

RESOLUTION NO.

PARLIAMENT

WHEREAS by virtue of section 13 of the *Barbados Investment and Development Corporation Act*, Cap. 340, it is provided that, the Corporation may with the consent in writing of the Minister responsible for Finance, borrow money from the Government or any person by way of loan, overdraft or otherwise or raise capital by issue of debenture stock upon such terms with respect to the borrowing, issue, transfer, interest and redemption as the Minister responsible for Finance approves for, *inter alia*, the provision of working capital, as the Minister responsible for Finance approves;

AND WHEREAS by section 14(1) of the said Act it is provided that the Government may, subject to the approval of Parliament, guarantee in such manner and on such terms and conditions as it may think fit, any sum which the Corporation may borrow under section 13;

AND WHEREAS the Corporation proposes to obtain a loan of \$38.0 million dollars in the currency of Barbados from RBTT Merchant Bank Limited for the purpose of upgrading the quality of the Corporation's buildings and for the retirement of debt on the terms and conditions set out in the *Schedule* to this Resolution:

BE IT RESOLVED that Parliament approve the guarantee by the Minister responsible for Finance of the payment of the principal and interest in respect of the loan of the said sum of \$38.0 million dollars in the currency of Barbados.

APPROVED by the House of Assembly this _____ day
of _____, 2006.

Speaker

APPROVED by the Senate this _____ day of _____,
2006.

President

SCHEDULE

TERMS AND CONDITIONS

Issuer:	Barbados Investment and Development Corporation
Facility:	Fixed Rate Non-Callable Bond
Facility Amount:	The Equivalent of BDS \$ 38,000,000.00
Currency of Disbursement	Barbados Dollars (BDS)
Tenor:	15 years.
Interest Rate:	Fixed at 6.15% per annum. Equivalent to the rate of Government securities in the local market, currently between 7.5%-8.5%.
Interest Payments:	Interest will be payable on a monthly basis in arrears throughout the term of the Bond until maturity, commencing 30 days from first disbursement.
Principal Repayment:	There will be a moratorium on principal payments for a period of 2 years, thereafter the Facility will be retired from the principal payments which will be made on a monthly basis based on equal, principal payments until maturity.
Day Count:	Interest will be calculated on a 30/360 days basis.
Arranger:	RBTT Merchant Bank Limited (RMB)
Guarantor:	The Government of Barbados.
Use of Proceeds:	Facility to assist with financing the 2005 to 2007 capital works programme and debt refinancing.
Basic of Commitment:	Fully Underwritten.
Timing:	To be mutually agreed.
Expiry Date:	This offer expires on November 9, 2005, unless extended in writing by the Bank.
Registrar:	RBTT Merchant Bank Limited.
Paying Agent:	RBTT Bank Barbados Limited.

Trustee:	To be determined.
Drawdown Schedule:	One payment to liquidate the Bridge Facility.
Security:	The Bond shall constitute, general and unconditional obligations of the Issuer and the Government of Barbados as Guarantor. The Bond shall constitute a charge upon and be payable out of the Consolidated Fund of the Government of Barbados in the event that the Issuer is unable to service the Facility and shall at all times rank <i>pari passu</i> with all the other present and future obligations of the Government of Barbados which constitute charges upon the Consolidated Fund.
Arrangement Fee:	0.20% of the Facility amount payable on signing of the documentation.
Special Conditions:	The Arranger will consider the disbursement of the Facility on the basis of a Letter of Comfort from the Government of Barbados or Ministry of Finance of Barbados (form to be acceptable to the Arranger) in the interim, pending the receipt of the Government Guarantee, within a time frame agreed to by the Arranger.
Change of Circumstances:	Bond documents will contain customary provisions protecting the Arrangers or Lenders in the event of unavailability of funding, illegality, increased costs and funding losses and capital adequacy, all of the foregoing subject to customary mitigation provisions.
Issue Price:	100.00%.
Documentation:	<ol style="list-style-type: none"> 1. Bond Agreement for the amounts of the respective Facilities. 2. Trust Deed or Paying Agent or Subscription Agreements.
Representations and Warranties:	Customary for the Arranger's facilities of this nature and other appropriate in the judgement of the Arranger for this transaction.
Stamp Duty:	For the account of the Issuer.
Trustee Fee:	To be negotiated with Trustee. To be capped at BDS\$9,000.00
Registrar & Paying Agent's Fee:	Waived.
Legal Fees:	For the Account of the Issuer and to be capped at BDS\$50,000.00.

General Covenants:	The Issuer will provide the Arranger with audited financial statements on an ongoing basis within one hundred and fifty (150) days of the financial year end.
Understanding:	All payments of principal, interest and all other amounts shall be made in Barbados Dollars.
Special Conditions:	<ol style="list-style-type: none">1. Sums not paid on the due date will attract interest calculated at a rate of 2.00% per annum above the prevailing interest rate on the Bond.2. All legal fees on the delinquent account will be charged to the Issuer.3. The Bond will contain, but not be limited to the usual Events of Default as is standard for a Bond of this nature (resulting in the Bondholders each having the right to demand settlement of the outstanding principal and any accrued and unpaid interest under the Bond).
Governing Law:	Laws of Barbados.
Expenses:	For the account of the Issuer. To be capped at US\$4,000.00
Clear market/Market Disruption:	During syndication of the Facility, the Issuer shall refrain from launching any loan or other capital raising exercise in the international syndicated loan or capital markets before the signing of the legal documentation without the prior written approval of the Arranger.
Increased costs:	Pricing of the Facility will be increased to the extent that laws or regulations or directives of regulatory authorities (whether or not having the force of law) with respect to solvency requirements, provision requirements, mandatory deposits, mandatory conversion or measures having similar effects are officially introduced or changed or to the extent that taxes, levies, imposts or duties specific to the Facility are officially introduced or changed, in all cases to the effect that the costs for the participating financing institutions of making the Facility available or maintaining the commitment to make the Facility available or maintain their exposure thereunder are increased or their return on solvency is decreased.
Market Conditions/ Material Adverse Changes:	All terms and conditions mentioned herein are subjected to changes in market conditions. The obligation of the Arranger to arrange and underwrite the Facility will cease if in its opinion a material adverse change occurs in the market conditions and or in the Issuer's business or financial condition including changes in the market rates for Government of Barbados securities. The Arranger reserves the right to withdraw or modify the terms and conditions of this indicative offer.

Conditions Precedent: The execution of this transaction will be subject to the fulfilment of the following general conditions precedent:

1. Absence of any material adverse change in the financial, political, economic or other conditions in Trinidad & Tobago and Barbados that could, in the sole opinion of the Arranger, affect the successful offer and sale of the Bond between the date of this proposal and the closing date.
2. The successful negotiation, preparation and execution of a final definitive agreement with respect to the Facility, such agreement being satisfactory to the Issuer at their sole discretion and the satisfaction of all conditions contained therein. The Arranger will be bound to underwrite these Bonds on the terms and conditions referred to in this proposal only after execution of this underwriting agreement and to the extent of the successful syndication of this Facility, if deemed necessary.
3. Truths and correctness of all Representation and Warranties.
4. No event of Default or event, which with the giving of notice of passage of time or both, would be an event of default, has occurred and is continuing or would result from the issuance of the Bond.
5. The non-occurrence of material changes in the financial condition or prospects of the issuer between the date of this proposal and the closing date, that may be expected, in the sole opinion of the Arranger, to have an adverse impact on the marketing of the Bond.
6. Presentation, execution, delivery, and perfection of all transaction documentation 1 week prior to final disbursement in a form and substance satisfactory to the Arranger and their counsel, incorporating substantially the terms and conditions referred to above.

ADDENDUM

This Resolution seeks the approval of Parliament of a guarantee by the Government of the principal and interest in respect of the loan of the said sum of \$38.0 million dollars in the currency of Barbados for the purpose of upgrading the quality of the buildings of the Barbados Investment Development Corporation and to retire debt.