

SERVICE DELIVERY AGREEMENT

entered into between

MAKANA MUNICIPALITY

herein represented by its Municipal Manager,


Ms Ntombekaya Baart

and

MAKANA TOURISM

herein represented by the Chairperson of its Management Committee

Earl Hodges


EH
Jaw
NB
NBA

1. PREAMBLE**WHEREAS**

MAKANA TOURISM is an Association for no gain (Non profit Organisation) whose main purpose is to market, promote, publicise, and disseminate information on the residential, recreational and tourism facilities in and around the Makana area.

WHEREAS

MAKANA MUNICIPALITY (hereinafter referred to as THE MUNICIPALITY) has had a long-standing and mutually supportive relationship with MAKANA TOURISM in terms of which THE MUNICIPALITY has provided financial and operational support, which support it intends to continue with, as shall be governed by this Agreement.

WHEREAS

It is recognized that MAKANA TOURISM is a separate and independent legal entity from THE MUNICIPALITY with a properly constituted governing body (management committee) and its own constitution.

AND WHEREAS

MAKANA MUNICIPALITY wishes MAKANA TOURISM to efficiently market Makana as a quality tourism destination in a dynamic, visionary and goal directed manner, so as to ensure that the community at large benefit optimally, while preserving and enhancing the socio economic and ecological environment of the region in accordance with the terms of this Service Level Agreement.

NOW THEREFORE

the parties agree as follows:

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Jew
EH
AB
N.M.M.

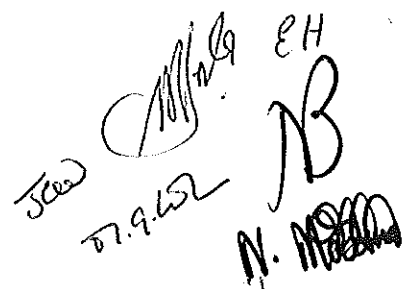
2. DEFINITIONS

- 2.1 **Makana Municipality** established as such in terms of Section 12 of the Municipal Structures Act, of which the main address for administrative purposes is 59 High Street, Grahamstown, 6139, whose mandate is defined in *Section 84(1) (m) of the Local Government – Municipal Structures Act, 117 of 1998* and *Section 6.2 of the 1996 White Paper on the Development and Promotion of Tourism in South Africa*;
- 2.2 **Makana Tourism** is an Association for no gain (Non profit Organization) whose main purpose is to market, promote, publicize, and disseminate information on the residential, recreational and tourism facilities in and around the Makana area, and having its main address as 63 High Street, Grahamstown, 6139.
- 2.3 **Annual Financial Commitment** refers to the payments which the Municipality agrees to make to Makana Tourism over an indefinite period for the performance of its delegated functions of promotion of local tourism, subject to the further terms of this Agreement as appear above;
- 2.4 **The Parties** refers to the Municipality and Makana Tourism who are parties to this Service Delivery Agreement;
- 2.5 **Service Delivery Agreement** (hereinafter referred to as the Agreement) is a legally binding contract between the Parties, the terms and conditions being contained in the paragraphs that follow.

3. THE AGREEMENT

The parties hereby agree that:

- 3.1 Makana Tourism accepts responsibility for the following:
- Branding and generic marketing of the Makana Municipal area as a desirable destination for tourists.
 - Promote, publicise and disseminate information on residential, recreational and tourism facilities in and around the Makana region.


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- Produce marketing and promotional on Makana as a generic tourism destination.
- Attend to enquiries from in bound tour operators, visitors and tourists.
- Mobilise stakeholders in the tourism sector and ensure a value for money product and service provision.
- Submit quarterly and annual reports to the Municipal Manager and the relative Portfolio Committees determined from time to time by Makana Municipality.
- Assist the Municipality in the implementation of its tourism programmes, when requested.
- Undertake to assist the Municipality in promoting its events, when requested.

3.2 In the context of this Service Level Agreement, THE MUNICIPALITY undertakes to fulfill the following responsibilities:

- The Municipality commits to continue assisting Makana Tourism financially
- The Municipality undertakes to facilitate the implementation of Tourism Awareness programmes.
- The Municipality shall oversee the provision and maintenance of adequate signage and other relevant infrastructure.
- The Municipality shall implement the programmes aimed at integrating the previously disadvantaged communities in tourism.
- The Municipality shall facilitate the development and Support of Small, Medium and Macro enterprises in tourism.
- The Municipality shall facilitate programmes aimed at encouraging all establishments, particularly smaller establishments and previously neglected entrepreneurs, to upgrade the quality of their products and services.
- The Municipality undertakes to cooperate with Makana Tourism by financially contributing (if deemed necessary) towards the development of programmes and items for marketing Makana destination.

3.2.1 The parties further agree that jointly:

- The Director of Makana Tourism, any other staff member of Makana Tourism and the Tourism Officer of Makana Municipality participate in tourism trade and consumer shows.

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- To facilitate tourism product development initiatives.
- 3.3 Makana Tourism shall be responsible for the appointment of its Director and the terms under which he /she is appointed.
- 3.4 Makana Tourism shall be obliged to pay all remunerative allowances and/or benefits to the Director, including subsistence, travelling and incidental expenses incurred in the course of his/her official duties as Director of Makana Tourism.
- 3.5 Makana Tourism shall remain fully responsible for determining its own institutional design and for employing any additional personnel independently of the Municipality for the effective performance of its functions. Makana Tourism shall also remain fully responsible for the remuneration of such personnel from its duly approved budget.
- 3.6 Should the Management Committee for whatever reason requires that disciplinary action be instituted against Director, such action shall only be instituted following consultation with the Municipal Manager of the Municipality and agreement on the practical and procedural requirements of such action.
- 3.7 Should the Management Committee be of the view, during the course of this agreement, that the Director has, on whatever reasonable grounds, proved unsuitable for the post, assistance shall be sought from the Municipality.
- 3.8 Makana Tourism retains the right to procure any goods and services required in the fulfillment of its functions, and shall continue to take full responsibility for any legal relationships entered into.
- 3.9 This Agreement is the sole and entire Agreement between the parties and no variation, additions, modifications or waiver of any provisions hereof shall be of any force or effect unless consented to in writing and signed by the duly delegated representatives of both parties.

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27.9.12
E14
N. M. M. M.

- 3.10 This Agreement shall be rendered terminable by mutual agreement between the parties or where circumstances render its continued performance by one or both parties impossible. In such an event, either party shall be required to provide the other party with 90 days' written notice.

4. ANNUAL FINANCIAL COMMITMENT

The Municipality commits itself to payment of the amount of R800 000.00 for the period 1 July 2010 to 30 June 2011, which amount shall increase annually on 1 July of every year by an amount equal to the year-on-year percentage increase in the Consumer Price Index(CPIX) as calculated by Statistics South Africa (STATSSA).

5. REPORTING

- 5.1 The Director of Makana Tourism shall be required to submit satisfactory quarterly and annual reports on all its activities, including a comprehensive financial report, to the Municipal Manager And the relative Portfolio Committees determined from time to time by Makana Municipality.
- 5.2 The Annual Report shall be required to include the independently audited financial statements of Makana Tourism.

6. RENEWAL

In the event that Makana Tourism considers a renewal of this Agreement desirable, Makana Tourism shall table a proposal in writing at least six (6) months prior to the due date of expiry hereof, for consideration by the Municipality. No expectation shall be created that the Agreement will be renewed.

7. DOMICILIA

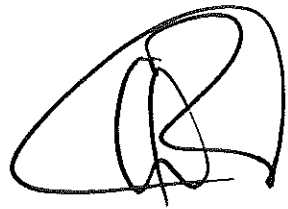
The parties hereto respectively choose as their domicilia citandi et executandi for purposes of service of all correspondences relating to this Agreement, the addresses as they appear at clauses 2.1 and 2.2 hereof.

Jew
27.9.12
EH
N. Masama

Thus done and signed at Grahamstown this thirteenth day of March 2010

AS WITNESSES:

1. N. Makana



MUNICIPAL MANAGER
(for Makana Municipality)

2. J. C. Wells

Thus done and signed at Grahamstown this Wed day of 10th March 2010.

AS WITNESSES:

1. [Handwritten signature]



CHAIRMAN OF THE BOARD
(for Makana Tourism)

2. S. G. Dhumra