

AMENDMENT TO LOAN AGREEMENT

between

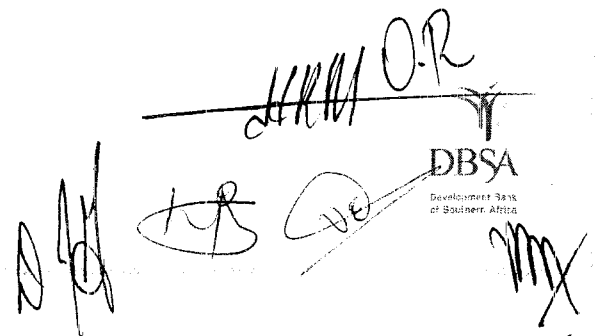
THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

and

MAKHADO LOCAL MUNICIPALITY

In respect of the

INFRASTRUCTURE PROGRAMME PHASE 1 – TIP LOAN

The bottom right corner of the document contains several handwritten signatures and stamps. At the top of this section is a large signature that appears to be 'J.M. O.R.' written over a horizontal line. Below this, there are three smaller, more stylized signatures. To the right of these signatures is a circular stamp containing the letters 'DBSA'. Below the stamp, the text 'Development Bank of Southern Africa' is printed in a small font. To the far right, there is another handwritten signature.

1. **DEFINITIONS AND HEADINGS**

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

1.1.1 "this Amendment Agreement" shall mean this Amendment Agreement and any annexures hereto;

1.1.2 "the Loan Agreement" shall mean the written agreement concluded by and between the Parties on 11 December 2007

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

2. **BACKGROUND**

2.1 The Parties have concluded the Loan Agreement.

2.2 The Parties wish to amend the Loan Agreement.

2.3 The Parties desire that this amendment shall be contained in this Amendment Agreement.

3. **AGREEMENT**

3.1 The Agreement is, hereby, amended, as follows:-

3.1.1 Clause 14.6.1 which reads as follows:

"Disbursements by the DBSA will be affected pro rata to the ratio of its financing as indicated in the Application and Source of Funds Statement based on the principle of proof of expenditure."

Is hereby amended to read as follows:-

“14.6.1 Disbursements by the DBSA will be affected pro rata to the ratio of its financing as indicated in the Application and Source of Funds Statement based on the principle of proof of expenditure. The Borrower shall attach the Trial Balance and/or Ledger details as proof of expenditure.”

- 3.2 This Amendment Agreement contains all the amendments to the Loan Agreement and neither of the Parties shall be bound by any undertakings, representations, warranties or promises made, in respect of such amendments, which are not recorded herein.
- 3.3 Nothing, in this Amendment Agreement, shall be construed by either Party, as precluding the Parties from further amending the Loan Agreement, should this become necessary.
- 3.4 Save for the changes contained in this Amendment Agreement, the Loan Agreement shall remain unaltered.

The bottom right of the page contains several handwritten signatures and a stamp. From left to right, there are three distinct signatures. To the right of these is a stamp that includes the text "DBSA" and "Development Bank of South Africa". There are also some illegible handwritten marks and a signature that appears to be "LHM" written over a line.

SIGNED at MAKHADO on the 21 day of July 2008.

AS WITNESSES:

1. [Signature]

[Signature]

FOR AND ON BEHALF OF THE BORROWER, WHO HEREBY WARRANTS HIS AUTHORITY.

2. [Signature]

SIGNED at Midrand on the 4 day of August 2008.

AS WITNESSES:

1. [Signature]

[Signature]

FOR AND ON BEHALF OF THE DBSA, DULY AUTHORISED THERETO.

2. _____



TRIP REPORT

Trip dates : from	14 May 2012
Purpose of the trip:	<p><u>To discuss Makhado Local Municipality's Bulk Infrastructure needs.</u></p> <p>1. Attendance</p> <p>FD Mutavhatsidi – Executive Mayor (EM) E Mugare – Acting Municipal Manager (MM) T Ralulimi – Manager – Technical Service George Mapheto – Action CFO Pumla Mannya – Regional Manager (Limpopo) Sheila Mafereka – Senior Institutional Analyst Theuns Potgieter – Programme Manager Pule Mothiba – Project Manager (Makhado LM)</p>
Project / Assignment name (if applicable)	1. Makhado Local Municipality's Bulk infrastructure needs
Organisation name:	Makhado Local Municipality
Contact person/s:	George Mapheto
Contact number/s : office	015 519 3056 /083 244 1496
Outcome of discussion:	<p>The aim of the meeting was to discuss the bulk infrastructure needs of the Municipality given that its vision is to become a City in 2020. The Mayor indicated that the municipality intends attending to its urgent basic infrastructure including bulk electricity and water supply. As a result the municipality intends reversing the current application of R138 million (roads projects) and submitting a loan application for bulk electricity supply. Refurbishment of Ribolwa substation in particular. The challenges in Makhado are summarised as follows:</p> <ul style="list-style-type: none"> • Lack of bulk electricity supply (only 100kVA of supply is available) • Constant outages/shortages of supply • Lack of electricity capacity to accommodate the proposed new residential developments • Lack of electricity capacity to serve waste water treatment plants <p>The municipality requires R60 million to refurbish the substation supplying electricity in town and R30 million to refurbish Ribolwa substation. Once refurbished Ribolwa will supply waste water treatment plants. Other developments earmarked for bulk infrastructure services within Makhado are as follows:</p> <ul style="list-style-type: none"> • New developments (in Extension 9), including residential, mall and hotel • Developments in Vele mining currently operated by Coal of Africa <p>The meeting decided that in Makhado Local Municipality, the priorities have changed as the Municipality is not intending on continuing with a roads programme of R138 million. Instead the municipality will focus on bulk</p>

	electricity supply in the form of Ribolwa substation and other urgent needs.
Way forward	<ol style="list-style-type: none">1. Makhado Local Municipality to revisit their infrastructure needs.2. The municipality will propose a programme to the amount they require (it may be R100 million) with the first project being funding of refurbishment at Ribolwa substation.3. Makhado Local Municipality will also reverse the application for R138 million for roads programme and submit the new application detailing the bulk infrastructure programme.4. The municipality will submit the formal cancellation of the current application after the council resolution