

# DBSA



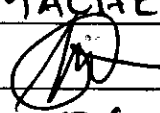
## IMPLEMENTATION

Collaterals


**REGISTRATION AND LODGEMENT OF PHYSICAL COLLATERAL**

Name of Institution holding the investment: STANDARD BANK.  
Name of Client SOL PLANNING (P.M) CAPITAL INTERA  
Client Number : \_\_\_\_\_  
Project Number NC 103958  
Type of collateral : CUMMANTCE NO M505651

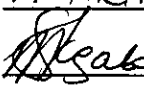
**INSTRUMENT RECEIVED BY PROJECT MANAGER:**

Full Name MACHELANI SHIRINDZA  
Signature   
Date 06/05/2011

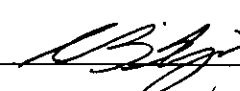
**INSTRUMENT CHECKED BY GROUP LEGAL SERVICES:**

Full Name NOMABLOZI MASHINI  
Signature   
Date 06/05/2011

**COLLATERAL REGISTERED BY COLLATERAL OFFICER:**

Full Name MARIA K. SARD  
Signature   
Date 16/05/2011

**REGISTRATION NOTED BY DIVISIONAL EXECUTIVE: GROUP CREDIT RISK**

Full Name Curtis van Bijon  
Signature   
Date 16/05/11

Durban Credit Centre

P O Box 2511  
Durban  
4000

Standard Bank Centre - Durban  
1st Floor - North East  
1 Kingsmead Way  
Kingsmead, 4001

The Development Bank of Southern Africa  
Headway Hill  
1258 Lever Road  
Midrand  
1685

3 May 2011

Dear Sir

Guarantee Number M525651 dated 3 May 2011 for R20,973,203.00

Please find enclosed the abovementioned guarantee.

Yours faithfully



Frikkie van de Venter  
Account Executive Manager.



Lourika Janse van Rensburg  
Account Analyst

Directors: T M F Phaswana (Chairman), S K Tshabalala\* (Chief Executive), D D B Band, R M W Dunne#, T S Gcabashe, S E Jonah KBE##, Sir Paul Judge#, K P Kalyan, S J Macozoma, J H Maree\*, Adv K D Moroka, A C Nissen, M C Ramaphosa, S P Ridley\*, M J D Ruck, Lord Smith of Kelvin, Kt#, E M Woods

Group Secretary: L Wulfsohn 04/02/2011

\*Executive Director #British ##Ghanaian

Durban Credit Centre

P O Box 2511  
Durban  
4000

Standard Bank Centre - Durban  
1st Floor - North East  
1 Kingsmead Way  
Kingsmead, 4001

TRN No. M525651

The Development Bank of Southern Africa  
Headway Hill  
1258 Lever Road  
Midrand  
1685

3 May 2011

## DEMAND GUARANTEE

We, The Standard Bank of South Africa Limited Registration Number 1962/000738/06 ("the Bank"), undertake to pay The Development Bank of Southern Africa ("the Beneficiary") the sum of R20,973,203.00 (Twenty Million Nine Hundred and Seventy Three Thousand Two Hundred and Three Rand) ("the Guaranteed Amount") on receipt of a first written demand for payment from the Beneficiary stating that the amount is due and payable by Sol Plaatje Municipality ("the Principal") in terms of an agreement ("the Agreement") between the Principal and the Beneficiary.

The Bank's liability under this guarantee is principal in nature and is not subject to any agreement. The Bank's liability shall not be reduced, or in any way be affected by any alteration of the terms of the Agreement, or any other arrangements made between the Principal and the Beneficiary.

The Bank will pay on demand and will not determine the validity of the demand or the correctness of the amount demanded, or become party to any claim or dispute of any nature which any party may allege.

This guarantee is neither negotiable nor transferable, is restricted to the payment of a sum of money only and is limited to the Guaranteed Amount.

The Bank reserves the right to withdraw from this guarantee at its entire discretion by giving the Beneficiary 3 (three) months' written notice of its intention to do so. The Beneficiary may, however, claim under this guarantee during the mentioned notice period from the date that such notice is given. The Bank's liability shall cease on expiry of the notice period and no further claims will be considered.

The cancellation of, or any change to the terms and/or conditions of this guarantee, must first be agreed to in writing by the Beneficiary, the Principal and the Bank.

Payment will only be made at the Kimberley Branch of the Bank and against return of this original guarantee by the Beneficiary or the Beneficiary's duly authorised agent.

This original guarantee must be returned to the Kimberley Branch of the Bank by the Beneficiary or the Beneficiary's duly authorised agent either:

- at the end of the notice period in the event of the Bank giving notice to withdraw from the guarantee;

or  
- against payment of the Guaranteed Amount; or  
- on cancellation of the guarantee.

Signed at Kimberley on 04 May 2011

For: The Standard Bank of South Africa Limited.

*Frikkie van de Venter*  
Frikkie van de Venter  
Account Executive Manager

*Lourika Janse van Rensburg*  
Lourika Janse van Rensburg  
Account Analyst

As witnesses:

- 1. *[Signature]*
- 2. *Banau*

**CESSION AGREEMENT**

in respect of

**CAPITAL INFRASTRUCTURE PROGRAMME 2010/2011**

made and entered into by and between

**SOL PLAATJE MUNICIPALITY**

and

**THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED**



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

## 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 "the/this Agreement" shall mean this Agreement, together with any Annexures hereto;

1.1.2 "the Ceded Subject Matter" shall mean the matter ceded by the Cedent to the Cessionary, as fully enumerated in Annexure "A";

1.1.3 "the Cedent" shall mean Sol Plaatje Municipality;

1.1.4 "the Cessionary" shall mean 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;

1.1.5 "the Loan Agreements" shall mean the Agreements concluded by and between the Cedent and the Cessionary on 21 February 2011; and

1.1.6 "the Parties" shall mean, collectively, the Cedent and the Cessionary.

1.2 Any reference to the Cessionary shall include a reference to the Cessionary's successors in title and/or assigns. Any reference to the singular shall include a reference to the plural and vice versa. Any reference to the masculine gender shall include a reference to the feminine, juristic or neuter genders and vice versa.

1.3 The clause headings in this Agreement have been inserted for convenience purposes only and shall not be taken into account in the interpretation hereof.

## 2. BACKGROUND

2.1 Pursuant to the Loan Agreements, the Cessionary has undertaken to advance certain sums of money to the Cedent.

2.2 By virtue of the Loan Agreements, the Cedent is indebted and, in the future will become indebted, to the Cessionary.

2.3 As security for the due discharge of its indebtedness to the Cessionary, pursuant to the Loan Agreements, the Cedent undertook to provide with collateral for the due compliance, by the Cedent, of all its duties and obligations in terms of the Loan Agreements.

2.4 The Parties have agreed that such due compliance be reduced to writing and be contained in this Agreement.

WHEREAS the Parties have entered into Loan Agreements on 21 February 2011, in terms of which the Cessionary advanced a Loan amount of R262 607 750.00, being in respect of:

Loan 1: R230 000 000.00; and

Loan 2: R32 607 750.00.

AND WHEREAS the Cedent has invested funds in the amount of R20 973 203.00 with Standard Bank, Account number: 04 846 627 1 serial number 021 ("Investment");

AND WHEREAS the Cedent wishes to cede and pledge the Investment as a continuing and covering security for the loan amount provided by the Cessionary in terms of the Loan Agreements;

NOW THEREFORE, the Parties enter into this Agreement.

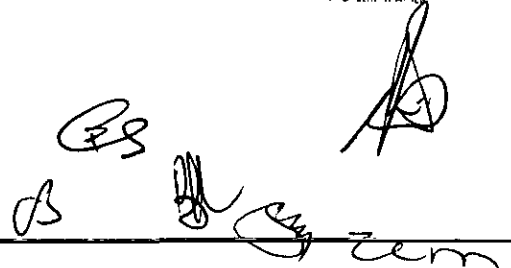
### 3. AGREEMENT

3.1 The Cedent hereby cedes, assigns, transfers and makes over unto and in favour of the Cessionary all the Cedent's rights, title and interest in and to the Ceded Subject Matter held by Standard Bank in the amount of R20 973 203.00 as at 28 March 2011 and due or which may become due to the Cedent.


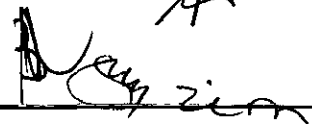





- 3.2 The Ceded Subject Matter, aforementioned is hereby ceded together with all dividends, interest, distributions, accruals, rights, income and other benefits of a capital or revenue nature, arising therefrom or accruing to the holder thereof, from time to time.
- 3.3 The Ceded Subject Matter, aforementioned is given as continuing covering security for the due and proper payment of each and every amount, which the Cedent is at present or may in the future become indebted to the Cessionary in terms of the Loan Agreements.
- 3.4 The Cessionary shall be entitled, at any time if the Cedent has breached the Loan Agreements and failed to remedy such breach within the time period provided in the Loan Agreements, to transfer the Certificates, and any other documentation, evidencing the Ceded Security Matter (or any part thereof) into its own name, or that of its nominee, in securitatem debiti.
- 3.5 The Cedent, hereby, warrants that no other person, or juristic person, other than the Cessionary, has, or shall have, any rights, of whatsoever nature, in respect of the Ceded Subject Matter, nor shall any such other person or juristic person acquire any such rights during the period of this Cession or Loan Agreements.
- 3.6 In the event of the Cedent failing to effect payment, on due date, of any amount due in terms of the Loan Agreements, or committing any other breach of the terms and conditions thereof, and the Cedent failing to make that payment or remedy the breach within the notice period provided in the Loan Agreements, then and in such event, the Cessionary shall be entitled, in addition to its common law rights as Cessionary, to the following rights and powers:-
- 3.6.1 to realise the Ceded Subject Matter, or any portion thereof; in such manner, and on such terms as may be necessary in order to procure the discharge of the indebtedness, then outstanding, of the Cedent, in such event, to give transfer and cession thereof to any *bona fide* purchaser thereof;



- 3.6.2 to apply the proceeds of realisation in reduction of the indebtedness due to the Cessionary, and to account within 14 (fourteen) days to the Cedent for any excess;
- 3.6.3 to sign, on behalf of the Cedent, all such documents and to do all such further things as may be necessary or requisite to give effect to the steps taken by the Cessionary in pursuance of its rights and powers in terms of this Agreement or the Loan Agreements. Without derogating from the generality of the foregoing, it is recorded that the powers given to the Cessionary, hereunder, shall include the power to make payments, and to act in the manner contemplated, hereunder.
- 3.7 Insofar as it might be necessary, the Cedent, hereby, confirms the terms and conditions of the Loan Agreements, and related documentation, all of which relevant terms and conditions shall be read as if incorporated in the body of this Agreement.
- 3.8 Notwithstanding anything to the contrary hereincontained, this Agreement shall, ipso facto, lapse and be of no further force of effect, upon the discharge, by the Cedent, of its total indebtedness to the Cessionary, pursuant to the Loan Agreements.
- 3.9 The standard terms and conditions of this Agreement are contained in Annexure B, hereto, and shall be read as if incorporated in the body of this Agreement.
- 3.10 As its domicillium citandi et executandi for all purpose arising from this Agreement, the Cessionary confirms its domicillium address as stipulated in the Loan Agreements from time to time.
- 3.11 The Cessionary hereby accepts this Agreement.

CS  
  
  


SIGNED at Kimberly on the 28 day of MARCH 2011.

AS WITNESSES:

1. [Signature]

[Signature]  
FOR AND ON BEHALF OF THE CEDENT,  
DULY AUTHORISED THERETO.

2. [Signature]

SIGNED at MORANS on the 29th day of MARCH 2011.

AS WITNESSES:

1. [Signature]

[Signature]  
FOR AND ON BEHALF OF THE  
CESSIONARY, DULY AUTHORISED  
THERETO.

2. [Signature]



**COPY OF A LETTER OF CONFIRMATION OF THE INVESTMENT FROM THE FINANCIAL INSTITUTION**

FROM

(MON)MAR 28 2011 13:00/ST. 12:58/No. 7607493148 P 1



Kimberley Business Centre

The Development Bank of Southern Africa  
P O Box 1234  
Halfway House  
1645

Dear Mr. Shirindza

**Sol Plaatje Municipality**

We hereby confirm that our abovementioned customer has invested R20 973 203-00 for 3 months on a fixed deposit investment account number 04 846 827 1 serial number 021.

We further advised that the said amount has been pledged / stopped pending formal request from our customer to issue a guarantee in favour of you.

Please do not hesitate to call the writer for any clarification.

Yours Sincerely

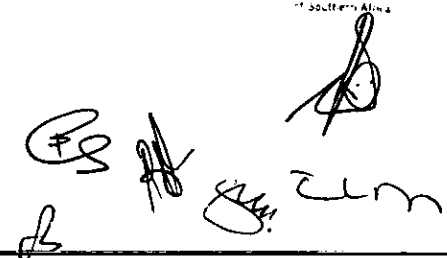
  
Ms GM Moremi  
Account Executive

Cnr Lennox and Bultfontein Roads Kimberley B301  
PO Box 626 Kimberley 8300 SWIFT address: SBZA ZA JJ www.standardbank.co.za  
Tel: 053 807 8102 Fax: 053 807 8173

The Standard Bank of South Africa Limited (Reg No. 1982/007311/06) An authorised financial services and registered credit provider (NCRCP15).

Directors: T M F Phisoana (Chairman), S K Tshabalala (Chief Executive), U G G Sand, B M W Dintan\*, I S Gcabashe, S E Jorali KBE\*\*, Dr Paul Judge P, K P Kalyan, V J Macozama, J H Marwe\*,  
Adv R D Moretha, A C Ntshani, M C Rengaphone, S P Rieley\*, M J D Ruck, Lord South of Kwaik, K M, C M Woods  
Secretary: L Mafubane \*Executive Director #01054 #01054 #01054





**STANDARD TERMS AND CONDITIONS****WAIVER**

No waiver or release made, at any time, by the Cessionary, of any of its rights hereunder, nor any leniency which may be granted by the Cessionary to the Cedent, or the failure by the Cessionary to enforce any of the undertakings set out in this Agreement, shall, in any way, affect the validity of this Agreement which shall always remain in full force and effect.

**CERTIFICATE OF INDEBTEDNESS**

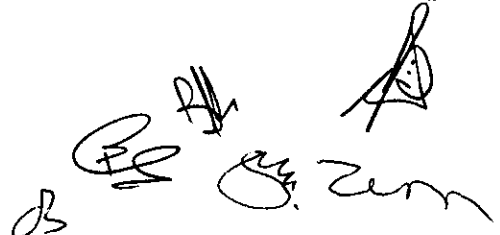
The Cedent further agrees that the amount of the Cedent's indebtedness to the Cessionary (including interest, costs and the rate of interest) shall be set out in a certificate signed by any Director, Manager or Secretary of the Cessionary. It shall not be necessary to prove the appointment of the person signing any such certificate, and such certificate shall be binding on the Cedent and shall be prima facie proof of the amount of the indebtedness of the Cedent and shall be valid as a liquid document against the Cedent in any competent Court for the purpose of obtaining provisional sentence or summary judgment against the Cedent thereon.

**SEVERABILITY**

The Parties agree that each paragraph in this Agreement is severable, the one from the other, and if any paragraph is found to be defective or unenforceable, for any reason, by any competent Court, then the remaining paragraphs shall continue to be of full force and effect.

**DOMICILIA AND NOTICES**

The Parties, hereby, choose as their respective domicilia citandi et executandi, for the effective service of all notices and legal processes arising out of this Agreement, their addresses, from time to time, as in the Loan Agreement.



The Parties shall be entitled to change their respective domicilia citandi et executandi, from time to time, by giving written notice of an alternative address within the Republic of South Africa (which address shall be a street address to which post is delivered) to the other Party to this Agreement, which notices shall take effect upon receipt of such notice of change by the addressee.

All notices required to be given in terms of this Agreement shall be in writing, and shall be deemed to be received on the same day, if delivered by hand. Likewise, in the event that any Party communicates with the other by means of telefacsimile communication, such communication shall be deemed to be received on the same day as it was transmitted.

### **VARIATION**

No variation, modification or waiver of any provision of this Agreement, or consent to any departure therefrom, or consensual cancellation, shall be of any force or effect unless confirmed in writing and signed by the Parties; and, in such event, such variation, modification, waiver, consent or cancellation shall be effective only in the specific instance and for the purpose and to the extent for which same was made or given.

### **COSTS**

The Cedent shall be liable to, and shall reimburse, the Cessionary for all costs, including attorney and his own client costs, incurred by the Cessionary in the enforcement of any rights ceded in terms hereof and the Cedent further absolves the Cessionary from any liability for, and holds it harmless against, any loss or damage sustained in, or by reason of, the enforcement of the said rights or the Cessionary's failure or omission to enforce any of the said rights.

### **JURISDICTION**

The Parties hereby submit to the non-exclusive jurisdiction of the High Court of South Africa (Witwatersrand Local Division) in respect of any claim arising out of, or in connection with, this Agreement.

### **STAMP DUTY**

Any stamp duty payable in respect of this Agreement shall be payable by the Cedent.

