBSA.

2.5 DBSA shall use its best endeavours to make technical assistance available to the Borrower within the limits of its resources and upon such terms and conditions as agreed to by the Parties when and if the need for such assistance is identified by the Parties in terms of the provisions of clause 2.1.3 supra.

3. THE LOAN

3.1 DBSA shall lend to the Borrower on the terms and conditions set forth in this agreement an amount not exceeding in aggregate R7 696 000 (seven million six hundred and ninety six thousand Rand) at the rate of interest set forth in clause 4 hereunder.

3.2 The Loan shall be utilised exclusively for the purpose of the Project as set out in Annexure A, and the Borrower shall ensure that any provisions contained in Annexure A are complied with.

Handwritten signatures and initials are present at the bottom right of the page, including a large signature that appears to be 'J. P.' and several other initials and scribbles.

- 3.3 DBSA shall pay the Loan proceeds to and on the order of the Borrower in such disbursements and on such terms and conditions as set forth in Annexure B attached hereto.
- 3.4 The Borrower shall furnish DBSA with particulars regarding officials authorised to apply for withdrawals on its behalf.
- 3.5 The capital amount of the Loan, which shall include the interest capitalised in terms of clause 4.2 hereunder, shall be repaid, and further interest shall be paid, in 38 (thirth eight) equal six-monthly instalments commencing at the end of the 3rd (third) Half-year after the

the Loan, and thereafter at the end of each succeeding Half-year until the Loan together with interest thereon shall be fully repaid; provided that the Borrower may, with 1 (one) month written notice to DBSA, make repayments in excess of the abovementioned or repay the full amount outstanding. An instalment shall be a fixed amount, determined as at the outset of the 3rd (third) Half-year after the Half-year during which the first advance was made to the Borrower from the proceeds of the Loan, calculated as being sufficient to amortise the outstanding amount, plus interest at the rate set out in clause 4.1 hereof, in 38 (thirty eight) equal six-monthly payments. Should, at the outset of the said 3rd (third) Half-year, part of the Loan still not be drawn by the Borrower, the amount of instalments shall be adjusted as and when drawings take place, in order to achieve amortisation over the original period of the Loan.

- 3.6 The Borrower may by notice to DBSA cancel any undrawn portion(s) of the Loan provided that such cancellation shall not jeopardise the proper completion of the Project; it being understood that upon the giving of such notice the instalments referred to in clause 3.5 supra shall be reduced pro rata.
- 3.7 If DBSA reasonably concludes, after consultation with the Borrower, that any portion(s) of the Loan will not be required to finance the Project, DBSA may by notice to the Borrower terminate the right of the Borrower to make drawings in respect of such undrawn portion(s); it being understood that upon giving of such notice the instalments referred to in clause 3.5 supra shall be reduced pro rata.

3.8 If DBSA has not received a last claim for an advance under the Loan from the Borrower at the end of the 3rd (third) half year after the half year during which the first advance was made to the Borrower, DBSA may terminate further disbursements to the Borrower on 30 (thirty) days written notice to the Borrower unless DBSA, after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. DBSA shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision. A claim shall not be regarded as having been received if it is defective to such an extent that DBSA would not be obliged to make an advance in terms thereof.

4.1 The Loan shall bear interest on the amount from time to time outstanding at a rate of 12% (twelve per centum) per annum.

4.2 Interest on the amount from time to time outstanding shall be calculated at the end of each Half-year, and shall on such dates be capitalised against the Loan up to the end of the 2nd (second) Half-year after the Half-year during which the first disbursement was advanced to the Borrower from the proceeds of the Loan, which capitalised interest shall be regarded as part of the capital amount. Thereafter interest shall continue to be calculated at the end of each Half-year, and debited to the account of the Borrower.

5. PAYMENTS

5.1 All payments to or by the Parties under this agreement shall be effected in South African Rands.

5.2 All payments under this agreement to the Borrower shall be effected to the credit of such banking account(s) of the Borrower as the Borrower may from time to time direct, in writing.

5.3 All payments under this agreement to DBSA shall be effected to the credit of such banking account(s) of DBSA as DBSA may from time to time direct, in writing.

Handwritten signatures and initials are present at the bottom right of the page, including a large signature and several smaller initials.

- 5.4 Payments in terms of this agreement shall be effected without deduction for and free from any taxes, charges, fees or other costs whatsoever.
- 5.5 Whenever any payment falls due on a Saturday, Sunday or Public Holiday under the laws to which either of the Parties are subject, such payment shall be made on the next succeeding business day.
- 5.6 For purposes of the calculation of interest and repayments, any disbursement for technical assistance, previously approved and forming part of the Loan, paid out before signature of this agreement shall be deemed to have been paid out on the same date as the first

6. ON-LENDING

- 6.1 No On-Lending shall be effected unless provided for in Annexure A.

7. ACCELERATION OF MATURITY AND IMPROBABILITY OF PERFORMANCE

Should DBSA, after consultation with the Borrower, be able to show that the Borrower will probably not be in a position to perform its financial obligations in terms of this agreement, then DBSA may, after giving the Borrower 30 (thirty) days notice of its intention to do so, demand immediate repayment of all amounts owing by the Borrower in terms of this agreement.

Handwritten signatures and initials, including "JPM", "DW", and a large signature.

8. SUSPENSION AND TERMINATION

8.1 DBSA shall be entitled to suspend withdrawals from the Loan or to terminate this agreement, in the event and for so long as the Borrower fails to comply with any provision of this agreement after having given the Borrower 30 (thirty) days written notice to comply with any provision of this agreement and the Borrower thereafter continuing thus to remain in default, in which latter event the full amount owing will become payable.

8.2 The Borrower shall be entitled to terminate this agreement after having given DBSA 30 (thirty) days written notice to comply with any provision of this agreement and DBSA thereafter continuing to remain in default in which event repayments shall be effected over

respectively, in instalments reduced to the extent that the Loan amount has not been taken up in full but subject to the Borrower's rights to make payments in excess of such instalments or to repay the full amount outstanding as provided for in clause 3.5.

8.3 If any suspensive condition contained herein has not been fulfilled on expiry of the last day of the fifth month after the month during which the agreement has been concluded, then this agreement and all obligations of the Parties shall terminate, unless DBSA after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. DBSA shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision.

8.4 If DBSA has not received a first claim for an advance under the Loan from the Borrower on expiry of the last day of the fifth month after the month during which this agreement has been concluded, then this agreement and all obligations of the Parties shall terminate, unless DBSA, after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. DBSA shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision. A claim shall not be regarded as having been received if it is defective to such an extent that DBSA would not be obliged to make an advance in terms thereof.

Handwritten signatures and initials: AP, BW, X, P, and a large scribble.

9. VALIDITY OF LOAN AGREEMENT; ARBITRATION

- 9.1 Neither DBSA nor the Borrower shall be entitled to assert that any provision of this agreement is invalid or unenforceable because of any provision of the Establishment Agreement.
- 9.2 Any dispute arising out of or relating to this agreement concerning the interpretation of the terms and conditions of this agreement or of compliance by any Party with the terms/conditions of this agreement which is not resolved amicably through consultations or negotiations shall, subject to the other provisions of this clause, be settled by arbitration in terms of the Arbitration Act No. 42 of 1965, as amended from time to time; provided that a

~~regarded as a dispute for the purpose of this clause and neither Party shall therefore be obliged to refer such a claim to arbitration.~~

- 9.3 In case of arbitration a tribunal shall be composed of one arbitrator who shall be appointed by the Parties by agreement or failing such agreement, by the chairperson of the association of Arbitrators, who shall, in appointing such arbitrator, have regard to the qualifications and experience of the appointee in relation to the nature of the dispute over which he/she has to adjudicate. In case the arbitrator resigns or becomes unable to act, a successor shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator and the successor shall have all the powers and duties of his/her predecessor.
- 9.4 The arbitration shall be held at the place and in accordance with whatever procedures the arbitrator considers appropriate. In particular, the arbitrator, may, if he/she deems appropriate, conduct the arbitration in an informal and summary manner and without requiring pleadings or discovery of documents and without observing the rules of evidence. The proceedings shall be confidential and neither the Parties nor the arbitrator shall disclose to third Parties any information regarding the proceedings, the award, or settlement terms unless the parties otherwise agree in writing.
- 9.5 After the institution of arbitration proceedings the tribunal may proceed with the arbitration notwithstanding any failure, neglect or refusal of either Party to comply with the provisions hereof or to take part or to continue to take part in the arbitration proceedings. The

arbitrator shall within 30 (thirty) days of the termination of the proceedings render a final and binding written award including interest and costs, without furnishing reasons unless otherwise agreed by the Parties in writing.

9.6 The provisions of this clause may be invoked by any Party by delivering to the other party a demand, in writing, that an arbitrator be appointed to adjudicate in respect of a specified dispute.

10. GENERAL

10.1 Any notice or request to be given or made in terms of this agreement shall be in writing

addressed to the General Manager and received at:

Physical address: Development Bank of Southern Africa
Headway Hill
MIDRAND
SOUTH AFRICA; or

Postal address: P O Box 1234
HALFWAY HOUSE
1685; or

Telex number: 4-25546
SOUTH AFRICA

Telefax number: 011-3133086

and in the case of the Borrower, when addressed to the Borrower and received at the following address:

Postal address: P O Box 45¹⁴
Ceres
6835; or

Telefax number: 0233-21177

Either of the Parties shall be entitled to change the abovementioned addresses by giving notice to such effect by registered post.

- 10.2 No amendment of, or addition to this agreement shall be valid unless the same has been reduced to writing and signed by or on behalf of the Parties, with the understanding that Annexures A, B and C hereto can be changed by agreement reached through correspondence.
- 10.3 The non-enforcement of any provision of this agreement or any indulgence which either Party may grant to the other Party shall be without prejudice to the rights of such first-mentioned Party to insist upon strict compliance by such other Party with all the provisions of this agreement or to enforce its right in respect of which such indulgence was granted.
- 10.4 This contains the entire agreement between the Parties and no representations

Parties, their agents or employees, other than those herein contained, shall be binding or enforceable against them.

11. SUSPENSIVE CONDITION

The operation of this agreement is subject to the Borrower, submitting written proof that the Administrator, being a competent authority within the jurisdiction of the Provincial Government designated by the Premier of the Province of the Western Cape has been fully informed of and approves the project and the funding arrangements with regard thereto.

12. FURTHER TERM AND CONDITION

- 12.1 In the event that the Borrower succeeds in obtaining additional funds from the private sector and/or from any other source for the purpose of co-financing the Project, then this Loan shall be reduced pro rata.

Handwritten signatures and initials are present at the bottom right of the page. There are several distinct marks, including what appears to be a large signature 'MJD' and other initials like 'BW' and 'B'.

THUS DONE AND SIGNED AT Ceres ON THE 14TH DAY OF March 1996...

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
FOR AND ON BEHALF OF THE
BORROWER, DULY AUTHORISED
THERETO IN TERMS OF

HERETO

THUS DONE AND SIGNED AT Midland ON THE 19th DAY OF March 1996...

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
FOR AND ON BEHALF OF THE
DBSA, DULY AUTHORISED
THERETO IN TERMS OF
ANNEXURE E ATTACHED
HERETO

[Handwritten mark]

[Handwritten initials]

10525/104

LOAN AGREEMENT

in respect of

CERES BULK WATER AUGMENTATION SCHEME

Entered into by and between

CERES TRANSITIONAL LOCAL COUNCIL

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA

Handwritten signatures and initials, including "BW" and a large signature.

TABLE OF CONTENTSPAGE

| | | |
|--------------------|--|----|
| MEMORANDUM OF LOAN | | 1 |
| CLAUSE 1 | DEFINITIONS AND HEADINGS | 2 |
| CLAUSE 2 | PROJECT CO-OPERATION | 2 |
| CLAUSE 3 | THE LOAN | 6 |
| CLAUSE 4 | INTEREST | 6 |
| CLAUSE 5 | PAYMENTS | 7 |
| CLAUSE 6 | ON-LENDING | 7 |
| CLAUSE 7 | ACCELERATION OF MATURITY AND IMPROBABILITY OF PERFORMANCE | 7 |
| CLAUSE 8 | SUSPENSION AND TERMINATION | 7 |
| CLAUSE 9 | VALIDITY OF AGREEMENT: ARBITRATION | 8 |
| CLAUSE 10 | GENERAL | 13 |
| | 10.1 Notices | |
| | 10.2 Amendments | |
| | 10.3 Non-enforcement | |
| | 10.4 Entire agreement | |
| CLAUSE 11 | SUSPENSIVE CONDITIONS | 14 |
| CLAUSE 12 | FURTHER TERMS AND CONDITIONS | 14 |
| ANNEXURE A | PROJECT DESCRIPTION | 16 |
| ANNEXURE B | APPLICATION AND SOURCE OF FUNDS; TERMS AND CONDITIONS OF DISBURSEMENT | |
| ANNEXURE C | LIST OF CONSULTANTS AND CONTRACTORS ALREADY APPOINTED | |
| ANNEXURE D | AUTHORISATION - BORROWER | |
| ANNEXURE E | AUTHORISATION - DBSA | |

SUMMARY

1. LOAN AMOUNT : R20 950 000
2. LOAN PERIOD : 20 years
3. INTEREST RATE : 12 per centum per annum
4. GRACE PERIOD FOR
CAPITAL REPAYMENT : 2 years
5. CAPITALISATION OF INTEREST: 2 years
6. CAPITAL REPAYMENT AND
PAYMENT OF INTEREST : 36 equal six-monthly instalments, commencing on
the last day of the 5th Half-year after the Half-year
during which the first disbursement was advanced
to the Borrower.
7. PROJECT FILE NO. : Is10525

Handwritten notes and signatures in the bottom right corner, including the number 141, the initials BLW, and several illegible signatures.

MEMORANDUM OF LOAN AGREEMENT

in respect of

CERES BULK WATER AUGMENTATION SCHEME

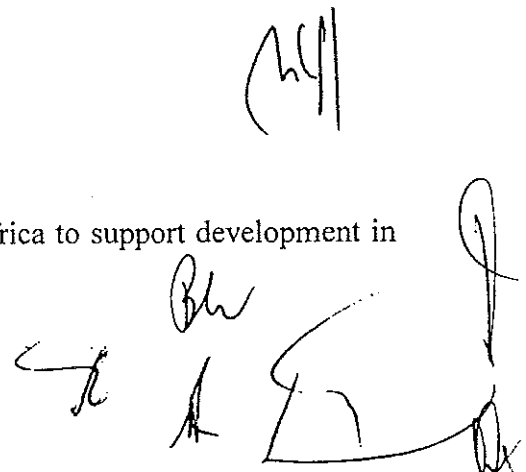
Entered into by and between

CERES TRANSITIONAL LOCAL COUNCIL

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA

In fulfillment of the role of the Development Bank of Southern Africa to support development in Southern Africa, it is hereby agreed as follows:

Handwritten signatures and initials in black ink, including a large signature at the top right and several smaller ones below.

1. DEFINITIONS AND HEADINGS

1.1 In this agreement, unless the contrary appears from the context, the following words have the meanings as stated -

- 1.1.1 "Borrower" Ceres Transitional Local Council;
- 1.1.2 "DBSA" the Development Bank of Southern Africa, established in terms of an agreement (hereinafter referred to as the "Establishment Agreement") signed at Cape Town on 30 June 1983;
- 1.1.3 "Parties" the Borrower and DBSA;
- 1.1.4 "Project" Ceres Bulk Water Augmentation Scheme, as described in more detail in Annexure A attached hereto;
- 1.1.5 "Loan" the financing granted to the Borrower in terms of clause 3;
- 1.1.6 "On-Lending" the transfer of any amounts by the Borrower to third parties out of the proceeds of the Loan, excluding payments for the procurement of goods and services;
- 1.1.7 "Project Agent" a person nominated in writing by the Borrower to act on its behalf in respect of the Project;
- 1.1.8 "Half-year" from the first day of April to the 30th day of September and/or from the first day of October to the 31st day of March during the next calendar year.

1.2 Headings to the clauses of this agreement, the table of contents and summary are for reference purposes only and do not form part of this agreement.

Handwritten signatures and initials are present at the bottom right of the page, including a large signature that appears to be 'M41' and several other smaller signatures and initials.

2. PROJECT CO-OPERATION

2.1 To ensure that the purposes of the Loan are accomplished the Parties shall:

2.1.1 periodically and at the request of either Party:

2.1.1.1 exchange views with regard to the progress of the Project, the benefits derived therefrom and the performance of their respective obligations under this agreement as well as other matters relating to the purposes of the Loan; and

2.1.1.2 furnish each other with all such information as may be reasonably requested with regard to the progress of the Project, the benefits derived therefrom and the general status of the Loan;

2.1.2 promptly inform each other of any fact which interferes with, or threatens to interfere with, the progress of the Project, the accomplishment of the purposes of the Loan, any related matter, and in particular the performance by either Party of its obligations under this agreement;

2.1.3 jointly determine the technical, financial and organisational requirements in respect of planning, management and control of the Project in order to ensure the efficient and effective execution and maintenance of the Project and related matters; and

2.1.4 jointly determine the criteria to be taken into consideration when awarding contracts for items and services to be financed by the Loan, bearing in mind that preference shall be given to the involvement of natural persons and bodies corporate respectively resident and registered in South Africa.

Handwritten signatures and initials at the bottom right of the page. There are several distinct marks, including what appears to be a signature 'G. L.', another signature 'B.W.', and a large stylized signature 'M.Y.' with a long horizontal line extending to the right. There are also some smaller initials and scribbles.

2.2 The Borrower shall:

- 2.2.1 grant representatives of DBSA the opportunities reasonably necessary to visit any relevant area for purposes related to the Loan;
- 2.2.2 in addition to the amount made available in terms of this agreement, be responsible for the provision of all other funds necessary for the successful execution of the Project as set out in Annexure B, including funds to be supplied by third parties as reflected in that Annexure;
- 2.2.3 be responsible for the management and maintenance of work carried out within the context of the Project, provided that DBSA shall be consulted in this regard when reasonably necessary;
- 2.2.4 with regard to the procurement of goods and services for the Project, in consultation with DBSA, invite participation in tender or quotation procedures on equal terms from natural persons and bodies corporate respectively resident and registered in South Africa and, unless otherwise agreed to by the Parties, follow the following procedures in respect of tenders and quotations:
- 2.2.4.1 tender documents or invitations for quotations shall be drawn up in consultation with DBSA's project team and ratified by DBSA;
- 2.2.4.2 the tenders and quotations shall be invited and, after completion of the steps described in clause 2.2.4.4, adjudicated by the Tender Board, or other responsible body, of the Borrower;
- 2.2.4.3 open tenders shall be open to all interested parties falling within the description contained in clause 2.2.4, and it shall not necessarily be a pre-requisite that the tenderer be a member of any particular association;

- 2.2.4.4 after consultation with and formal ratification by DBSA, the evaluation and recommendation for appointment of a tenderer shall be submitted to the Borrower's Tender Board or other responsible body by the Project Agent. If this recommendation, in part or whole is not acceptable to the Borrower's Tender Board or other responsible body, that Board or body may make amendments, but such amendments may be implemented only after ratification by DBSA; and
- 2.2.4.5 strict tender procedures shall be adhered to. Where deemed necessary advice and support on possible improvements will be forthcoming from DBSA;
- 2.2.5 ensure that contractors to whom contracts are awarded are insured and remain insured in terms of contractors-all-risk-insurance policies acceptable to DBSA;
- 2.2.6 insure and keep insured at the replacement value thereof, such of its interests in the Project against such risks as may be agreed upon by the Parties;
- 2.2.7 maintain or cause to be maintained records adequate to identify the operations carried out by means of the Loan and furnish DBSA with all such information (e.g. progress reports) concerning the implementation of the Project;
- 2.2.8 submit a statement reasonably acceptable to DBSA, certified on behalf of the Borrower, reflecting the expenditure incurred against goods and services financed in respect of the Project, within 6 (six) months after the end of each financial year of the Borrower during which a drawing is made on the Loan;
- 2.2.9 apply the Loan in accordance with Annexure B;
- 2.2.10 require each contractor to whom a contract is awarded to furnish a performance guarantee acceptable to DBSA, in terms whereof the completion of such contract is guaranteed; and

2.2.11 preserve all documents and accounting records pertaining to the Project up to the expiry of a period of 3 (three) years after completion of the Project, and shall allow DBSA at DBSA's cost at any reasonable time to have such documents and records audited by a person or persons nominated by DBSA.

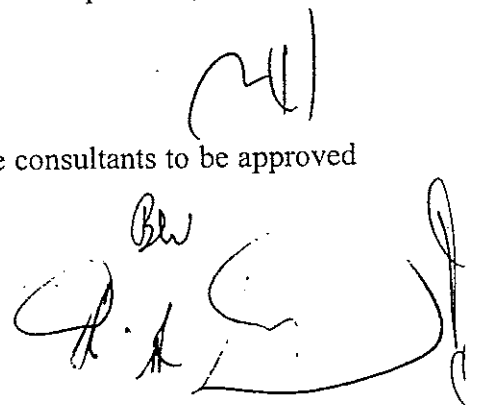
2.3 It is hereby placed on record that the consultants and contractors mentioned in Annexure C hereto have been appointed by the Borrower in respect of the Project, and are acceptable to DBSA.

2.4 Where the Parties agree that the further appointment of consultants or the revision of the brief of appointed consultants is necessary, the following procedures shall be followed unless otherwise agreed to by the Parties:

2.4.1 Before the formal appointment of any consultant for the Project it will be necessary for the Borrower, in the person of the Project Agent and his/her supporting staff, and with the approval of DBSA, to formulate the terms of reference required for such consultant. Particular attention should be given to the following:

- a precise statement of the objectives for the assignment;
- the scope and timing of the required services;
- the inputs to be provided by the Borrower;
- particulars of the outputs (that is reports, drawings, etc) required of the consultants; and
- identification of a specific person who will be responsible, in the case where the consultant is a firm or a company.

2.4.2 The Borrower will then prepare a short list of capable consultants to be approved by DBSA, utilising the following criteria:

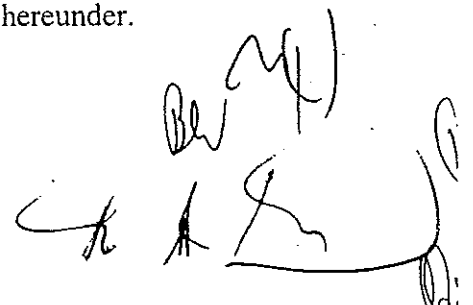


- past experience with similar projects;
- knowledge of local conditions;
- abilities and qualifications;
- membership of professional institutions;
- curriculum vitae of key personnel in the local office in the territory of the Borrower or other office of the consultant from where the work will be carried out.

- 2.4.3 DBSA's information on capable consultants will be made available to the Borrower for this purpose.
- 2.4.4 The short list shall include a cost estimate of the services to be provided.
- 2.4.5 The Borrower will then appoint one of the consultants from the short list, subject to the approval of DBSA.
- 2.4.6 Should arrangements be made to the effect that DBSA will provide funds to remunerate any consultant, such consultant shall not be appointed without the prior written consent of DBSA.
- 2.5 DBSA shall use its best endeavours to make technical assistance available to the Borrower within the limits of its resources and upon such terms and conditions as agreed to by the Parties when and if the need for such assistance is identified by the Parties in terms of the provisions of clause 2.1.3 supra.

3. THE LOAN

- 3.1 DBSA shall lend to the Borrower on the terms and conditions set forth in this agreement an amount not exceeding in aggregate R20 950 000 (twenty million nine hundred and fifty thousand Rand) at the rate of interest set forth in clause 4 hereunder.



- 3.2 The Loan shall be utilised exclusively for the purpose of the Project as set out in Annexure A, and the Borrower shall ensure that any provisions contained in Annexure A are complied with.
- 3.3 DBSA shall pay the Loan proceeds to and on the order of the Borrower in such disbursements and on such terms and conditions as set forth in Annexure B attached hereto.
- 3.4 The Borrower shall furnish DBSA with particulars regarding officials authorised to apply for withdrawals on its behalf.
- 3.5 The capital amount of the Loan, which shall include the interest capitalised in terms of clause 4.2 hereunder, shall be repaid, and further interest shall be paid, in 36 (thirty six) equal six-monthly instalments, commencing at the end of the 5th (fifth) Half-year after the Half-year during which the first advance was made to the Borrower from the proceeds of the Loan, and thereafter at the end of each succeeding Half-year until the Loan together with interest thereon shall be fully repaid; provided that the Borrower may, with 1 (one) month written notice to DBSA, make repayments in excess of the abovementioned or repay the full amount outstanding. An instalment shall be a fixed amount, determined as at the outset of the 5th (fifth) Half-year after the Half-year during which the first advance was made to the Borrower from the proceeds of the Loan, calculated as being sufficient to amortise the outstanding amount, plus interest at the rate set out in clause 4.1 hereof, in 36 (thirty six) equal six-monthly payments. Should, at the outset of the said 5th (fifth) Half-year, part of the Loan still not be drawn by the Borrower, the amount of instalments shall be adjusted as and when drawings take place, in order to achieve amortisation over the original period of the Loan.
- 3.6 The Borrower may by notice to DBSA cancel any undrawn portion(s) of the Loan provided that such cancellation shall not jeopardise the proper completion of the Project; it being understood that upon the giving of such notice the instalments referred to in clause 3.5 supra shall be reduced pro rata.
- 3.7 If DBSA reasonably concludes, after consultation with the Borrower, that any portion(s) of the Loan will not be required to finance the Project, DBSA may by notice to the

(24)

BW S. A. S.

Borrower terminate the right of the Borrower to make drawings in respect of such undrawn portion(s); it being understood that upon giving of such notice the instalments referred to in clause 3.5 supra shall be reduced pro rata.

- 3.8 If DBSA has not received a last claim for an advance under the Loan from the Borrower at the end of the 5th (fifth) half year after the half year during which the first advance was made to the Borrower, DBSA may terminate further disbursements to the Borrower on 30 (thirty) days written notice to the Borrower unless DBSA, after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. DBSA shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision. A claim shall not be regarded as having been received if it is defective to such an extent that DBSA would not be obliged to make an advance in terms thereof.

4. INTEREST

- 4.1 The Loan shall bear interest on the amount from time to time outstanding at a rate of 12% (twelve per centum) per annum.
- 4.2 Interest on the amount from time to time outstanding shall be calculated at the end of each Half-year, and shall on such dates be capitalised against the Loan up to the end of the 4th (fourth) Half-year after the Half-year during which the first disbursement was advanced to the Borrower from the proceeds of the Loan, which capitalised interest shall be regarded as part of the capital amount. Thereafter interest shall continue to be calculated at the end of each Half-year, and debited to the account of the Borrower.

5. PAYMENTS

- 5.1 All payments to or by the Parties under this agreement shall be effected in South African Rands.
- 5.2 All payments under this agreement to the Borrower shall be effected to the credit of such banking account(s) of the Borrower as the Borrower may from time to time direct, in writing.

(Handwritten signatures and initials)

- 5.3 All payments under this agreement to DBSA shall be effected to the credit of such banking account(s) of DBSA as DBSA may from time to time direct, in writing.
- 5.4 Payments in terms of this agreement shall be effected without deduction for and free from any taxes, charges, fees or other costs whatsoever.
- 5.5 Whenever any payment falls due on a Saturday, Sunday or Public Holiday under the laws to which either of the Parties are subject, such payment shall be made on the next succeeding business day.
- 5.6 For purposes of the calculation of interest and repayments, any disbursement for technical assistance, previously approved and forming part of the Loan, paid out before signature of this agreement, shall be deemed to have been paid out on the same date as the first disbursement after signature hereof.

6. ON-LENDING

- 6.1 No On-Lending shall be effected unless provided for in Annexure A.

7. ACCELERATION OF MATURITY AND IMPROBABILITY OF PERFORMANCE

Should DBSA, after consultation with the Borrower, be able to show that the Borrower will probably not be in a position to perform its financial obligations in terms of this agreement, then DBSA may, after giving the Borrower 30 (thirty) days notice of its intention to do so, demand immediate repayment of all amounts owing by the Borrower in terms of this agreement.

Handwritten signatures and initials are present at the bottom right of the page. There are several distinct marks, including what appears to be a signature 'BW' on the left, and several other scribbled-out or partially legible signatures and initials to the right.

8. SUSPENSION AND TERMINATION

- 8.1 DBSA shall be entitled to suspend withdrawals from the Loan or to terminate this agreement, in the event and for so long as the Borrower fails to comply with any provision of this agreement after having given the Borrower 30 (thirty) days written notice to comply with any provision of this agreement and the Borrower thereafter continuing thus to remain in default, in which latter event the full amount owing will become payable.
- 8.2 The Borrower shall be entitled to terminate this agreement after having given DBSA 30 (thirty) days written notice to comply with any provision of this agreement and DBSA thereafter continuing to remain in default, in which event repayments shall be effected over the same period and at the same interest rate as referred to in clauses 3.5 and 4.1 above respectively, in instalments reduced to the extent that the Loan amount has not been taken up in full but subject to the Borrower's rights to make payments in excess of such instalments or to repay the full amount outstanding as provided for in clause 3.5.
- 8.3 If any suspensive condition contained herein has not been fulfilled on expiry of the last day of the fifth month after the month during which the agreement has been concluded, then this agreement and all obligations of the Parties shall terminate, unless DBSA after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. DBSA shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision.
- 8.4 If DBSA has not received a first claim for an advance under the Loan from the Borrower on expiry of the last day of the fifth month after the month during which this agreement has been concluded, then this agreement and all obligations of the Parties shall terminate, unless DBSA, after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. DBSA shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision. A claim shall not be regarded as having been received if it is defective to such an extent that DBSA would not be obliged to make an advance in terms thereof.

Handwritten signatures and initials in black ink, including a large signature that appears to be 'S. A. S.', a signature that looks like 'BW', and several other initials and scribbles.

9. VALIDITY OF LOAN AGREEMENT; ARBITRATION

- 9.1 Neither DBSA nor the Borrower shall be entitled to assert that any provision of this agreement is invalid or unenforceable because of any provision of the Establishment Agreement.
- 9.2 Any dispute arising out of or relating to this agreement concerning the interpretation of the terms and conditions of this agreement or of compliance by any Party with the terms/conditions of this agreement which is not resolved amicably through consultations or negotiations shall, subject to the other provisions of this clause, be settled by arbitration in terms of the Arbitration Act No. 42 of 1965, as amended from time to time; provided that a claim by DBSA for the repayment of any monies due under the loan agreement shall not be regarded as a dispute for the purpose of this clause and neither Party shall therefore be obliged to refer such a claim to arbitration.
- 9.3 In case of arbitration a tribunal shall be composed of one arbitrator who shall be appointed by the Parties by agreement or failing such agreement, by the chairperson of the association of Arbitrators, who shall, in appointing such arbitrator, have regard to the qualifications and experience of the appointee in relation to the nature of the dispute over which he/she has to adjudicate. In case the arbitrator resigns or becomes unable to act, a successor shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator and the successor shall have all the powers and duties of his/her predecessor.
- 9.4 The arbitration shall be held at the place and in accordance with whatever procedures the arbitrator considers appropriate. In particular, the arbitrator, may, if he/she deems appropriate, conduct the arbitration in an informal and summary manner and without requiring pleadings or discovery of documents and without observing the rules of evidence. The proceedings shall be confidential and neither the Parties nor the arbitrator shall disclose to third Parties any information regarding the proceedings, the award, or settlement terms unless the parties otherwise agree in writing.
- 9.5 After the institution of arbitration proceedings the tribunal may proceed with the arbitration notwithstanding any failure, neglect or refusal of either Party to comply with the provisions

Handwritten signatures and initials are present at the bottom right of the page, including a large signature that appears to be 'J. J. J.' and other smaller initials.

hereof or to take part or to continue to take part in the arbitration proceedings. The arbitrator shall within 30 (thirty) days of the termination of the proceedings render a final and binding written award including interest and costs, without furnishing reasons unless otherwise agreed by the Parties in writing.

9.6 The provisions of this clause may be invoked by any Party by delivering to the other party a demand, in writing, that an arbitrator be appointed to adjudicate in respect of a specified dispute.

10. GENERAL

10.1 Any notice or request to be given or made in terms of this agreement shall be in writing and shall be deemed to have been duly given or made when in the case of DBSA, addressed to the General Manager and received at:

Physical address: Development Bank of Southern Africa
Headway Hill
MIDRAND
SOUTH AFRICA; or

Postal address: P O Box 1234
HALFWAY HOUSE
1685; or

Telex number: 4-25546
SOUTH AFRICA

Telefax number: 011-3133086

and in the case of the Borrower, when addressed to the Borrower and received at the following address:

Postal address: P O Box 44
CERES
6835; or

Telefax number: 0233-21965

Either of the Parties shall be entitled to change the abovementioned addresses by giving notice to such effect by registered post.

Either of the Parties shall be entitled to change the abovementioned addresses by giving notice to such effect by registered post.

10.2 No amendment of, or addition to this agreement shall be valid unless the same has been reduced to writing and signed by or on behalf of the Parties, with the understanding that Annexures A, B and C hereto can be changed by agreement reached through correspondence.

10.3 The non-enforcement of any provision of this agreement or any indulgence which either Party may grant to the other Party shall be without prejudice to the rights of such first-mentioned Party to insist upon strict compliance by such other Party with all the provisions of this agreement or to enforce its right in respect of which such indulgence was granted.

10.4 This contains the entire agreement between the Parties and no representations, warranties, undertakings or promises of whatever nature which may have been made by any of the Parties, their agents or employees, other than those herein contained, shall be binding or enforceable against them.

11. SUSPENSIVE CONDITIONS

The operation of this agreement is subject:

11.1 to the Borrower submitting written proof to DBSA that:

11.1.1 the Provincial Government of the Western Cape is fully informed of the wording of this agreement and that it is in support of the Project;

11.1.2 the Administrator being a competent authority within the jurisdiction of the Provincial Government designated by the Premier of the Province, is fully informed of and approves the Project and the funding arrangements with regard thereto;

11.1.3 permits required in terms of the Water Act No 54 of 1956 have been issued;

11.1.4 the Department of Water Affairs approved the Project and the funding arrangements to be made by Koekedouw Irrigation Board(KIB) with regard thereto in terms of the Water Act;

Handwritten signatures and initials at the bottom right of the page, including 'BW', 'ML', and 'KIB'.

- 1.1.5 the Department of Environmental Affairs approved the environmental aspects of the Project;
- 1.1.6 it has entered into a financial resource agreement or otherwise procured funds for its contribution;
- 1.1.7 KIB has entered into a financial resource agreement or otherwise procured funds for its contribution;
- 1.2 the Borrower submitting an agreement to DBSA between it and KIB wherein provision is inter alia made for the construction, maintenance and management of the Project, including procedures which would ensure that the benefits of concessionary funding are passed on to the targeted consumers;
- 1.3 DBSA is satisfied with the institutional capacity in respect of the Control Body, as more fully set out in Annexure A; and
- 1.4 KIB enters into a loan agreement with DBSA for the amount of R6 150 000 in respect of the Project.

2. FURTHER TERMS AND CONDITIONS

- 2.1 Should any material amendment or deviation of the joint venture agreement occur, which, in the opinion of DBSA, materially disrupts the institutional or financial arrangements of the Project, then DBSA shall have the right to terminate this agreement by giving the Borrower 30 days written notice of its intention to do so. In this event the Borrower shall immediately repay the Loan after the expiry of this notice period.
- 2.2 Should any material deviations of the integrated environmental management plan occur, DBSA shall have the right to halt the Project until the issue has been resolved and alternative arrangements have been made, however, notwithstanding the foregoing, DBSA shall have the right to terminate this agreement by giving the Borrower 30 days written notice of its intention to do so. In this event the Borrower shall immediately repay the Loan after the expiry of this notice period.
- 2. The Borrower hereby agrees to immediately pay to DBSA amounts received by the Borrower in the form of subsidies or other amounts which can be/or are applied towards the costs of the Project. Amounts so received shall be utilised towards the reduction of the Loan and the instalments referred to in clause 3.5 supra shall be reduced pro rata. In the event that such amounts are received prior to the final disbursement of the loan to the Borrower, the provisions of clause 3.7 will become applicable
- 2.4 The Borrower hereby agrees to establish a water tariff stabilisation fund immediately to operate during Project implementation.
- 2.5 DBSA reserves the right during the period of this agreement to investigate different methods for securing repayment of the Loan including the possible cession of water rights vesting in the Borrower to DBSA and the Borrower agrees to provide such security in the event that this is required by DBSA.

Handwritten signatures and initials at the bottom right of the page, including a large signature that appears to be 'M. H. H.' and other initials.

THUS DONE AND SIGNED AT CERES ON THE 16 DAY OF May 1996

AS WITNESSES:

- 1. [Signature]
- 2. Kausburg

[Signature]

FOR AND ON BEHALF OF THE
BORROWER, DULY AUTHORISED
THERE TO IN TERMS OF
ANNEXURE D ATTACHED
HERETO

THUS DONE AND SIGNED AT Milrand ON THE 20 DAY OF May 1996

AS WITNESSES:

- 1. Bernard Wessie
- 2. [Signature]

[Signature]

FOR AND ON BEHALF OF THE
DBSA, DULY AUTHORISED
THERE TO IN TERMS OF
ANNEXURE E ATTACHED
HERETO

[Handwritten mark]

Duplicate Original

Draft 1 (Edition 1) 18 May 1998
Document: LS10525d

AMENDMENT TO LOAN AGREEMENT

in respect of

CERES BULK WATER AUGMENTATION SCHEME

entered into by and between

CERES TRANSITIONAL LOCAL COUNCIL

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

BW

J. M. D. - led

Handwritten signatures and initials, including a large circular mark and several scribbled lines.

1. DEFINITIONS AND HEADINGS

1.1 In this Amending Agreement, unless the contrary appears from the context, the following words shall have the meanings, as stated, below:-

- 1.1.1 "this Amending Agreement" this Amending Agreement and any Annexures hereto;
- 1.1.2 "the Loan Agreement" the written agreement concluded by and between the Parties on 20 May 1996;
- 1.1.3 "the Addendum" the written Addendum concluded by and between the Parties on 18 June 1997, whereby the Loan Agreement was amended.

1.2 All words, phrases and meanings in the Loan Agreement and Addendum shall bear the same meanings in this Amending Agreement.

2. BACKGROUND

- 2.1 The Parties have concluded the Loan Agreement and the Addendum.
- 2.2 The Parties desire to further amend the Loan Agreement and desire that this amendment shall be contained in this Amending Agreement.

3. AGREEMENT

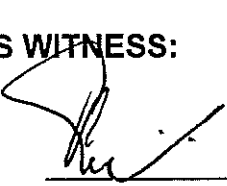
- 3.1 The Addendum is, hereby, deleted in its entirety.
- 3.2 The Parties, hereby, agree that, in substitution therefor, the Loan Agreement is, hereby, amended, which said amendments are set out in Annexure I and Annexure II.
- 3.3 Save for the changes contained in this Amending Agreement, the Loan Agreement shall remain unaltered.

Handwritten signatures and initials, including a large signature that appears to be 'D. J. ...' and other initials like 'Bh' and 'A'.

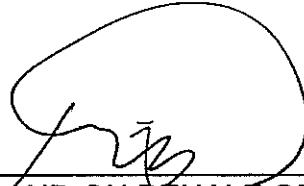
SIGNED at Ceres on the 2 day of June 1998.

AS WITNESS:

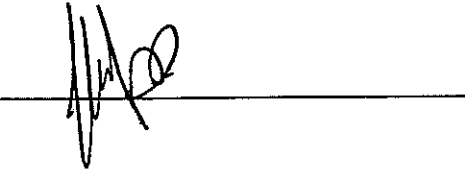
1.



FOR AND ON BEHALF OF THE
BORROWER, DULY AUTHORISED
THERETO, IN TERMS OF THE
AUTHORITY ATTACHED, HERETO.



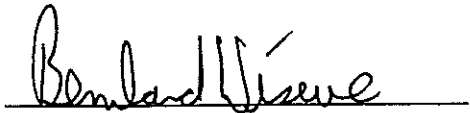
2.



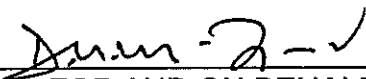
SIGNED at Midrand on the 9th day of June 1998.

AS WITNESS:

1.



FOR AND ON BEHALF OF THE DBSA,
DULY AUTHORISED THERETO, IN
TERMS OF THE AUTHORITY
ATTACHED, HERETO.



2.



TERMS AND CONDITIONS

1. LOAN AMOUNT

A further amount of R5 817 000 be made available to the Ceres Municipality, thereby increasing the total loan amount to R28 490 000, for the proposed Project.

2. FINANCIAL TERMS

The financial terms, for the total loan, shall be as follows:-

R1 544 241 for the first 5 (five) repayments, beginning 30 September 1999; thereafter, R2 217 337 for the next 14 (fourteen) repayments, beginning 31 March 2002; thereafter, R3 263 037 for the next 17 (seventeen) repayments, beginning 31 March 2009.

The structure is based on an assumed drawdown schedule and will be revised once the actual drawdowns have been effected. The structure will yield the same internal rate of return as an amortisation of the Loan in equal payments at 12,90% interest rate per annum.

3. DISBURSEMENTS

Disbursement of each progress claim in respect of the amount financed by the DBSA is to be effected as a ratio of actual cost of each item as indicated in the respective Source and Application of Funds Statement, read together with the Project Description to the maximum amount of R28 490 000. This is subject to the submission of fully documented proof of payment(s) by the Borrower to supplier(s), consultant(s) and/or contractor(s) of actual claims, as certified/approved by the Borrower or its authorised representative. Each progress claim is to be in the itemised format as depicted in the Source and Application of Funds Statement (Annexure II).

4. SUSPENSIVE CONDITIONS

There are no Suspensive Conditions, as the Borrower has, already, complied with same.

5. FURTHER TERMS AND CONDITIONS

5.1 Should the Loan be redeemed before expiry of the full term of the Loan Agreement, a penalty levy will be payable, by the Borrower, based on the interest which would have been paid on amortization of the Loan in equal payments, plus interest thereon.

5.2 Should any material amendment or deviation of the Joint Venture Agreement occur, which, in the opinion of the DBSA, materially disrupt the institutional or

Handwritten signatures and initials at the bottom right of the page, including a large signature that appears to be 'J. van der...' and several other initials and marks.

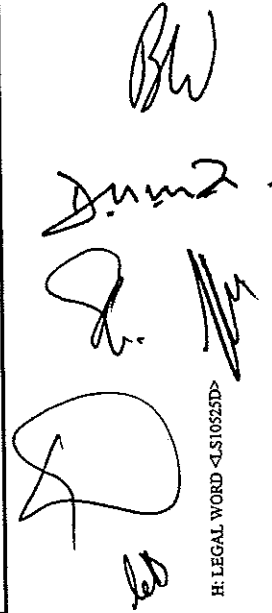
financial arrangements of the Project, then the DBSA shall have the right to terminate the Loan Agreement, by giving the Borrower 30 (thirty) days' written notice of its intention to do so. In this event, the Borrower shall immediately repay the Loan after the expiry of such notice period.

- 5.2 Should any material deviations of the Integrated Environmental Management Plan occur, the DBSA shall have the right to halt the Project until such issue has been resolved and alternative arrangements have been made. However, notwithstanding the foregoing, the DBSA shall have the right to terminate the Loan Agreement, by giving the Borrower 30 (thirty) days' written notice of its intention to do so. In this event, the Borrower shall immediately repay the Loan after the expiry of such notice period.
- 5.3 The Borrower, hereby, agrees to immediately pay to the DBSA amounts received by the Borrower in the form of subsidies or other amounts which can be / or are applied towards the cost of the Project. Amounts so received shall be utilised towards the reduction of the Loan and the instalments referred to in clause 2, above, shall be reduced pro rata. In the event that such amounts are received prior to the final disbursement of the Loan to the Borrower, the provisions of clause 5.1 shall apply.
- 5.4 The Borrower, hereby, agrees to establish a Water Tariff Stabilisation Fund.
- 5.5 The DBSA, hereby, reserves, to itself, during the period of the Loan Agreement, the right to investigate different methods for securing repayment, by the Borrower, of the Loan, including the possible cession of water rights vesting in the Borrower to the DBSA. The Borrower, hereby, agrees to provide such security in the event that this is required by the DBSA.

Handwritten signatures and initials at the bottom right of the page. There are several distinct marks, including a large circular scribble, a signature that appears to be 'D. J. ...', and other initials like 'Bl' and 'AS'.

APPLICATION, PROGRAMME AND SOURCE OF FUNDS STATEMENT

| CERES MUNICIPALITY CERES DAM | PROJECT EXPENDITURE BUDGET | | | Total Project Costs | % of total costs | PROJECT FUNDING BUDGET | | |
|-----------------------------------|-----------------------------------|--------------------|--------------------|---------------------|------------------|------------------------|--------------------|-------------------|
| | During Implementation Year Ending | | | | | DBSA Ceres amount | Co-funding amount | DBSA KIB amount |
| | 1996 | 1997 | 1998 | | | | | |
| PROJECT RELATED COSTS | | | | | | | | |
| | | | | | | | | |
| CAPITAL COSTS | | | | | | | | |
| FIXED ASSETS | | | | | | | | |
| Dam Constructions | | | | | | | | |
| 1. Main dam | R10,500,000 | R36,000,000 | R17,290,000 | R63,790,000 | 71.67% | R20,419,967 | R38,602,411 | R4,767,622 |
| 2. Access road and coffer dam | R4,000,000 | R20,000 | R0 | R4,020,000 | 4.52% | R1,286,852 | R2,432,696 | R300,452 |
| 3. Interim scheme | R5,000,000 | R520,000 | R0 | R5,520,000 | 6.20% | R1,767,020 | R3,340,419 | R412,561 |
| 4. Fees | R1,000,000 | 2,350,000 | R1,730,000 | R5,080,000 | 5.71% | R1,626,171 | R3,074,153 | R379,676 |
| 5. Disbursements | R75,000 | R200,000 | R945,000 | R1,220,000 | 1.37% | R390,537 | R738,281 | R91,182 |
| 6. Site supervision | R800,000 | R1,600,000 | R2,180,000 | R4,580,000 | 5.15% | R1,466,115 | R2,771,579 | R342,306 |
| 7. Investigations and studies | R1,450,000 | R1,320,000 | R0 | R2,770,000 | 3.11% | R886,711 | R1,676,261 | R207,028 |
| 8. Drilling | R1,300,000 | R720,000 | | R2,020,000 | 2.27% | R646,627 | R1,222,400 | R150,973 |
| TOTAL PROJECT RELATED COST | R24,125,000 | R42,730,000 | R22,145,000 | R89,000,000 | 100.00% | R28,490,000 | R53,858,200 | R6,651,800 |



Duplicate Original

Draft 1 (Edition 1) 18 May 1998
Document: LS10525d

AMENDMENT TO LOAN AGREEMENT

in respect of

CERES BULK WATER AUGMENTATION SCHEME

entered into by and between

CERES TRANSITIONAL LOCAL COUNCIL

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

BW

J. M. D. - [initials]

[Large signature]

1. DEFINITIONS AND HEADINGS

1.1 In this Amending Agreement, unless the contrary appears from the context, the following words shall have the meanings, as stated, below:-

- 1.1.1 "this Amending Agreement" this Amending Agreement and any Annexures hereto;
- 1.1.2 "the Loan Agreement" the written agreement concluded by and between the Parties on 20 May 1996;
- 1.1.3 "the Addendum" the written Addendum concluded by and between the Parties on 18 June 1997, whereby the Loan Agreement was amended.

1.2 All words, phrases and meanings in the Loan Agreement and Addendum shall bear the same meanings in this Amending Agreement.

2. BACKGROUND

- 2.1 The Parties have concluded the Loan Agreement and the Addendum.
- 2.2 The Parties desire to further amend the Loan Agreement and desire that this amendment shall be contained in this Amending Agreement.

3. AGREEMENT

- 3.1 The Addendum is, hereby, deleted in its entirety.
- 3.2 The Parties, hereby, agree that, in substitution therefor, the Loan Agreement is, hereby, amended, which said amendments are set out in Annexure I and Annexure II.
- 3.3 Save for the changes contained in this Amending Agreement, the Loan Agreement shall remain unaltered.

Handwritten signatures and initials, including a large signature that appears to be 'D. J. ...' and other initials, located at the bottom right of the page.

SIGNED at Ceres on the 2 day of June 1998.

AS WITNESS:

1. [Signature]

[Signature]
FOR AND ON BEHALF OF THE
BORROWER, DULY AUTHORISED
THERETO, IN TERMS OF THE
AUTHORITY ATTACHED, HERETO.

2. [Signature]

SIGNED at Midrand on the 9th day of June 1998.

AS WITNESS:

1. Bonhard Visser

[Signature]
FOR AND ON BEHALF OF THE DBSA,
DULY AUTHORISED THERETO, IN
TERMS OF THE AUTHORITY
ATTACHED, HERETO.

2. [Signature]

I hereby certify that the attached copy of the Addendum to the Agreement, and all pages whereof have been initialed by myself for identification purposes, are true copies of the originals thereof.

23/06/97

DATE



COMMISSIONER OF OATHS

MOTLOGELWA, IKE TLHOLWE

Commissioner of Oaths/Kommissaris van Ede
For Republic of S.A./vir Republiek van S.A.
Ex Officio Advocate of the Supreme Court of S.A.
C/o Development Bank of Southern Africa
P.O. Box 1234, Halfway House, 1685 Headway Hill, Midrand

<(legal>agrcerti addendum)

ADDENDUM TO LOAN AGREEMENT

entered into by and between

CERES MUNICIPALITY

(hereinafter referred to as the "Borrower")

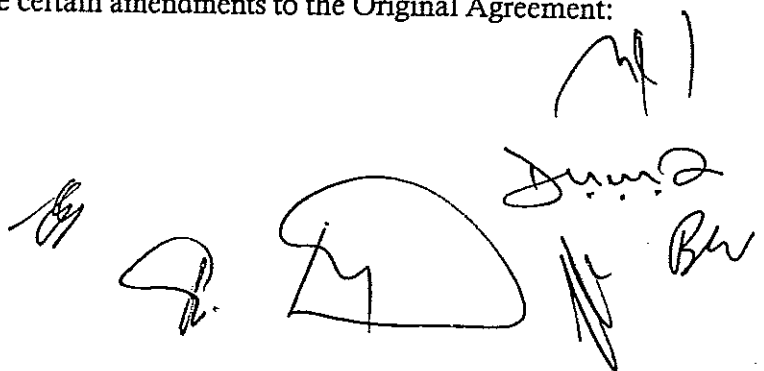
and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA

(hereinafter referred to as "DBSA")

WHEREAS, the Borrower has entered into a loan agreement with DBSA on the 20 May 1996 for an amount of R20 951 000 (TWENTY MILLION NINE HUNDRED AND FIFTY ONE THOUSAND RAND) in respect of The Ceres Bulk Water Augmentation Scheme (hereinafter referred to as the Original Agreement); and

WHEREAS the Parties are desirous to make certain amendments to the Original Agreement:

The bottom of the document features several handwritten signatures. From left to right, there are: a signature that appears to be 'S. J.', a signature that appears to be 'L. J.', a large, stylized signature that appears to be 'M. J.', and a signature that appears to be 'B. J.' with the letters 'B. J.' written below it.

NOW THEREFORE THESE PRESENT WITNESSETH

CLAUSE 1

The original loan amount is herewith increased to an amount of R22 673 000 (TWENTY MILLION AND SIX HUNDRED AND SEVENTY THREE THOUSAND RAND) and this amount shall replace the original amount where it may appear in the Original Agreement.

CLAUSE 2

Annexure B of the Original Agreement is replaced with the attached Annexure B.

CLAUSE 3

The Terms and Conditions of the loans are hereby amended as follows:

1. LOAN AMOUNT

An investment loan to the amount of R22 673 000 be made available to the Borrower for the proposed project on the terms and conditions as set out in the summary form and in accordance with the DBSA standard loan agreement.

2. FINANCIAL TERMS

R1 222 402 for the first 6 repayments beginning September 1998
 R1 740 640 for the first 18 repayments beginning September 2001
 R2 561 529 for the first 17 repayments beginning March 2008

The structure is based on an assumed drawdown schedule and will be revised once the actual drawdowns have been effected. The structure will yield the same internal rate of return as an amortization of the loan in equal payments at 12,23% interest rate per annum.

3. FURTHER TERMS AND CONDITIONS

3.1 Should the loan be redeemed before expiry of the full term, a penalty levy will be payable based on the interest which would have been paid on amortization of the loan in equal payments, plus interest thereon.

3.2 Should any material amendment or deviation of the joint venture agreement occur, which, in the opinion of DBSA, materially disrupts the institutional or financial

arrangements of the project, then DBSA shall have the right to terminate this agreement by giving the Borrower 30 days written notice of its intention to do so. In this event the Borrower shall immediately repay the Loan after the expiry of this notice period.

- 3.3 Should any material deviations of the integrated environmental management plan occur, DBSA shall have the right to halt the project until the issue has been resolved and alternative arrangements have been made, however, notwithstanding the foregoing, DBSA shall have the right to terminate this agreement by giving the Borrower 30 days written notice of its intention to do so. In this event the Borrower shall immediately repay the Loan after the expiry of this notice period.
- 3.4 The Borrower hereby agrees to pay immediately to DBSA amounts received by the Borrower in the form of subsidies or other amounts which can be / or are applied towards the cost of the project. Amounts so received shall be utilised towards the reduction of the Loan and the instalments referred to in clause 3.5 supra shall be reduced pro rata. In the event that such amounts are received prior to the final disbursement of the loan to the Borrower, the provisions of clause 3.7 will become applicable.
- 3.5 The Borrower hereby agrees to establish a water tariff stabilisation fund immediately to operate during project implementation.
- 3.6 DBSA reserves the right during the period of this agreement to investigate different methods for securing repayment of the Loan including the possible cession of water rights vesting in the Borrower to DBSA and the Borrower agrees to provide such security in the event that this is required by DBSA.

CLAUSE 4

All the other terms and conditions contained in the Original Agreement shall **mutatis mutandis** be applicable to this addendum.

The bottom of the page features several handwritten signatures and initials. From left to right, there is a signature that appears to be 'S', a signature that appears to be 'D', a large circular stamp or signature, a signature that appears to be 'M', and a signature that appears to be 'J'. There is also a large, stylized signature or mark in the upper right quadrant of the bottom section.

THIS DONE AND SIGNED AT CERES ON THE 4 DAY OF JUNE 1997.

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

FOR AND ON BEHALF OF THE BORROWER

THIS DONE AND SIGNED AT Midrand ON THE 12th DAY OF June 1997

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]

FOR AND ON BEHALF OF DBSA

PROJECT FILE NO: LS10525C

[Handwritten mark]

APPLICATION AND SOURCE OF FUNDS STATEMENT

MUNICIPAL PORTION OF DAM

(10525/1/2)

| Description | Total (R) | DBSA (R) | % | Borrower (R) | % | Other (R) | % |
|--------------------------|------------|------------|-------|--------------|-----|-----------|-----|
| BULK SCHEME | | | | | | | |
| CONSTRUCTION | 19,602,100 | 19,602,100 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| ESCALATION | 0 | 0 | | 0 | 0.0 | 0 | 0.0 |
| STUDIES / INVESTIGATIONS | 832,300 | 832,300 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| ENGINEERING | 1,463,700 | 1,463,700 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| SITE SUPERVISION | 774,900 | 774,900 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| Totals | 22,673,000 | 22,673,000 | 100.0 | 0 | 0.0 | 0 | 0.0 |

Handwritten signatures and initials, including a large circular mark and several illegible signatures.

II. DISBURSEMENTS

Disbursement of each progress claim in respect of the amount financed by DBSA is to be effected as a ratio of actual cost of each item as indicated in the respective Source and Application of Funds Statement, read together with the Project Description to the maximum amount of R22 673 000. This is subject to the submission of fully documented proof of payment(s) by the Borrower to supplier(s), consultant(s) and/or contractor(s) of actual claims, as certified/approved by the Borrower or its authorised representative. Each progress claim is to be in the itemised format as depicted in the Source and Application of Funds Statement.



Handwritten signatures and initials at the bottom of the page, including a large signature on the right and several smaller ones on the left.



WITZENBERG

Municipality • Munisipaliteit • UMasipala Wase



Trim en Berg

✉ 44, Ceres, 6835
50 Voortrekker St/ Str, Ceres, 6835
Suid Afrika/ South Africa
☎ +27 23 316 1854
☎ +27 23 316 1877
✉ admin@witzenberg.gov.za
www.witzenberg.gov.za

Reference/Verwysing/iRef : 05/04/R
Enquiries/Navrae/Imibuzo: B Visser

6 July 2009

DBSA
P O Box 1234
MIDRAND
1685

SCANNED

Dear Sir / Madam

RE : CONFIRMATION OF AMOUNTS OWING

Please be so kind to confirm the amounts owing to Witzenberg Municipality as at 30 June 2009.

Please complete the enclosed schedule on or before 10 July 2009 and email it back to Beatrix@witzenberg.gov.za or fax it to 023-3121495 for the attention of Mrs B Visser.

Yours faithfully

H L le Roux
MANAGER : FINANCIAL ADMINISTRATION

/bv

Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/ Kindly address all correspondence to the Municipal Manager/ Yonke imbelelwano mayithunyehve kuMlawuli kaMasipala

*Witzenberg, the Eden of Africa, aspires that all residents shall live together in harmony and prosperity.
Witzenberg, die Eden van Afrika, streef daarna dat alle inwoners in harmonie en voorspoed saamleef.
Witzenberg, iEden yase Africa igquashalazele ekubeni bonke abahlali bakhavulelezise ukuhlalisana ngolomwalo.*

REQUEST FOR CONFIRMATION OF AMOUNTS OWING

Please complete the following schedule and sign it before sending it back. If the amount does not agree with your records, please provide us with your amount.

| ACCOUNT NUMBER | AMOUNT OWING | AMOUNT IF DIFFERS |
|----------------|----------------|-------------------|
| 10478/12 | R 3,536,451-46 | |
| 10525/104 | R34,220,906-14 | |
| 1118/01 | R9,024,906-14 | |
| 10772/101 | R2,039,355-27 | |
| 102040/1 | R318,675-35 | |
| 102040/2 | R1,161,621-07 | |
| 102040/3 | R272,924-76 | |
| 11474/101 | R5,530-97 | |
| 11476/101 | R335,209-15 | |
| 11477/101 | R8,380-24 | |
| 11478/101 | R3,352-12 | |
| 11479/101 | R4,190-11 | |
| 11480/101 | R11,228-358 | |
| 11481/101 | R101,990-71 | |
| 11482/101 | R3,352-12 | |
| 11483/101 | R38,046-22 | |
| 11484/101 | R114,375-72 | |
| 11485/101 | R121,062-21 | |
| 11487/101 | R549,707-18 | |
| 11488/101 | R35,192-47 | |
| 11490 | R123,877-69 | |
| 11491 | R112,616-09 | |
| 11492 | R10,909-64 | |

| | | | |
|------------|---------------|--|--|
| 12977/101 | R4,592-38 | | |
| 112978/101 | R173,137-35 | | |
| 13160/101 | R109,865-03 | | |
| 13161/101 | R19,005-10 | | |
| 13164/101 | R11,217-39 | | |
| 100605/1 | R3,052,018-33 | | |

Hereby I confirm that the abovemention amounts are correct or as indicated.

.....
SIGNED

.....
PRINT NAME

.....
DESIGNATION

Official Company Stamp

Beatrix Visser

From: Beatrix Visser
Sent: 07 July 2009 09:16 AM
To: 'Logi Naidoo'
Subject: FW: CONFIRMATION LETTER

Attachments: 20090707095522008.tif



200907070955
2008.tif (72 KB)

Hi

Can you please complete the form and send it back?

Thanx

Beatrix Visser
Administrateur : Finansiële Stelsels
Witzenberg Munisipaliteit
Tel : 023-3168200
E-pos : beatrix@witzenberg.gov.za

-----Original Message-----

From: scaner@witzenberg.gov.za [<mailto:scaner@witzenberg.gov.za>]
Sent: 07 July 2009 08:55 AM
To: Beatrix Visser
Subject:

This E-mail was sent from "RNPEODFE3" (Aficio MP 2000).

Scan Date: 07.07.2009 09:55:21 (+0300)
Queries to: scaner@witzenberg.gov.za