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 REG. NO. 2001/030183/08

DBSA
 DEVELOPMENT
 FUND

Our Ref.: DF101251

08 July 2004
 REGISTERED MAIL

The Municipal Manager
 Moshaweng Municipality
 Private Bag X117
 Mothibistad
 8474
 Attention: Mr T.J Africa

Dear Sir

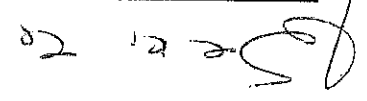
**RE: LOAN AGREEMENT: DBSA DEVELOPMENT FUND/MOSHAWENG MUNICIPALITY:
 NEW MUNICIPAL OFFICE COMPLEX (PHASE 2)**

Enclosed, please find a duplicate original of Loan Agreement, in respect of the abovementioned Project, signed on 22 June 2004, for your records.

Kindly acknowledge receipt thereof, by signing and returning the attached copy of this letter to the writer at the above address.

Yours faithfully

M S KEKANA
 LEGAL ADMIN OFFICER




DIRECTORS: J.Naidoo, M.Gantsho, I.Abedian, M.Vitakazi, H.Nyasulu

In association with



KRN
LTM





(hereinafter referred to as the FUND)

DBSA DEVELOPMENT FUND

and

MOSHA WENG MUNICIPALITY

entered into by and between

MOSHA WENG MUNICIPALITY: NEW MUNICIPAL OFFICE COMPLEX (PHASE 2)

in respect of

AGREEMENT

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CLAUSE

SUMMARY

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MEMORANDUM OF LOAN

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SUMMARY

1.	LOAN AMOUNT	:	R5 000 000-00
2.	LOAN PERIOD	:	10 years
3.	INTEREST RATE	:	
3.1	FIXED INTEREST RATE	:	1% nominal fixed payable six monthly
3.2	INTEREST GRACE PERIOD	:	Nil
4.	GRACE PERIOD FOR CAPITAL REPAYMENT	:	
5.	CAPITAL REPAYMENT	:	2 year
6.	CAPITAL REPAYMENT	:	16 semi - annual six-monthly instalments, commencing on the last day of the 5 th Half-year after the Half-year during which the first disbursement was advanced to the Borrower
	PROJECT FILE NO.	:	DF101251

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1. INTERPRETATIONS

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

1.1.1	"Borrower"	Moshaweng Municipality;
1.1.2	"the DBSA Development Fund"	the DBSA Development Fund, a section 21 company established under the companies Act No. 61 of 1973 (hereinafter referred to as the FUND);
1.1.3	"Business Day"	means any day other than a Saturday, Sunday and a Public Holiday;
1.1.4	"Parties"	the Borrower and the FUND;
1.1.5	"Project"	Moshaweng Municipality; New Municipal Office Complex (Phase 2), as described in more detail in Annexure A attached hereto;
1.1.6	"Loan"	the financing granted to the Borrower in terms of clause 2;
1.1.7	"Interest Payment Date"	the last Business Day of each Interest Period;
1.1.8	"Interest Period"	each period of 6 (six) months commencing on 1 July or 1 January of each calendar year. The first Interest Period shall begin to run from the date of the first disbursement to 30 June or 31 December, whichever immediately follows disbursement. Each Interest Period thereafter shall begin to run from the date of expiry of the preceding Interest Period, even if the first day of this Interest Period is not a Business Day. Notwithstanding the foregoing, any period less than six months running from the date of a disbursement to

1.3 Any reference to the singular shall include the plural and vice versa.

1.2 Headings to the clauses of this Agreement, the table of contents and summary are for reference purposes only and are not intended to affect the interpretation thereof.

1.1.16 "Reference Banks" means four major Banks in the Johannesburg Interbank market selected by the Fund;

1.1.15 "this Agreement" means this Agreement together with any Annexures thereto;

1.1.14 "Fixed Rate Loan" the amount of Loan disbursed and outstanding from time to time in respect of which the Fixed Interest Rate as determined in clause 3.1 all apply;

1.1.13 "Reset Period" a period of 6 (six) months commencing from each Reset Date;


1.1.12 "Reset Date" the first Business Day of July and January of each calendar year or such other dates as may be agreed to in writing by the Parties;

1.1.11 "Half-year" from the first day of July to the 31st day of December and/or from the first day of January to the 30th day of June during the next calendar year;

1.1.10 "On-lending" the transfer, by the Borrower, of any amount(s) to any third parties, from the proceeds of the Loan, excluding payments for the procurements of goods and services;

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

the date of 30 June or 31 December immediately following this disbursement shall be deemed an Interest Period;

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1.4 Any reference to a natural person shall include an artificial or corporate person and vice versa.

1.5 Any reference to one gender shall include the other.

1.6 This Agreement shall bind the Borrower and its successors-in-title.

2. THE LOAN

2.1 The Loan shall be:-

2.1.1 an amount not exceeding, in aggregate, R5 000 000-00 (five million Rands); and

2.1.2 utilised exclusively for the Project and the Borrower, hereby, undertakes that it shall comply with all provisions of this Agreement.

2.2 The Loan proceeds shall be paid by the Fund to, and on the order of, the Borrower in such disbursements and in accordance with all provisions contained in this Agreement.

2.3 No On-Lending shall be effected unless provided for in this Agreement.

3. INTEREST

The Loan shall bear interest on the amount from time to time outstanding at a Fixed Rate, as the case may be at the election of the Borrower as follows:

3.1 FIXED INTEREST RATE

3.1.1 The Capital shall bear interest on the amount from time to time outstanding at a nominal fixed rate of 1% (one per centum) per annum.

3.1.2 Interest on the amount from time to time outstanding shall be compounded six-monthly and shall be due and payable on the last day of each Half-year. If payment of interest falls on a day other than a Business Day, such interest shall be payable on the next succeeding Business Day.

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3.1.3 Payment shall commence on the last day of the Half-year during which the first disbursement was advanced to the Borrower.

4. REPAYMENT OF LOAN AND PAYMENT OF INTEREST

4.1 LOAN

4.1.1 The capital amount of the Loan shall be repaid in 16 (sixteen) equal semi - annual instalments, commencing on the last day of the 5th (fifth) Half-year following the Half-year during which the first disbursement 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.

4.2 INTEREST

4.2.1 The interest amount shall be payable commencing on the last day of the Half-year during which the first disbursement was made to the Borrower from the proceeds of the loan calculated at a rate set out in clause 3.1.1 above.

5. LATE PAYMENT

5.1 The Borrower shall be liable to the FUND for the payment of penalty interest on all amounts payable, yet unpaid, in terms of this Agreement should the Borrower:-

5.1.1 fail to pay on the due date any amount owing or which may become owing to the FUND in terms of this Agreement; or

5.1.2 with the FUND's written consent defer the payment of any amount so owing.

5.2 The Borrower shall pay penalty interest at a rate equal to 2% (two per centum) above the fixed interest rate specified in clause 3.1 above.

6. PAYMENT(S)

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

6.2 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.

6.3 The Borrower shall furnish the FUND with all the necessary information regarding its officials who are authorised to apply for drawdowns on the Borrower's behalf.

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

6.5 Payments to the FUND in terms of this Agreement shall be effected without deduction and free from any taxes, charges, fees or other costs whatsoever.

6.6 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.

7. CANCELLATION/TERMINATION OF DRAWDOWNS

7.1 The Borrower may, by giving 30 (thirty) days written notice to the FUND, cancel any undrawn portion 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 4.1 supra shall be reduced pro rata.

7.2 If the FUND reasonably concludes, after consultation with the Borrower, that any portion(s) of the Loan will not be required to finance the Project, the FUND may by notice to the Borrower terminate the right of the Borrower to make drawdowns in respect of such undrawn portion; it being understood that upon giving of such notice the instalments referred to in clause 4.1 supra shall be reduced pro rata.

7.3 If the FUND has not received a final application for a drawdown under the Loan from the Borrower at the end of the 1st (first) Half-year following the Half-year during which the first disbursement was made to the Borrower from the proceeds of the Loan, the FUND may terminate further disbursements to the Borrower on 30 (thirty) days written notice to the Borrower unless the FUND, after consideration of the reasons for the delay, has determined a later date for the purposes of this sub-clause. The FUND shall only consider an extension on receipt of a written request from the Borrower and shall notify the Borrower of its decision.

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8. EVENTS OF DEFAULT

8.1 The FUND shall be entitled, after giving the Borrower 30 (thirty) days written notice, to suspend drawdowns from the Loan or to terminate this Agreement and to claim from the Borrower immediate payment of all the outstanding amounts should the Borrower commit any breach of this Agreement, provided that the FUND may, at its entire discretion, dispense with the giving of the 30 (thirty) days notice.

8.2 Without derogating from the generality of the foregoing, the FUND shall be entitled to exercise its rights in terms of clause 8.1 above, upon the happening of any of the following events:-

8.2.1 the Borrower failing to repay the capital amount and to pay interest in terms hereof, and failing to remedy such breach within the notice period referred to in 8.1 above requiring it to do so;

8.2.2 any attachment being made or any execution being levied against the Borrower; any failure to repay any of the FUND's loans or breach of any agreement entered into between the Borrower and the FUND and/or with any other lender/creditor;

8.2.4 any fact or circumstance shall have occurred which in the opinion of the FUND may affect the ability or willingness of the Borrower to comply with all or any of its obligations under this Agreement;

8.2.5 the Borrower proposing any rescheduling, reorganisation or rearrangement of the whole or part of its indebtedness with the FUND or any of its creditors; 8.2.6 the Borrower's business operations or any significant part thereof, being interrupted for a continuous period of at least 3 (three) months;

8.2.7 any approval, licence, authorisation or other requirement necessary to enable the Borrower to comply with any of its obligations in terms of this Agreement is modified, revoked or withdrawn whilst this Agreement is still in force;

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8.2.8 any order is made or resolution passed or other action taken for the dissolution or termination of the existence of the Borrower;

8.2.9 any representation, warranty or statement made in, or in connection with, this Agreement or any opinion delivered by or on behalf of the Borrower under this Agreement is found to be incorrect.

8.3 The exercise of the rights by the FUND in terms hereof shall be without prejudice and/or in addition to any other rights which the FUND may then have against the Borrower in law, including the right to demand specific performance by the Borrower of its obligations in terms of this Agreement.

9. CONDITIONS PRECEDENT

9.1 That the Borrower, hereby undertakes, in its annual budget, to make provision for servicing (interest and capital redemption) of the Loan.

9.2 That the Borrower, submit a certified copy of the Borrower's Council resolution authorising the Borrower to conclude the Agreement and approval of the funding arrangements, thereof.

10. FURTHER TERMS AND CONDITIONS

10.1 The Borrower, hereby, undertakes to provide the DSA Development Fund with its audited financial statements, within six (6) months from the end of each financial year, for the duration of the Loan.

10.2 The Borrower undertakes not to enter into any further long term financial commitments that would increase its debt servicing ratio to more than 20%, using the previous year's total revenue base as reference, without first obtaining the written consent of the DSA Development Fund.

10.3 The Borrower, hereby, undertakes to enter into a Technical Assistance Grant Agreement with the DSA Development Fund in an attempt to address the following issues,

10.3.1 A comprehensive capacity building intervention to integrate traditional community structures from the former governance dispensation with the newly formed ward committee system as part of the local governance environment.

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11.2 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

11.1 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 Agreement, be settled by arbitration in terms of the Arbitration Act No. 42 of 1965, provided that a claim by the FUND for the repayment of any monies due under this 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.

11. ARBITRATION

10.6 That the Borrower provide the DSA Development Fund with a written proof that the grant funding has been obtained to finance the short fall of R 1.2 million for the project.

10.5 That 20% of the contract amount be awarded to BEE contractors.

10.4 That the DSA Development Fund forms part of the Project Steering Committee.

10.3.5 Provision of a technical assistance grant in order to strengthen capacity building in support of debtors, financial and performance management systems as well as the functioning of ward committee.

10.3.4 The development and introduction of an overall comprehensive performance management system in accordance with statutory requirements and sound corporate governance principles.

10.3.3 The development of a comprehensive internal audit function, inclusive of an audit committee in accordance with the Municipal Systems Act.

10.3.2 The integration of its IDP with operational planning and budgeting, and in the process also address the integration of local economic development, the utilisation of the commonage and support to the Land Redistribution and Development Programme (LARD).

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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.

11.3 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.

11.4 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, and furnish the Parties with written reasons for his/her judgment.

11.5 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.

12. GENERAL

12.1 PROJECT NOTICE BOARDS

The Borrower shall, at its own cost, ensure that, immediately upon commencement of construction/building operations, contemplated by this Agreement, if it is decided to erect a Project notice board, the said board shall clearly advertise the fact that such construction/building operations, have been financed or co-financed, as the case may be, by the FUND.

12.2 DOMICILIUM

12.2.1 The Parties choose domicilium citandi et executandi ("domicilium") for all purposes arising from or pursuant to this Agreement, as follows:-

- (i) In case of the FUND:-
 - Physical address: Development Bank of Southern Africa Limited
Headway Hill
 - MIDRAND
 - SOUTH AFRICA; or
 - P O Box 1234
 - HALFWAY HOUSE
 - 1685; or
 - Telefax number: (011) 313 3086
- (iii) In case of the Borrower
 - Physical address: Moshaweng Municipality
561 Kgositomthibi Road
Mothibstad
8474; or
 - Postal address: Private Bag X117
Mothibstad
8474; or
 - Telefax number: (053) 773 1839

12.2.2 Each of the Parties shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other address which is not a Post Office or Poste Restante.

12.2.3 All notices made by either Party to the other ("the addressee") which:-

- (i) is delivered by hand during the normal business hours of the addressee at the addressee's domicilium for the time being shall be presumed to have been received by the addressee at the time of delivery;
- (ii) is posted by prepaid registered post to the addressee at the addressee's domicilium for the time being shall be presumed to have been received by the addressee on the seventh day after the date of posting; Provided that the Parties agree that all other forms of correspondence and/or requests may be done through fax and/or electronic mail (e-mail).

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Disbursement of each progress claim in respect of the amount financed by the FUND is to be effected as a ratio of actual cost of each item (for each phase) in accordance with the Application and Source of Funds Statement (Annexure B), read together with the Project Description (Annexure A), to the maximum amount of R5 000 000-00. This is subject to submission to the FUND of fully documented proof of payment by the Borrower to supplier, consultant and/or contractor, of actual claims (or in-house expenses incurred), as approved by the Borrower or its authorised representative. Each progress claim is to be in the itemised format as depicted in Annexure B.

12.6 TERMS AND CONDITIONS OF DISBURSEMENT

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.

12.5 NON-ENFORCEMENT/INDULGENCE

No variation, amendment 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.

12.4 NON-VARIATION

This Agreement (including the Annexures) constitutes 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.

12.3 WHOLE AGREEMENT

L.P.N.
L.F.M.
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FOR AND ON BEHALF OF THE FUND,
DULY AUTHORISED THERE TO IN
TERMS OF ANNEXURE E ATTACHED
HERETO

1.
2.

AS WITNESSES:

THIS DONE AND SIGNED AT MIRAMBA ON THE 20 DAY OF JUNE, 2004.

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

1.
2.

AS WITNESSES:

THIS DONE AND SIGNED AT MORIBI ON THE 11 DAY OF JUNE, 2004.

PROJECT DESCRIPTION

1. DEVELOPMENT OBJECTIVE:

1.1 PROJECT GOAL

To facilitate efficient administration of municipal service deliver to the communities residing in the Moshaweng Municipality's (MM) area of jurisdiction.

1.2 PROJECT OBJECTIVE

To provide finance to complete Phase 2 of the municipal office complex at Churchill Village to accommodate identified need for a Council Chamber and Community Hall within a single building complex.

2. PHYSICAL DESCRIPTION

The Project entails the provision of approximately 1034m² office space comprising of the following elements:

Element 1: Council Chambers

- Main room, 238m²;
- Entrance lobby, 45m²;
- Caucus room, 27m²;
- Ablution facilities, 90m²;
- Dining room, bar, kitchen, 160m².

Total floor area: 560m²

Element 2: Community Hall

- Community hall, 360m² and able to seat 200 persons;
- Change rooms, 24m²;
- Kitchen, offices, abluion facilities, 50m²;
- Entrance hall, 40m².

Total floor area: 474m²

The team confirmed that selected office equipment and furniture for the above office elements do not form part of the project application, and subsequent costs.

3. LABOUR UTILISATION

A number of opportunities for labour intensive construction exist. These are being explored and involve bricklaying, plastering, tiling, painting, concrete work, and general labour. The total labour cost represents approximately 3% (R129,250) of the total construction cost (excluding Vat, professional fees and supervision).

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- (a) Take responsibility for the payment of contractors' and/or consultants fees;
- (b) Ensure compliance with National and Provincial, Environmental, Electricity, Health and Safety regulations;

7.1 Carry Out The Following Management Arrangements:

THE BORROWER AND IMPLEMENTING AGENT SHALL:

Project Components	Description	Contractor
Design and Supervision	Existing firm of consulting services	CSKO Architects
Councillor Chamber, Community Hall	Supply of materials and labour, machines to construct.	Contracts to be awarded.

The construction work to be executed in this project will be fully documented and measured in a Bill of Quantities. The contracts for the different components of the project were advertised for public tendering and the contracts are to be awarded in accordance with the Moshaweng Municipality's Financial Regulations as well as National Affirmative Action Procurement Policy.

6. PROJECT RESOURCE MATRIX

The design and construction of the new municipal office complex will follow good and sound engineering practices, as contained in the "Red Book" and applicable SABS Codes of Practice.

5. DESIGN PRINCIPLES AND PARAMETERS

The cost of individual elements compares favourably with the cost of similar works elsewhere and seems reasonable.

Description	Cost (R)
Construction of Councillor Chamber	3 617 903,39
Construction of Community Hall	1 474 200,00
Sub-total	5 092 103,39
Professional fees + Supervision	1 018 420,68
Sub-total	6 110 524,07
Plus 14% VAT	855 473,37
TOTAL PROJECT COST	6 965 997,44

The cost estimate of the project is as follows:

4. COST ESTIMATE

Description	Person Labour-days			
	Total	Men	Women	Youth: men Youth: Women
Clerical	100	100	0	0
Skilled	300	300	0	0
Unskilled	400	250	150	0
Supervisor	150	150	0	0
Total	950	850	150	0

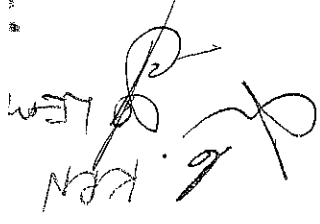
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- 7.3 Functioning of the Project Steering Committee:
- (a) Monitor the implementation of the Project on behalf of the Moshaweng Municipality;
 - (b) Monitor the standard of work and quality of materials; and
 - (c) Steer the implementation process based on bottom-up community initiatives as highlighted in the IDP.
- 7.4 Functions of DBSA, as Observer on the PSC:
- (a) Monitor the implementation of the Project to meet the agreed-upon development objectives and design criteria.

INSTITUTION		MEMBERSHIP
Moshaweng Municipality	Permanent	
Ward representative(s)	Permanent	
CSKO Architects	Permanent	
DBSA Development Fund	Permanent	

- 7.2 Constitute A Consultative And Advisory Project Steering Committee (PSC) As Follows:
- (c) Involve all relevant role players in the Project.

6. KEN

 5/25/04



SOURCE AND APPLICATION OF FUNDS STATEMENT

ANNEXURE B

Description	Total	DBSA Dev Fund	Borrower	Other
Fixed Assets	5 000 000.00	5 000 000.00	100	%
1.1 Infrastructure				
1.2 Professional Services	1 110 524.00		1 110 524.00	100
TOTAL	6 110 524.00	5 000 000.00	100	1 110 524.00

PROJECT CO-OPERATION

1. To ensure that the purposes of the Loan are accomplished the Parties shall:-

1.1 periodically and at the request of either Party:-

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

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;

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;

1.3 confirm that they have determined 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

1.4 jointly determine the criteria to be taken into consideration when awarding contracts for items and services to be financed by the Loan.

2. The Borrower shall:-

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

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;

2.3 be responsible for the management and maintenance of work carried out within the context of the Project;

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2.4 with regard to the procurement of goods and services for the Project, in consultation with the FUND, invite participation in tender or quotation procedures on open bid basis from natural persons and bodies corporate respectively;

2.4.1 tender documents or invitations for quotations shall be drawn up in consultation with the FUND's Project team and ratified by the FUND;

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 the FUND;

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;

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

2.8 apply the Loan in accordance with Annexure B;

2.9 require each contractor to whom a contract is awarded to furnish a performance guarantee acceptable to the FUND, in terms thereof the completion of such contract is guaranteed; and

2.10 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 the FUND at the FUND's cost at any reasonable time to have such documents and records audited by a person or persons nominated by the FUND.

3. Where the Parties agree that the further appointment of consultants or the revision of the brief of appointed consultants is necessary the following criteria shall be utilised:-

- promotion and/or support for the SME sector;
- past experience with similar Projects;
- knowledge of local conditions;
- abilities and qualifications;
- membership of professional institutions.

6. KRM
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AUTHORISATION

BORROWER

Item 6.5. DEVELOPMENT BANK OF SOUTHERN AFRICA

(DBSA) : INFRASTRUCTURE DEVELOPMENT LOAN:

IMPROVING NEW OFFICES AND HOUSE: Ref: 5/12/2

27 JANUARY 2004 COUNCIL MEETING

RESOLVED: 1. That the Municipal Manager proceed with the

application for a loan of R5 000 000 (Five

Million Rands) from DBSA.

2. That the Municipal Manager be and is

hereby authorised to sign all documents

relating to the loan.

Resolution No: 04/2004.

B. KEN
DR P LEM

AUTHORISATION

DBSA DEVELOPMENT FUND

MANDLA SIZWE GANTSHO

in his capacity as Chief Executive of the Development Bank of Southern Africa, in terms of authority delegated to the incumbent of this post by the Board of Directors of the Development Bank of Southern Africa on 19 September 1985, determined on 8 August 2003 that:

MANDLA SIZWE GANTSHO

in his capacity as Chief Executive

OR

MAGARE LUTHER MASHABA

in his capacity as Chief Operating Officer: Development Fund

OR

PULE LESAILANE MOKHOB

in his capacity as Manager: Legal Services

OR

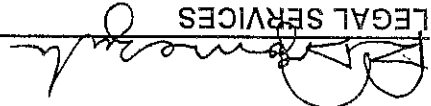
GREGORY NIGEL JOSEPH WHITE

in his capacity as Manager: Office of CEO

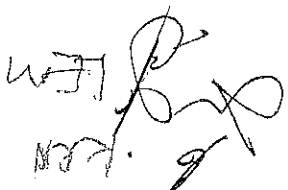
be authorised for and on behalf of the Development Fund to enter into agreements in terms whereof money is:-

1. granted for the purpose of technical assistance, development credit and to perform all acts and sign all documents that may be necessary for the purpose

DATE
24 June 2004

LEGAL SERVICES





KEM
5/25/2004