

**RESOLUTION NO.**

**PARLIAMENT**

**WHEREAS** the Barbados Investment and Development Corporation is a body corporate created by the *Barbados Investment and Development Corporation Act, Cap. 340*.

**AND WHEREAS** pursuant to section 13 of that Act the Corporation may with the consent in writing of the Minister responsible for Finance, borrow money from Government or any person by way of loan, overdraft or otherwise or raise capital by the issue of debenture stock upon such terms with respect to the borrowing, issue, transfer, interest and redemption as the Minister responsible for Finance approves for

- (a) the provision of working capital;
- (b) the fulfilling of the functions of the Corporation under this Act; or
- (c) the redemption of any stock that it is required or entitled to redeem.

**AND WHEREAS** by section 14 of the Act the Government may guarantee in such manner and on such conditions as Parliament thinks fit the satisfaction of

- (a) any loan to the Corporation;
- (b) interest charges on any debenture stock issued by the Corporation;  
and
- (c) any other charge in respect of a loan to the Corporation.

**AND WHEREAS** the Barbados Investment and Development Corporation has undertaken a capital works project to renovate premises belonging to the Corporation and to increase the availability of accommodation for entities engaged in commercial activity and the project is to be financed by monies in the amount of nine million dollars to be borrowed by Barbados Investment and Development Corporation from Consolidated Finance Co. Ltd. and upon the terms and conditions set out in the Schedule hereto.

**BE IT RESOLVED** that Parliament approve the guarantee by the Government of Barbados of the principal sum of nine million dollars and interest thereon to be borrowed by Barbados Investment and Development Corporation from Consolidated Finance Co. Ltd. on the terms and conditions set out in the Schedule hereto.



## SCHEDULE

**TERMS AND CONDITIONS**

<b>Facility:</b>	Syndicated Secured Term Loan															
<b>Facility Amount:</b>	BDS\$9,000,000.00															
<b>Purpose:</b>	To finance the Corporation's Capital Works Programme for the period 2007-2009															
<b>Term:</b>	15 years															
<b>Borrower:</b>	Barbados Investment and Development Corporation															
<b>Arranger:</b>	Consolidated Finance Co. Ltd															
<b>Lenders:</b>	Consolidated Finance Co. Ltd and the other Lenders, Investors and financial institutions added from time to time and party to the Loan Documentation															
<b>Interest Rate:</b>	7.5 per cent fixed over the Term of the Facility															
<b>Interest Payments:</b>	Monthly in arrears															
<b>Principal Payment:</b>	Mortgage style to be amortized over the Term of the Facility															
<b>Repayment:</b>	Blended monthly principal and interest payments of \$83,431.11 commencing one month after drawdown in accordance with a prescribed Amortization Schedule.															
<b>Prepayment:</b>	Facility is non-callable in years one to five. Call premium based on the facility amount will be: <table> <tr> <td>Year 6</td> <td>-</td> <td>3%</td> </tr> <tr> <td>Year 7</td> <td>-</td> <td>2.5%</td> </tr> <tr> <td>Year 8</td> <td>-</td> <td>2%</td> </tr> <tr> <td>Year 9</td> <td>-</td> <td>1.5%</td> </tr> <tr> <td>Year 10 - 15</td> <td>-</td> <td>1%</td> </tr> </table>	Year 6	-	3%	Year 7	-	2.5%	Year 8	-	2%	Year 9	-	1.5%	Year 10 - 15	-	1%
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Year 7	-	2.5%														
Year 8	-	2%														
Year 9	-	1.5%														
Year 10 - 15	-	1%														

Fees:	Arrangement Fee - 0.75 per cent of the Facility Amount
	Fees are payable at financial close and can be funded from the proceeds upon disbursement.
Security:	Letter of Comfort to be replaced by Guarantee of the Government of Barbados for 100 per cent of the principal and interest.
Conditions Precedent:	Disbursement of the Facility will be made conditional upon Barbados Investment and Development Corporation and the Lenders receiving all necessary statutory and regulatory approvals to enter into the Facility and execution and delivery of the Security and Loan Documentation.
Other Terms and Conditions:	The Loan Documentation will contain Representations and Warranties, other Conditions Precedent, Affirmative and Negative Covenants and other Terms and Conditions normal for a transaction of this nature.
	The Borrower will assist the Arranger in obtaining an exemption for withholding tax on interest payments to Lenders not resident in Barbados, if required.
	The successful execution of the facilities presented in this proposal is subject to the absence of any material adverse change in financial, political, economic or other conditions in Barbados (or other relevant jurisdiction), that would in our opinion affect the successful offer and sale of the proposed financing between the date of this proposal and the relevant execution dates.
Governing:	The Facility will be governed by the Laws of Barbados.
Other:	All reasonable and out-of-pocket expenses associated with the transaction including, but not limited to, property valuation fees, legal fees, stamping and registration fees, and other will be for the account of the Borrower.

**ADDENDUM**

Barbados Investment and Development Corporation has secured a loan from Consolidated Finance Co., the proceeds of which are to enable Barbados Investment and Development Corporation to engage in capital works. This falls within the capacity of the Barbados Investment and Development Corporation and the monies secured are to be applied for a purpose authorized by the *Barbados Investment and Development Corporation Act*.

Parliamentary approval for a guarantee of the loan by the Government, is being sought in accordance with the Act.