

**RESOLUTION NO.**

**PARLIAMENT**

**WHEREAS** by paragraph (1) of section 3 of the *Guarantee of Loans (Companies) Act*, Cap. 96, the Government may, with the approval of Parliament, and in such manner and on such terms and subject to such conditions as may be agreed between it and a lending agency, guarantee the borrowing of such sums by a company from a lending agency, as is authorised by the Government;

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

**AND WHEREAS** the Hotels & Resorts Limited is seeking a loan of BDS\$5.55 million from RBC Royal Bank (Barbados) Limited, on the terms and conditions set out in the *Schedule* hereto, for the purpose of facilitating the repayment of debts incurred by Hotels & Resorts Limited in the course of the operations of that company;

**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, commissions and any other



## SCHEDULE

**TERMS AND CONDITIONS**

Arranger:	RBC Royal Bank (Barbados) Limited.
Borrower:	Hotels & Resorts Limited
Lenders:	RBC Royal Bank (Barbados) Limited.
Guarantor:	The Government of Barbados.
Purpose:	To facilitate the repayment of debts properly incurred by Hotels & Resorts Limited in the course of the operations of that company.
Currency:	Barbados dollars
Aggregated Amount of Loan:	\$5.55 million.
Arrangement:	The establishment of two loan facilities to cover the loan and overdraft facilities of Hotels & Resorts Limited.
Facility 1:	Revolving Demand Loan in the amount of \$300 000 provided by the RBC Royal Bank (Barbados) Limited with interest at the prime rate set at 7.75%.
Facility 2:	Reducing Demand Term Loan in the amount of \$5.25 million at the RBC Royal Bank (Barbados) Limited Prime Rate set at 7.75%.
Tenor:	In relation to Facility 2, 5 years.

## SCHEDULE - (Concl'd)

**TERMS AND CONDITIONS - (Concl'd)**

Repayment:	In relation to Facility 2, blended payments of \$55 000 monthly.
Security in relation to Facility 1:	Letter of Comfort pending Parliamentary approval of the guarantee.
Security in relation to Facility 2:	(a) Letter of Comfort pending Parliamentary approval of the guarantee; and  (b) Letter of undertaking by Hotels & Resorts Limited to apply 100% of the net proceeds of the sale of the properties or condominiums of the Hotels & Resorts Limited to be applied to the permanent reduction of Facility 2.
Administrative Fees in relation to Facility 1:	\$3 000 payable annually.
Administrative Fees in relation to Facility 2:	\$3 500 on new funds or \$350 000 incorporated into Facility 2.
Governing Law:	Laws of Barbados.

**ADDENDUM**

This Resolution seeks the approval of Parliament of a guarantee by the Government of Barbados under the *Guarantee of Loans (Companies) Act*, Cap. 96 in respect of a loan in the amount of BDS\$5.55 million to be borrowed by the Hotels & Resorts Limited from the RBC Royal Bank (Barbados) Limited. The loan is to facilitate the repayment of debts incurred by Hotels & Resorts Limited in the course of the operations of that company.

