

RESOLUTION NO.

PARLIAMENT

WHEREAS by section 2 of the *Special Loans Act, Cap. 105* the Government is authorized from time to time to borrow from any bank, corporation, company or other institution sums of money not exceeding in the aggregate BDS1.5 billion dollars on such terms as may be agreed upon between the Government and the lender of any such sum of money;

AND WHEREAS by section 3 of the said Act it is provided that any money borrowed under the authority of the Act shall be appropriated and applied to such purposes as Parliament may approve by resolution and that such money and any interest payable thereon is charged upon the general revenues and assets of Barbados;

AND WHEREAS the Government considers it necessary to borrow the sum of BDS \$35.0 million from the Barbados National Bank Inc. to provide support for Government's expenditure programme over the next two years and specifically to assist with road infrastructural works, on the terms and conditions contained in the Agreement, the main provisions of which are set out in the *Schedule*;

SCHEDULE

TERMS AND CONDITIONS

Borrower:	Government of Barbados.
Lender:	Barbados National Bank Inc., Broad Street, Bridgetown (hereinafter called "The Bank").
Amount:	\$35,000,000.
Facility:	Line of Credit.
Purpose:	To provide support for the expenditure programme of the Government of Barbados for the next two years.
Repayment & Tenor:	<p>The Line of Credit is for a period of two years and will fluctuate within the approved limit inclusive of monthly interest charges, commencing from the date of acceptance of the facility.</p> <p>The principal is to be liquidated on maturity from the Consolidated Fund, with the option to convert any amount drawn at that time to a long term bond facility with terms to be negotiated in accordance with market conditions at that time.</p>

- Basis:** All interest payable hereunder shall accrue from day to day on the basis of the actual number of days elapsed in a 365 day year.
- Interest Rate:** The drawn amount of the facility will attract a floating interest rate of MSR plus 2.75% for a current effective rate of 5.25% per annum.
- All un-drawn amounts will attract a charge of 10 basis points (0.1%) per annum payable on a monthly basis.
- Any excesses over the agreed limit which the Bank may allow at its discretion, whether requested or not, will attract an interest rate of 8% above the effective rate.
- The Bank reserves the right to adjust the rate of interest payable to such level as it may in its absolute discretion consider appropriate on the giving of three (3) months notice to the Company.
- Notices:**
- i) Any instruction or notice given by the Borrower to the Bank hereunder shall be signed by a person authorized to do so by Resolution to be given to the Bank.
 - ii) Any demand made by the Bank hereunder shall be sufficiently made if in writing and signed by the Manager or Managing Director of the Bank or if made by the Attorney-at-Law of the Bank.

- ii) Whenever any payment to be made hereunder shall be due on a day other than a business day, such payment shall be made on the next succeeding business day and such additional days shall be included in computing interest in connection with such payment.

Waiver:	Any waiver by the Bank of any breach by the Borrower of any of the terms thereof, or any indulgence, time or relaxation by the Bank to the Borrower shall be without prejudice to and shall not affect the exercise any time thereafter by the Bank of all or any of its rights and remedies hereunder, as though such waiver had not been made or indulgence or relaxation of time had not been granted.
Commitment Fees:	A commitment fee of 0.10% per annum will be charged monthly on all undrawn balances.
Legal Fees:	All legal, valuation, stamp duty or other fees incurred by the Bank in connection with this facility shall be paid by the Borrower.
Late Fees:	Provided payment is not made on the due payment date, this facility will be charged late fees at a rate to be determined and which is payable on demand by the Bank.
Prepayment of Principal:	Prepayment of principal may be without penalty.
Warranty:	The Borrower warrants that the making and purpose of this Agreement and the borrowings hereunder are within the Borrower's power and have been duly authorized by all necessary sanctions.

- Principal Covenants: The Borrower shall furnish the Bank:
- (a) With such information as the Bank may from time to time reasonably request during the tenor of the Line of Credit.
- Events of Default: Notwithstanding any other provision herein contained, any sum advanced with all unpaid interest thereon shall become immediately payable to the Bank upon the happenings of the following:
- (a) If any interest payment due by the Borrower hereunder is not paid on that date fixed for the payment thereof; or within a thirty-day grace period.
 - (b) If the Borrower shall default in the performance or observance of any of the terms or covenants contained herein.
 - (c) If any representation or warranty given hereunder shall prove to be untrue or incorrect in any respect.

ADDENDUM

The Government of Barbados is desirous of borrowing \$35.0 million from the Barbados National Bank Inc. to assist in providing support for its expenditure programme over the next two years, specifically its road infrastructure programme. The loan will be extended through a Line of Credit, the main terms and conditions of which are contained in the Schedule.

