

SECOND AMENDMENT LOAN AGREEMENT

made and entered into by and between

SWARTLAND LOCAL MUNICIPALITY

and

THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED

in respect of

INFRASTRUCTURE PROGRAMME 2007/2008




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SIGNATURE PAGE 7



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RECORDAL

This agreement is made by and between:

- (a) Swartland Local Municipality, a local municipality established or deemed to be established in terms of Section 12 of the Local Government Municipal Structures Act 117 of 1998 as amended; and
- (b) DBSA in its capacity as a Party to the Loan Agreement with the Borrower to lend a loan of R43 113 100.00 (forty three million one hundred and thirteen thousand one hundred Rand).

The DBSA has already disbursed the loan.

NOW THEREFORE, the Parties hereby agree as follows:



1. INTERPRETATIONS

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

1.1.1. "the First Amendment Agreement" shall mean the written First Amendment Loan Agreement concluded by and between the Parties on 6 December 2010.

1.1.2. "the Loan Agreement" shall mean the written Loan Agreement concluded by and between the Parties on 2 September 2008.

1.1.3. "the Second Amendment Loan Agreement" shall mean this Amendment Agreement.

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

2. BACKGROUND

2.1. The Parties have concluded the Loan Agreement and the First Amendment Agreement.

2.2. The Parties wish to amend the Loan Agreement.

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

3. LOAN AGREEMENT

3.1 The Loan Agreements are amended as follows:

3.1.1 By the deletion *in toto*, of clause 1.1.7 and by the substitution thereof with the updated clause 1.1.7 viz:



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"1.1.7 Interest Period means the last Business Day of each Interest Period".

3.1.2 By the deletion, *in toto*, of clauses 3.1.2 and 3.1.4, and by the substitution therefor with the updated clauses *viz*:

"3.1.2 Interest on the amount outstanding shall be compounded Six-monthly and shall be due and payable on the last Business Day of each Half-year.

3.1.4 Payment shall commence on the last Business Day of the Half-year during which the first disbursement was advanced to the Borrower."

3.1.3 By the deletion, *in toto*, of clause 4.1 and by the substitution therefor with the updated clause, *viz*:

"4.1 The capital amount of Loan shall be repaid in 38 (thirty eight) equal Six-monthly instalments, commencing on the last Business Day of the 3rd (third) 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; provided that subject to the provisions of clause 7, the Borrower may, with 30 (thirty) days written notice to the DBSA, make repayments in excess of the abovementioned or repay the full amount outstanding, provided further that the Borrower shall not be entitled to make any repayments prior to the date on which the first instalment shall fall due in terms of this Agreement; provided further that this shall not jeopardise the proper completion of the Project."

3.2 This Second Amendment Agreement contains all the amendments to the Loan Agreement and neither of the Parties shall be bound by any undertakings,



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representations, warranties or promises made, in respect of such amendments, which are not recorded herein.

- 3.3 Nothing, in this Second Amendment Agreement, shall be construed by either Party, as precluding the Parties from further amending the Loan Agreement and this Second Amendment Agreement, should this become necessary.
- 3.4 Save for the changes contained in this Second Amendment Agreement, the Loan Agreement and the First Amendment Agreement shall remain unaltered.

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SIGNED at Malmesbury on this 25th day of November 2011.

AS WITNESSES:

1.

[Signature]

[Signature]

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

2.

[Signature]

NAME: M S TERBLANCKE

TITLE: DIRECTOR: CORPORATE SERVICES

SIGNED at [Signature] on this 30th day of November 2011.

AS WITNESSES:

1.

[Signature]

[Signature]

FOR AND ON BEHALF OF THE DBSA, DULY AUTHORISED THERETO

2.

[Signature]

NAME: [Signature]

TITLE: [Signature]

