

RESOLUTION NO.

PARLIAMENT

WHEREAS by virtue of section 17(1) of the *Transport Board Act*, Cap. 297, the Transport Board may, with the approval of the Minister, borrow amounts required by it for meeting any of the obligations or discharging any of the functions of the Board;

AND WHEREAS by virtue of section 17(2) of the Act, the Government may by resolution of both Houses of Parliament, guarantee in such manner and on such terms and conditions as it thinks fit, the payment of any amount borrowed by the Board, together with the interest payable on the amount;

AND WHEREAS the Transport Board entered into an agreement with the National Insurance Board, a body corporate established in accordance with the provisions of the *National Insurance and Social Security Act*, Cap. 47 for a loan in the sum of thirty million Barbados dollars (BDS\$30,000,000) on the terms and conditions set out in the *Schedule* to this Resolution, for the purpose of meeting the Board's obligations and discharging its functions;

SCHEDULE

TERMS AND CONDITIONS

Borrower:	Transport Board.
Lender:	National Insurance Board.
Loan Amount	BDS\$30,000,000
Facility:	Secured term loan
Term:	20 years commencing on 1st day of August, 2011.
Repayment:	<p>Thirty-two (32) blended semi-annual payments of principal and interest in the sum of BDS\$1,795,979.00 commencing 1st day February, 2012. Principal and interest for the years 2021, 2022, 2025 and 2026 will be capitalized with payments for those years being made by the Borrower during the life of the loan as per the Amortization Schedule.</p> <p>The Lender shall apply all payments first towards accrued interest and then towards principal.</p>
Interest Rate:	7.75 per cent per annum fixed; calculated on an actual 365 day basis.
Covenants:	<p>The Borrower covenants:</p> <ul style="list-style-type: none">(a) to carry on and conduct its business in a proper, efficient and businesslike manner;(b) not to make or permit to be made any changes in the nature of its business;

- (c) not to sell or otherwise dispose of the whole or any substantial part of its undertaking or assets without the prior written consent of the Lender;
- (d) not to create, assume or suffer to exist any security interest on any part of its assets, ranking or purporting to rank in priority to or *pari passu* with the loan, provided that this covenant shall not apply to nor operate to prevent the giving of any security in the ordinary course of the business of the Borrower;
- (e) to provide annual financial statements in a form as the Lender may reasonably require no later than 120 days after each financial year-end of the Borrower;
- (f) to provide surplus and deficit projections, balance sheet forecast and cash flow projections not later than 45 days from the end of the quarterly period (March, June, September and December) to which that quarter relates;
- (g) to provide details of any litigation, arbitration or administration proceedings against or involving the Borrower which are likely to have a material adverse effect on the Borrower, as soon as the same are instituted;
- (h) to provide details of any occurrence or circumstances which would adversely affect the ability of the Borrower to perform its obligations under the Loan Agreement;

- (i) to provide a copy of the Borrower's annual budget showing that provision has been made for service of the loan.

Events of
Default:

Customary events of default for a transaction of this nature including, but not limited to, failure to pay interest or principal when due, *force majeure*, cross default in respect of other indebtedness or obligation guaranteed by the Lender.

Representation
and Warranties:

The Borrower represents and warrants to the Lender that:

- (i) it has power and authority to execute, deliver and perform its obligations under the Agreement, and all necessary action has been taken to authorize the execution, delivery and performance of the Agreement;
- (ii) the Agreement constitutes valid and binding obligations of the Borrower, enforceable in accordance with its terms;
- (iii) it is not in default of any other agreement to which it is party or is bound, which default would have a material adverse effect upon the operation or condition of the Borrower or a material impairment of the ability of the Borrower to perform its obligations under the Agreement;
- (iv) the execution, delivery and performance of the Agreement by the Borrower are not in conflict with any law, rule, regulation, order or directive applicable to the Borrower of which the Borrower is aware or any agreement or undertaking to which the Borrower is a party or by which the Borrower may be bound;

- (v) all factual information supplied to the Lender is true and accurate in all material respects and did not omit anything material, no change has occurred since the date on which the information was supplied which renders the same untrue or misleading in any material respect and all projections and statement of belief and opinion given by it to the Lender were made honest and in good faith after careful enquiry and remain valid.

Security: Unconditional and full guarantee by the Government to cover both principal and interest.

Governing Law: Laws of Barbados.

ADDENDUM

This resolution seeks the approval of Parliament of a guarantee by the Government for the repayment by the Transport Board of thirty million Barbados dollars (BDS\$30,000,000) borrowed from the National Insurance Board for the purpose of meeting the Board's obligations and discharging its functions.