

RESOLUTION NO.

PARLIAMENT

WHEREAS the Barbados Tourism Authority is a body corporate established by the *Barbados Tourism Authority Act*, Cap. 342 of the Laws of Barbados;

AND WHEREAS the Barbados Tourism Authority is desirous of obtaining a secured term loan in the amount of seventeen million dollars in the currency of Barbados, to assist in the provision of working capital to facilitate the meeting of its obligations and the execution of the functions of the Authority;

AND WHEREAS by section 18(1) of the *Barbados Tourism Authority Act*, the Barbados Tourism Authority is authorized, with the approval of the Minister responsible for Finance, to borrow money from any person, by way of loan, overdraft or otherwise upon such terms as the Minister approves;

AND WHEREAS by section 19 of the *Barbados Tourism Authority Act*, the Government of Barbados may guarantee in such manner and on such conditions as Parliament thinks fit the satisfaction of

- (a) any loan to the Authority other than a loan from the Government;
and
- (b) interest charges or any other charges in respect of a loan to the Authority.

AND WHEREAS the National Insurance Board, a body corporate established by the *National Insurance and Social Security Act*, Cap. 47 of the Laws of Barbados, has agreed to lend to the Barbados Tourism Authority the amount of seventeen million dollars in the currency of Barbados for the purpose of facilitating the execution, by the Barbados Tourism Authority of its functions and on the terms and conditions set out in the *Schedule* hereto;

BE IT RESOLVED that Parliament approve the guarantee, by the Government of Barbados, of the

- (a) satisfaction of the loan to the Authority in the amount of seventeen million dollars in the currency of Barbados; and
- (b) interest charges and any other charges in respect of the loan to the Authority.

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

Speaker

APPROVED by the Senate this day of
 , 2012.

President

SCHEDULE

TERMS AND CONDITIONS

Facility:	Term Loan
Amount	BDS \$17,000,000
Borrower:	Barbados Tourism Authority.
Lender:	National Insurance Board.
Purpose:	To assist in the provision of working capital and performance of the functions of the Borrower and execution of the policy of and the general administration of the Borrower.
Term:	Twenty (20) years, commencing on the 1st day of February, 2012.
Repayment:	<p>The principal sum plus interest shall be repaid over the term of the facility by thirty-two (32) blended semi-annual payments in the sum of \$1,022,614, commencing from 1st 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 Schedule of Amortization.</p> <p>The Lender shall apply all payments first towards accrued interest and then towards principal.</p>
Interest:	<p>7.75% per annum fixed; calculated on an actual 365 days basis.</p> <p>If the Borrower fails to pay any interest payable under the loan facility, the Lender reserves the right to add such interest to the Loan at any time without notice to the Borrower.</p>

- Disbursements: The principal sum in the amount of seventeen million dollars Barbados currency (Bds. \$17,000,000.00) shall be disbursed to the Borrower in three installments, commencing 1 August, 2011 and ending 1 January, 2012.
- Representations and Warranties: Any sums due from the Borrower shall be deemed paid when it is received by the Lender.
- All payments of principal, interest, fees and other payments to be made by the Borrower are to be made free and clear of, and without deduction of any taxes, withholdings, income taxes, levies, charges or other taxes imposed by or within Barbados.
- All payments to be made by the Borrower under this Agreement for the account of the Lender shall be received by the Lender no later than the due date and at such place or in such account which the Lender may, from time to time, designate.
- The Borrower shall ensure that the proceeds of the Loan described in the recitals are used exclusively for the purposes set out in the recitals.
- Events of Default: The Lender shall consider the Borrower to be in default and the Loan (inclusive of any interest accrued and unpaid on the Principal Sum occurring after the execution of this Agreement and added to the Principal Sum) shall become immediately repayable and all unpaid interest which has accrued shall become immediately repayable:-
- (a) if the Borrower fails on the due date to repay any part of the principal sum or the interest payable pursuant to the Agreement and the Lender, by notice in writing to the Borrower, demands immediate repayment of the Loan or the balance of the Loan then outstanding; or

- (b) if the Borrower fails to use the loan proceeds exclusively for the purpose specified in the Loan Agreement; or
- (c) if the Borrower cross defaults in respect of other indebtedness or obligations guaranteed by the Borrower; or
- (d) if the Agreement is or becomes (or is alleged to be) unlawful or unenforceable in a material respect.

In the event of a default in respect of the non-payment of the principal sum or any part thereof or a breach of any of the Events of Default, the Lender shall consider the loan due and shall seek to rely on the Guarantee issued by the Government of Barbados.

ADDENDUM

This Resolution seeks the approval of Parliament of a guarantee by the Government for the repayment by the Barbados Tourism Authority of BDS\$17.0 million which was lent by the National Insurance Board to the Authority.

The proceeds of the loan are to assist the Authority in meeting its capital and current expenditure programme, provide working capital and perform the functions of the Barbados Tourism Authority and execute the policy of and the general administration of the Barbados Tourism Authority.

