

2019-07-29

RESOLUTION NO.

PARLIAMENT

WHEREAS by section 2 of the *Special Loans Act*, Cap. 105 the Government is authorised from time to time to borrow from any bank, corporation, company or other institution sums of money not exceeding in the aggregate BBD2,500,000,000 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 up to BBD26.3 million from Republic Bank (Barbados) Limited to repay existing overdraft facilities held by the Barbados Transport Board, the National Housing Corporation and the Queen Elizabeth Hospital;

AND WHEREAS the said sum of up to BBD26.3 million is borrowed on the terms and conditions contained in an Agreement, the main provisions of which are set out in the *Schedule*;

AND WHEREAS the said sum of up to BBD26.3 million is within the authorised borrowing limit given to the Government under section 2 of the said Act;

BE IT RESOLVED therefore that Parliament approve the borrowing of the said sum of up to BBD26.3 million from Republic Bank (Barbados) Limited to repay existing overdraft facilities held by the Barbados Transport Board, the National Housing Corporation and the Queen Elizabeth Hospital, on the terms and conditions contained in the Agreement, the main provisions of which are set out in the *Schedule*.

APPROVED by the House of Assembly this day of , Two
Thousand and Nineteen.

Speaker

APPROVED by the Senate this day of , Two
Thousand and Nineteen.

President

SCHEDULE

TERMS AND CONDITIONS

Borrower:	Government of Barbados.
Lender:	Republic Bank (Barbados) Limited (the "Bank")
Amount:	Up to BBD26,300,000
Purpose:	To facilitate repayment of existing overdraft facilities in the names of the Barbados Transport Board, the National Housing Corporation and the Queen Elizabeth Hospital.
Facility:	New term loan
Tenor:	18 months
Repayment:	The term loan is repayable over 18 months <i>via</i> blended principal and interest installments. Maturing 18 months from initial disbursement. Any amounts still due to the Bank on the last day of the facility's term shall be paid on that day.
Basis:	All interest payable hereunder shall accrue from day to day on the basis of the actual number of days elapsed in a 365/366 - day year.
Interest rate:	Interest shall be charged at the rate of 5.0 per cent per annum for the 18 month term of the loan.
Commitment fees:	A one time facility fee of \$131,500 is due and payable upon signing of the Agreement.
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:	With respect to loans, where these are not repaid at maturity or a payment is not made within nine (9) days of its due date, a late payment charge calculated at 5% of the installment amount (minimum of \$40.00) will be applied.

- Notices:
- A. Any instruction or notice given by the Borrower to the Bank hereunder shall be signed by a person authorized by resolution to be given to the Bank.
 - B. Any demand made by the Bank hereunder shall be sufficiently made if in writing and signed by a Manager or the Managing Director of the Bank or if made by the Attorney-at-Law of the Bank.

Waiver:

Any waiver by the Bank of any breach by the Borrower of any of the terms hereof, 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.

- Principal Covenants:
- A. The Borrower will furnish the Bank with the following:
 - (i) annually, with evidence that all outgoings, rates and taxes affecting all property being charged are paid up to date (including land tax, water and National Insurance Scheme contributions).
 - (ii) such other information as the Bank may from time to time reasonably request, and provided that if the financial information requested is not submitted as stipulated, the Bank reserves the right to have the said financial information prepared, and to debit the cost to the Borrower's account, and to vary upwards the interest rate on the facility having given notice of such variation.

Principal Covenants: (Concl'd)

- B. The Borrower will not, without prior written consent from the Bank create or suffer to exist any encumbrances against property or assets now being charged to the Bank.
- C. The Borrower undertakes to keep the Bank informed of other financial obligations when submitting financial information.

Events of default:

The following are the events of default:

- (1) If any payment due by the Borrower is not paid on that date fixed for the payment thereof or within a 30 day grace period;
- (2) If the Borrower or any guarantor fails to observe any term in the Letter of Offer or any other agreement, security or document with the Bank or commits an Event of Default under the same;
- (3) If any representation or warranty given hereunder shall prove to be untrue or incorrect in any respect;
- (4) If a receiver shall have been appointed in respect of the whole or part of the assets of the Borrower;
- (5) If any distress or execution shall be levied or issued against any property of the Borrower and shall not be discharged within 10 days.

ADDENDUM

This Resolution seeks the approval of Parliament for the borrowing of up to BBD26.3 million by way of a term loan from Republic Bank (Barbados) Limited.

The sum of up to BBD26.3 million is within the limit of the *Special Loans Act*, Cap. 105.

The loan will be used to repay the existing overdraft facilities held by the Barbados Transport Board, the National Housing Corporation and the Queen Elizabeth Hospital.