

RESOLUTION NO.

PARLIAMENT

WHEREAS by virtue of section 3 of the *University of the West Indies (Guarantee of Loans) Act*, Cap. 106B, the Government may by resolution of both Houses of Parliament guarantee the payment of the principal and interest due in respect of loans granted to the University subject to such terms and conditions as the Government may think fit;

AND WHEREAS the University of the West Indies - Cave Hill Campus on the 23rd day of February, 2012 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 forty-one million Barbados dollars (BDS\$41.0M), on the terms and conditions set out in the *Schedule* to this Resolution for the purpose of providing a place or places of education, learning and research to secure the advancement of knowledge;

BE IT RESOLVED that Parliament approve the guarantee by the Government in the sum of \$41.0 million Barbados dollars and interest thereon to be borrowed by the University of the West Indies - Cave Hill Campus on the terms and conditions set out in the *Schedule* hereto.

APPROVED by the House of Assembly this day
of , 2012.

Speaker

APPROVED by the Senate this day of ,
2012.

President

SCHEDULE
TERMS AND CONDITIONS

Borrower:	University of the West Indies - Cave Hill Campus
Lender:	National Insurance Board
Loan Amount:	BDS \$41,000,000
Facility:	Secured term loan
Purpose:	To provide a place or places of education, learning and research to secure the advancement of knowledge.
Term:	20 years commencing on 22nd day of February, 2012.
Repayment:	<p>Thirty-two (32) blended semi-annual payments of principal and interest in the sum of BDS\$2,597,767, commencing 1 August, 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 days basis.
Covenants:	<p>The Borrower covenants</p> <p>(a) to carry on and conduct its business in a proper, efficient and business like manner;</p>

- (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 ordinary course of the business of the Borrower;
- (e) to provide annual financial statements no later than 120 days after each financial year-end of the Borrower;
- (f) to provide surplus and deficit projections, balance sheet forecasts, 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 as soon as the same are instituted;
- (h) to provide details of any occurrence or circumstance which would adversely affect the ability of the Borrower to perform its obligations;
- (i) to provide a copy of the Borrower's annual budget showing 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.
- Representations and Warranties: The Borrower represents and warrants to the Lender that
- (i) it has power and authority to execute, deliver and perform its obligations and that all necessary action has been taken to authorize the execution, delivery and performance of the Agreement;
 - (ii) it is bound by its obligations under the Agreement enforceable in accordance with its terms;
 - (iii) it is not in default under any other agreement to which it is a party or by which it is bound, which default would have a material adverse effect upon the operation or condition of the Borrower or a material impairment on the ability of the Borrower to perform its obligation;
 - (iv) the execution, delivery and performance of 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 by the Borrower was 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 statements of belief and opinion given by the Lender were made honestly and in good faith.

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 University of the West Indies - Cave Hill Campus of BDS\$41.0 million borrowed from the National Insurance Board for the purpose of providing a place or places of education, learning and research to secure the advancement of knowledge.