

**RESOLUTION NO.**

**PARLIAMENT**

**WHEREAS** by paragraph (a) of section 3(1) of the *Guarantee of Loans (Companies) Act*, Cap. 96, the Government may, with the approval of Parliament, guarantee the borrowing by a company incorporated under the *Companies Act* and controlled by the Government of such sums from a lending agency as are authorised by the Government;

**AND WHEREAS** Caves of Barbados Limited, a company incorporated under the *Companies Act*, Cap. 308, is a company controlled by the Government within the meaning of section 2 of the *Guarantee of Loans (Companies) Act*;

**AND WHEREAS** Caves of Barbados Limited undertook a project to redevelop Harrison's Cave and the project was financed by way of a loan from the Caribbean Development Bank and the loan agreement was dated 14<sup>th</sup> February, 2007;

**AND WHEREAS** the loan from the Caribbean Development Bank was in the amount of \$16,866,000 in the currency of the United States of America, and the terms and conditions of the loan agreement were recited in Resolution No. 34/2007;

**AND WHEREAS** Caves of Barbados Limited has sought an additional loan from the Caribbean Development Bank in the sum of \$12,850,000 in the currency of the United States of America;

**AND WHEREAS** by an amending loan agreement dated 22 January, 2010 made between Caves of Barbados Limited and the Caribbean Development Bank, the Caribbean Development Bank has agreed to lend an additional sum of \$12,850,000 for the purpose of assisting the Caves of Barbados Limited with the increased cost of the redevelopment of Harrison's Cave;

**AND WHEREAS** by virtue of section 4 of the *Guarantee of Loans (Companies) Act*, the aggregate amount of all borrowings by companies that are guaranteed by the Government shall not exceed \$1 000 000 000, without taking into account any amount in respect of interest, commission and any other expenses secured by the guarantees; and the Minister of Finance has certified that the aggregate amount of all borrowings guaranteed by the Government and any further borrowings do not exceed the limit;

**AND WHEREAS** the Government is required under the *Guarantee of Loans (Companies) Act* to guarantee the borrowing of \$12,850,000 by Caves of Barbados Limited;



## SCHEDULE

**AMENDED TERMS AND CONDITIONS OF LOAN  
AGREEMENT DATED 14<sup>th</sup> FEBRUARY, 2007**

Purpose:	To provide additional financing to assist the borrower with the increased cost of redeveloping Harrison's Cave and associated roadworks.
Borrower:	Caves of Barbados Limited
Arranger:	Caribbean Development Bank - CDB
Guarantor:	Government of Barbados
Amount:	US \$12,850,000 (bringing the total loan amount to US \$29,716,000)
Repayment:	To be made in 48 equal and consecutive quarterly instalments commencing on the first due date after the expiry of 5 years from the date of the loan agreement or such later date as CDB may specify in writing.
Commitment Charge:	The Borrower shall pay to the Bank a commitment charge at the rate of one per cent (1 %) per annum on the amount of the loan as stated in the loan agreement dated 14th February, 2007 and the additional loan unwithdrawn from time to time, payable quarterly. Such charge shall accrue, in the case of the original loan, from the 60th day after the date of the loan agreement dated 14th February, 2007 and in the case of the additional loan from the 60th day after the amending loan agreement dated 22nd January, 2010.
Withdrawal and application of loan:	Except as CDB may otherwise agree withdrawals from the loan account shall not exceed 70 per cent of the cost of the Project.

Period of Disbursement: Final disbursement date is December 30, 2011.

Conditions Precedent to Disbursement of additional loan: The Borrower shall furnish or cause to be furnished to the Bank a guarantee from the Guarantor in the form and substance acceptable to the Bank in respect of the additional loan on the Bank's standard terms and conditions undertaking the obligations on the part of the Borrower under the Project.

Conditions Precedent to Disbursement of additional loan with respect to Civil Works at Cave Site:

- (a) The additional lands required for the emergency access shaft and the installation of ventilation fans shall have been vested in the Borrower, free from encumbrances and without any covenants, stipulations or conditions which may adversely affect the Project or, alternatively, arrangements satisfactory to the Bank shall have been made for the Borrower to enter into possession of such lands for the purposes of the Project.
- (b) Arrangements satisfactory to the Bank shall have been made for the Borrower's entry unto the lands adjacent to the remote entrance to the Cave for the purpose of establishing and maintaining a vegetative buffer zone.
- (c) The Borrower shall furnish to the Bank, in a form and substance acceptable to the Bank, the undertaking by the Government to provide to the Borrower such subvention as may be necessary to permit the Borrower to cover its operating expenses, including depreciation, as well as payment of principal, interest and other charges in respect of the loan.

Conditions Precedent to Disbursement of additional loan with respect to Road Works:

- (a) The additional lands required for the construction of the roads shall have been vested in the Guarantor free from encumbrances and without any covenants, stipulations or conditions which may adversely affect the Project or, alternatively, arrangements satisfactory to the Bank shall have been made for the Guarantor to enter into possession of such lands for the purpose of the Project.
- (b) The Borrower shall furnish to the Bank in a form and substance acceptable to the Bank, an agreement between the Government and the Borrower with respect to the implementation of the Road Works component of the Project by the Ministry of Public Works and Transport.

Additional funds:

For the purposes of section 7.05 of the General Provisions of the loan agreement dated 14<sup>th</sup> February, 2007, the estimated cost of the project is BBD \$84,849,000.

Borrower's contribution to the Project:

- (a) Except as the Bank may otherwise agree, and without prejudice to the provisions of section 7.05 of the General Provisions of the loan agreement dated 14<sup>th</sup> February, 2007, the Borrower shall contribute to the Project the amount of not less than BBD \$25,421,000 inclusive of the cost of lands to be acquired.

**ADDENDUM**

The Resolution seeks the approval of Parliament of a guarantee by the Government for the repayment by Caves of Barbados Limited of an additional loan in the sum of \$12 850 000 in the currency of the United States from the Caribbean Development Bank.

The proceeds of the loan are to assist the Caves of Barbados Limited with the increased cost of the redevelopment of Harrison's Cave.