

Beryl-Ann du Plessis

From: Charmaine Kotze <CharmaineD@dbsa.org>
Sent: 28 August 2015 02:57 PM
To: Beryl-Ann du Plessis
Cc: Chris Visser; Deon Nel; Lounette Vermeulen
Subject: Bergrivier: Loan Agreements with DBSA
Attachments: PIKETBERG -ELANDS BAY MUNIPAL INFRASTRUCTURE, SAP No; 12002196, Proje....tif; Bergrivier LALF skuldbewys.pdf

Beryl-Ann

Soos genoem, heg ek die lenings-ooreenkoms vir R3 867 134.09 (Ref. 10886/102) aan. Die ooreenkoms was vir R6,475,191, maar jul muni het net R,386,7 134.09 gebruik/ getrek. (ElandsBay Municipal Infrastructure).

Die 2de aanhangsel is die LALF lening vir R2.1m, wat op bl 10 voorkom.

Vriendelike groete

Charmaine Kotzé
DBSA
Client Admin Specialist
Tel: 011 313 3293
Fax: 011 206 3293

From: Beryl-Ann du Plessis
Sent: 27 August 2015 04:11 PM
To: 'lownettev@dbsa.org.za' <lownettev@dbsa.org.za>
Subject: FW: Loan Agreements with DBSA

Good day

As discussed earlier today, the Auditor General requires information regarding two loan agreements with DBSA. Records cannot trace these two documents (but found the bulk that was requested) and would appreciate a copy of same:

- | | |
|--|----------------|
| 1. R3 867 134.09 from 1.7.2002-30.6.2018 | Ref. 10886/102 |
| 2. R2 100 000.00 from 1.7.2002 – 30.6.2015 | Ref. 13023/101 |

We appreciated your co-operation.

Sincerely

Beryl-Ann du Plessis
Senior Administrative Officer: Records
Bergrivier Municipality
13 Church Street
PO Box 60
PIKETBERG 7320
Tel: [022] 913 6045

LOAN AGREEMENT

in respect of

PIKETBERG/ELANDS BAY MUNICIPAL INFRASTRUCTURE

Entered into by and between

MUNICIPALITY OF EENDEKUIL, ELANDS BAY, PIKETBERG

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

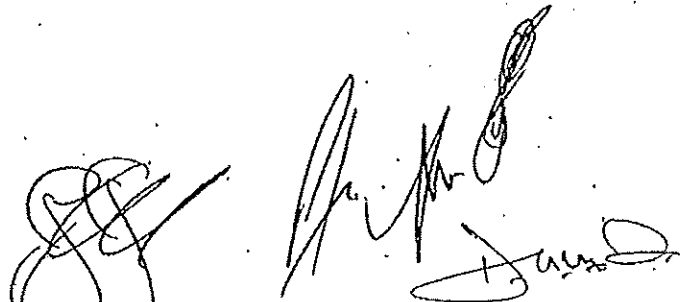

The bottom of the page contains three handwritten signatures in black ink. The first signature on the left is a stylized, circular scribble. The second signature in the middle is more legible, appearing to be 'A. ...'. The third signature on the right is also stylized and appears to be 'J. ...'. There is a horizontal line drawn across the page just below these signatures.

TABLE OF CONTENTS

PAGE

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 IMPROBABILITY OF PERFORMANCE	10
CLAUSE 8	SUSPENSION AND TERMINATION	10
CLAUSE 9	ARBITRATION	11
CLAUSE 10	GENERAL	12
	10.1 Notices	
	10.2 Amendments	
	10.3 Non-enforcement	
	10.4 Entire agreement	
CLAUSE 11	SUSPENSIVE CONDITIONS	13
CLAUSE 12	FURTHER TERMS AND CONDITIONS	13
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 | : | R6 475 191 |
| 2. | LOAN PERIOD | : | 20 years |
| 3. | INTEREST RATE | : | 15 per centum per annum |
| 4. | GRACE PERIOD FOR
CAPITAL REPAYMENT | : | Nil |
| 5. | CAPITAL REPAYMENT AND
PAYMENT OF INTEREST | : | <p>40 equal six-monthly instalments, commencing on the last day of the 1st Half-year after the Half-year during which the first disbursement was advanced to the Borrower, Interest only will be paid from the last day of the Half-year following the Half-year during which the first disbursement was advanced to the Borrower up to the last day of the 1st (first) Half-year after the Half-year during which the first disbursement was advanced to the Borrower, whereafter it will become part of the capital repayment instalments.</p> |
| 7. | PROJECT FILE NO. | : | WC10886 |

Handwritten signatures and initials at the bottom of the page, including a large signature on the left, a signature in the middle, and initials on the right.

1,
MEMORANDUM OF LOAN AGREEMENT

in respect of

PIKETBERG/ELANDS BAY MUNICIPAL INFRASTRUCTURE

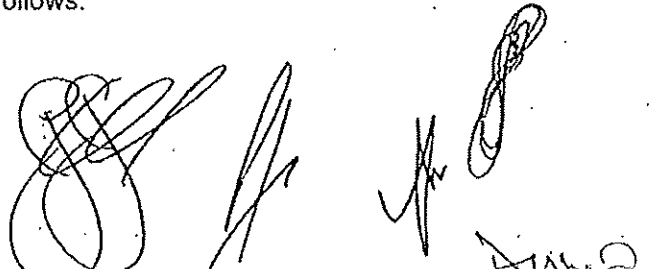
Entered into by and between

MUNICIPALITY OF EENDEKUIL, ELANDS BAY, PIKETBERG

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

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



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" Municipality of Eendekull, Elands Bay, Piketberg
- 1.1.2 "DBSA" the Development Bank of Southern Africa Limited, reconstituted and incorporated in terms of Section 2 of the Development Bank of Southern Africa Act No. 13 of 1997;
- 1.1.3 "Parties" the Borrower and DBSA;
- 1.1.4 "Project" Piketberg/Elands Bay Municipal 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 January to the 30th day of June and/or from the first day of July to the 31st day of December 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 of the Borrower and DBSA.

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;

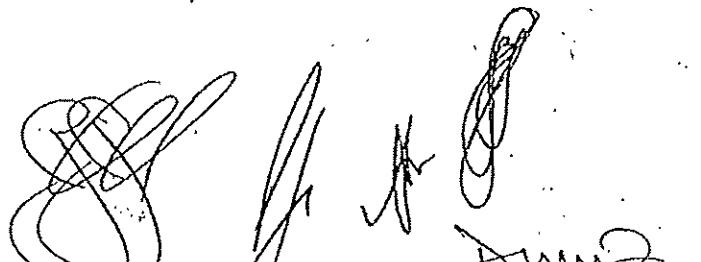
2.1.2 promptly inform each other of any fact which interferes with, or threatens to interfere with, the progress of the Project, the accomplishment of the purposes of the Loan, any related matter, and in particular the performance by either Party of its obligations under this agreement;

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.

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:

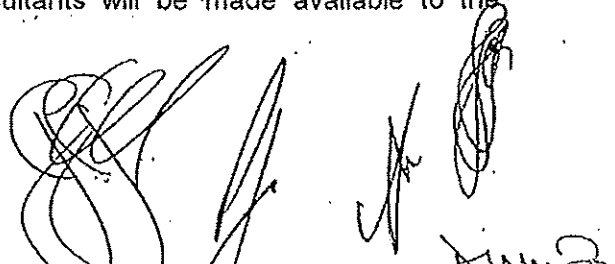
2.4.1 Before the formal appointment of any consultant for the Project it will be necessary for the Borrower, in the person of the Project Agent and his/her supporting staff, and with the approval of DBSA, to formulate the terms of reference required for such consultant. Particular attention should be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

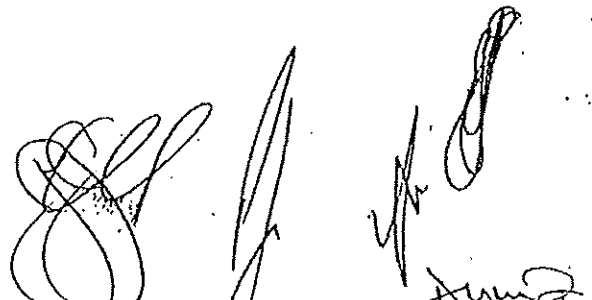
2.4.3 DBSA's information on capable consultants will be made available to the Borrower for this purpose.



- 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 R6 475 191 (six million four hundred and seventy five thousand and one hundred and ninety one 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 shall be repaid, and further interest shall be paid, in 40 (forty) equal six-monthly instalments, commencing at the end of the 1st (first) 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 1st (first) 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 40 (forty) equal six-monthly payments. Should, at the outset of the said 1st (first) 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 1st (first) 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 15% (fifteen 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. Payment shall commence at the end of the Half-year after the Half-year during which the first disbursement was advanced to the Borrower from the proceeds of the Loan.

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.
- 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

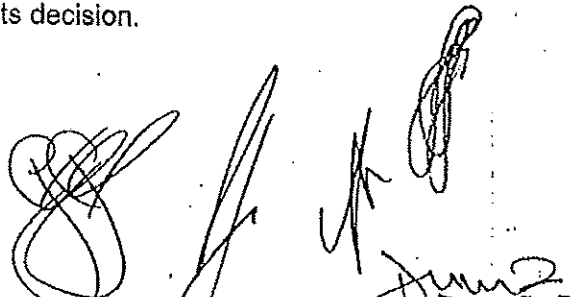
No On-Lending shall be effected unless provided for in Annexure A.

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.

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.

9. ARBITRATION

- 9.1 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 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.
- 9.2 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 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.
- 9.3 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.

9.4 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, without furnishing reasons unless otherwise agreed by the Parties in writing.

9.5 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.

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 Executive Manager and received at:

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

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

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 60
Piketberg
7320

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 to

the Borrower furnishing written confirmation that the Western Cape Provincial Government is fully informed of the project and approves of the funding arrangements thereof.

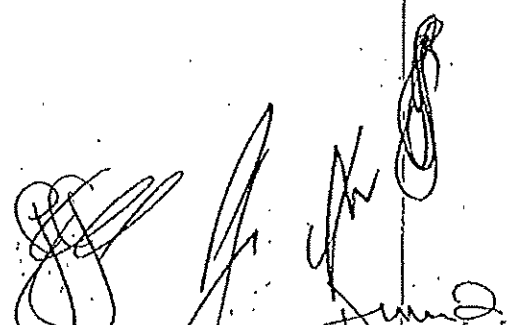
12. FURTHER TERMS AND CONDITIONS

- 12.1 The Borrower warrants that it has obtained from all government, provincial, and other authorities the necessary licences, permits and other authorisations required in term of environmental legislation, Water Act and the health and safety legislation for the construction, operation and maintenance of these projects.
- 12.2 The Borrower undertakes to comply with acceptable environmental management principles and ensures that a system is in place which adheres to environmental requirements throughout the lifetime of this project and undertakes to implement all recommendations made in the environmental assessment, and to ensure compliance with all environmental legal requirements.

12.3 The Borrower has obtained a subsidy from the Western Cape Provincial Government and Housing Board and anticipates obtaining funds from the Western Coast District Council and National Electricity Regulator, and also agrees to pay to the DBSA immediately such amounts received by the Borrower as full or partial redemption of the loan. Amounts so received shall be utilised towards the reduction of the loan and the instalments referred to in Clause 3.5 of the loan agreement, and shall be reduced pro-rata. In the event of such funds being received prior to the final disbursements of the loan to the Borrower, the provisions of Clause 3.7 of the loan agreement shall become applicable.

12.4 That the DBSA be informed of the site rehabilitation measures to be implemented for the site of the new reservoir at Elands Bay. This includes screening by trees, if necessary, to improve the aesthetic quality of the area.

Results of the study for siting the waste disposal site need to be communicated to the DBSA to ensure that pollution of Velorenvlei and groundwater reserves are avoided.



THIS DONE AND SIGNED AT Pikeburg ON THE 29th DAY OF September 1997

AS WITNESSES

1. [Signature]
2. [Signature]

[Signature]
FOR AND ON BEHALF OF THE
BORROWER, DULY AUTHORIZED
THERE TO IN TERMS OF ANNEXURE
D ATTACHED HERETO

THIS DONE AND SIGNED AT Pikeburg ON THE 29th DAY OF September 1997

AS WITNESSES

1. [Signature]
2. [Signature]

[Signature]
FOR AND ON BEHALF OF THE
DBSA, DULY AUTHORIZED
THERE TO IN TERMS OF ANNEXURE
E ATTACHED HERETO

PROJECT DESCRIPTION

1. PROJECT OBJECTIVE

To support the socio-economic development of the Piketberg and Elands Bay urban areas through the upgrading of bulk and internal services including water, sanitation, roads, storm water and electricity thereby improving the quality of life of the community.

2. PROJECT OUTPUT

2.1 BULK WATER SUPPLY ELANDS BAY

2.1.1 Building of a 0.5Ml reservoir

2.1.2 Construction of a bulk water supply line of 4530m [100/200mm diameter]

2.1.3 Equipment of 5 bore holes [2 new & 3 upgraded] plus the construction of a pump station.

R1 884 376

2.2 BULK SANITATION ELANDS BAY

2.2.1 Reticulation of 300m rising main [150mm diameter] and pump station with a 3.0l/s capacity [24h pump period]

342 961

2.2.2 Upgrading of the sewerage purification works in order to accommodate 243 additional units [oxidation ponds]

732 100

2.3 ROADS AND S W D ELANDS BAY

2.3.1 Upgrading of 704m link road [5.5m wide] to surface standard with kerbs and channels to serve as a bus route/link road

2.3.2 Provision of three [3] s.w.d out-fall lines of a total length of 280m [300mm to 400mm diameter]

118 501

2.4 INTERNAL SERVICES 243 UNITS ELANDS BAY

2.4.1 Gravel roads and s.w.d

2.4.2 Internal sewerage reticulation

2.4.3 Internal water reticulation

893 370

SUB TOTAL

3 971 308

This amount includes professional fees of 15%

2.5 ELECTRICAL [INTERNAL] RETICULATION ELANDS BAY

2.5.1 Project Description

The proposed medium voltage installation will consist of underground cable and mini substations as per the existing installation, which is extended.

The low voltage installation and service connections will consist of underground cables as per the existing installation. On the same route medium - and low voltage networks will share cable trenches.

2.5.2 Estimated project cost

• Internal medium voltage reticulation and transformers	R 501 000-00
• Low voltage network	R 562 724-00
• Service connections (243) Pre-Paid meters and ready boards included	R 305 800-00
• Street lighting	R 142 000-00
• Professional fees of 15% included	
Total	<u>R1 511 524-00</u>

2.6 BULK WATER SUPPLY PIKETBERG

2.6.1 Construction of a 2,4mgl reservoir & supply line (including a 950 m long (150mm diameter) ring feed)	4 168 030
--	-----------

2.7 BULK SANITATION SERVICES PIKETBERG

2.7.1 Upgrading of out fall sewer by adding a link sewer main of 280m[150mm diameter] to service the 510 erven	132 760
2.7.2 Augmentation of sewerage purification works by adding an additional anaerobic tank[2095 cub m] a settling tank and the upgrading of the aerators to 67kw. The augmentation makes provision for the additional 510 erven only.	1 005 893

2.8 STREETS AND STORM WATER DRAINAGE, PIKETBERG

2.8.1 Tarring of 538m gravel road surfaced with kerbs and formal s/w drainage to serve as link and bus route.	335 000
2.8.2 Storm water discharged from Gousblom Street to be collected in a 450mm diameter pipe [200m long] through the proposed development. An existing open s/w drain to be replaced by a 675mm diameter pipe [336m long] plus the upgrading of the existing open s/w drain on the eastern boundary of the proposed development to accommodate the increased and concentrated s/w runoff from the existing and proposed development	610 763
2.8.3 Relocation of existing irrigation line [100mm diameter] across the proposed development for 284m plus an additional 200m to take the line around the development	82 000
SUB TOTAL	R 6 334 446

This amount includes 15% professional fees

2.9 ELECTRICAL [INTERNAL] RETICULATION PIKETBERG

2.9.1 Project Description

The proposed medium voltage installation will consist of underground cable and mini substations as per the existing installation, which is extended.

The low voltage installation will consist of underground cables and service connections as per the existing installation. On the same route medium and low voltage networks will share cable trenches.

Estimated project cost

- Internal medium voltage reticulation and transformers R 710 339-00
- Low voltage network R 760 250-00
- Service connections (510) Pre-Paid meters and ready boards included R 642 000-00
- Street lighting R 295 950-00
- Professional fees of 15% included

Total**R2 408 539-00**

GRAND TOTAL

R 14 225 817

DBSA CONTRIBUTION

R 6 475 191

BCIG

R 7 750 626

3. IMPLEMENTATION AND PROJECT MANAGEMENT**3.1 INSTITUTIONAL ARRANGEMENTS****3.1.1 Project Steering Committee**

A Project Steering Committee must be formed by the Borrower to oversee and co-ordinate development actions to ensure the implementation of the project elements in a coherent manner. The committee will consist of representatives from the following institutions:

- ⇒ Local Authority;
- ⇒ Local community members (RDP Forums/Working Committees);
- ⇒ Consultants;
- ⇒ DBSA (observer).

The Programme Steering Committee (PSC) will perform the following functions:

- ⇒ make recommendations to the Borrower and the DBSA relating to implementation issues in accordance with the general principles and design criteria, for their consideration and approval;
- ⇒ refer policy matters via the appropriate forums to the relevant institutions;
- ⇒ be informed of tenders received and note recommendations on the allocation of tenders.

3.1.2 Community Liaison Committee

The parties note the existence of RDP forums which have been linked to Working Committees. These structures should form the basis for community liaison on the following project matters:

- ⇒ Planning and implementation of the projects.
- ⇒ The impact of projects on existing tariff structures and applicable new tariff structures.
- ⇒ Mobilise local support and involvement in labour-based construction methods.

3.1.3 Project Maintenance

The Borrower will maintain the assets to be created; this will include:

- ⇒ making adequate budgetary provision for maintenance of the projects;
- ⇒ providing technical expertise and advice to those involved in the maintenance of project;
- ⇒ undertaking training in financial and technical management of the projects.

4. MATTERS AGREED UPON

- 4.1 A report on the progress made with the implementation of the project in terms of the project description will be submitted by the Borrower to the DBSA as and when required.
- 4.2 Designs should be based on a rational approach rather than prescriptive norms and standards.
- 4.3 The Borrower will explain the full financial implications of the projects to the communities involved.



ANNEXURE BI

APPLICATION AND SOURCE OF FUNDS STATEMENT

PIKETBERG, ELANDS BAY MUN INFRA [W/S/E] (10886/1/1)

Description	Total (R)	DBSA (R)	%	Borrower (R)	%	Other (R)	%
BULK WATER SUPPLY ELANDS BAY	1,884,376	130,376	6.9	1,754,000	93.1	0	0.0
BULK SANITATION ELANDS BAY	1,075,061	322,519	30.0	752,542	70.0	0	0.0
ROADS & SWD ELANDS BAY	118,501	16,579	14.0	101,922	86.0	0	0.0
INTERNAL SERVICES 243 UNITS E/BAY	893,370	267,370	29.9	626,000	70.1	0	0.0
ELECTRICAL RETICULATION E/BAY	1,511,524	1,511,524	100.0	0	0.0	0	0.0
BULK WATER SUPPLY PIKETBERG	4,168,030	1,169,510	28.1	2,998,520	71.9	0	0.0
BULK SANITATION PIKETBERG	1,138,653	341,596	30.0	797,057	70.0	0	0.0
STREETS & S/W DRAINAGE PIKETBERG	1,027,763	307,178	29.9	720,585	70.1	0	0.0
ELECTRICAL INFRA RETICULATION P/BERG	2,408,539	2,408,539	100.0	0	0.0	0	0.0
Totals	14,225,817	6,475,191	45.5	7,750,626	54.5	0	0.0

II. TERMS AND CONDITIONS OF DISBURSEMENT

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 (for each phase) in accordance with the Application and Source of Funds Statement (Annexure B1), read together with the Project Description (Annexure A), to the maximum amount of R6 475 191. This is subject to submission to DBSA of fully documented proof of payment(s) by the Borrower to supplier(s), consultant(s) and/or contractor(s), 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 B1.

LIST OF CONSULTANTS AND
CONTRACTORS ALREADY APPOINTED

3

Handwritten signatures and initials in black ink, located at the bottom right of the page. There are three distinct signatures or sets of initials, some appearing to be in cursive or stylized script.

MUNISIPALITEIT PIKETBERG

RAADSBESLUIT GENEEM OP 15 SEPTEMBER 1997

6.6 OPNEEM VAN LENING BY DEVELOPMENT BANK OF SOUTHERN AFRICA: Brief en Konsepooreenkoms ontvang. (5/6/1/30 - 15/1/B - 5/18/1)

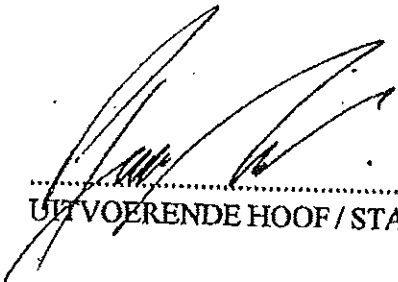
BESLUIT: dat die Ooreenkoms (*Aanhangsel "A"*) vir die opneem van 'n Lening by *Development Bank of Southern Africa* goedgekeur en geteken moet word.

BESLUIT: om die onderstaande twee persone te magtig om namens die Raad bogenoemde Ooreenkoms te teken vir die opneem van 'n Lening, naamlik:

- * *DIE BURGEMEESTER RAADSLID J J MOORE*
- * *DIE STADSKLERK MNR P J C VAN NIEKERK*

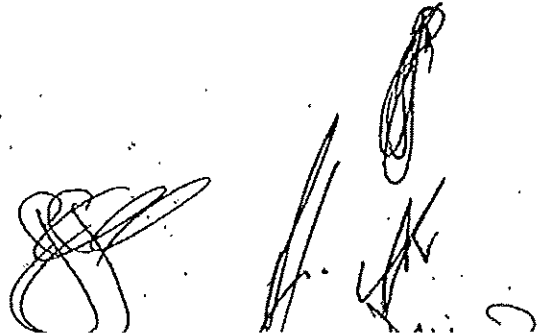
GESERTIFISEER 'N WARE UITTREKSEL VAN RAADSBESLUIT UIT NOTULE VAN RAADSVERGADERING GEHOU OP 15 SEPTEMBER 1997

29 September 1997


.....
UITVOERENDE HOOF / STADSKLERK

AUTHORISATION - BORROWER

1

Handwritten signatures and scribbles at the bottom right of the page, including a large circular scribble and several lines of illegible handwriting.

AUTHORISATIONDEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

IAN ANDREW GOLDIN

in his capacity as Chief Executive of the Development Bank of Southern Africa Limited, in terms of authority delegated to the incumbent of his post by the Board of Directors of the Development Bank of Southern Africa on 19 September 1985, determined on 25 September 1996 that:

IAN ANDREW GOLDIN
in his capacity as Chief Executive

OR

JACOB HENRY DE VILLIERS BOTHA

OR

MANDLA SIZWE GANTSHO

OR

KHOTSO MOLEFE NTSEARE
in their capacity as Executive Managers

OR

PULE LESAILANE MOKHOBO
in his capacity as Manager: Legal Services

OR

DAVID FERREIRA

OR

CHRISTINA JOANNA GOLINO

OR

CHRISTIAAN STEPHANUS HEYMANS

OR

BANE MOEKETSI MALEKE

OR

MAGARE LUTHER MASHABA

25

OR

FAZAL MEHMOOD SAIB

OR

JENNIFER DAPHNE TYOBEKA

OR

DENNIS MDUDUZI ZIMU

in their capacity as Managers: Business Units (DSP Related)

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

1. lent, or
2. granted for the purpose of technical assistance,

and to perform all acts and sign all documents that may be necessary for the purpose

DATE

LEGAL SERVICES BUSINESS UNIT

Handwritten signatures in black ink, appearing to be three distinct signatures, located in the bottom right corner of the page.

23

OR

FAZAL MEHMOOD SAIB

OR

JENNIFER DAPHNE TYOBEKA

OR

DENNIS MDUDUZI ZIMU

In their capacity as Managers: Business Units (DSP Related)

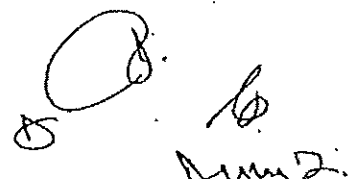
be authorised for and on behalf of the Development Bank of Southern Africa Limited to enter into agreements in terms whereof money is:-

1. lent, or
2. granted for the purpose of technical assistance,

and to perform all acts and sign all documents that may be necessary for the purpose

DATE

LEGAL SERVICES BUSINESS UNIT

Handwritten signatures and initials in the bottom right corner of the page. There are two distinct signatures, one appearing to be a stylized 'D' and another more cursive signature, with some initials below them.