

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 \$19.0 million dollars in the currency of United States 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 \$19.0 million dollars in the currency of United States.

APPROVED by the House of Assembly this _____ day of _____, 2007.

Speaker

APPROVED by the Senate this _____ day of _____, 2007.

President

SCHEDULE

TERMS AND CONDITIONS

Issuer:	Barbados Investment & Development Corporation ('BIDC')
Issue:	Non-callable Fixed Rate Bond
Guarantor:	The Government of Barbados
Arranger:	RBTT Merchant Bank Limited ('RBTTMB')
Trustee:	RBTT Trust Corporation (Barbados)
Registrar and Paying Agent:	RBTT Merchant Bank Limited ('RBTTMB')
Use of Proceeds:	Facility to assist with financing the 2005 to 2006 capital works programme and debt refinancing
Issue Amount:	USD \$19 000 000.00
Currency:	United States Dollars
Issue Price:	98.85%
Basis of Commitment:	Fully Underwritten
Tenor:	Fifteen (15) years
Interest Rate:	Fixed upon disbursement: 10-year US Treasuries plus a spread of 235bps. There will be an interest rate floor of 6.85%.

- Syndication: The Arranger reserves the right to syndicate the Issue, in part or whole, and may invite other banks and financial institutions to participate accordingly. The Issuer will support the syndication to the extent required by the Arranger. In any syndication, the Arranger will be the Issuer's sole point of contact with the Syndicate and the Arranger will retain control and veto, such that no majority voting will be permissible within the Syndicate.
- 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 without the prior written approval of the Arranger.
- Expenses: All reasonable expenses of the Arranger until Financial Close, including, marketing, stamp duty and disbursement costs, shall be for the Issuer's account. Such expenses shall be capped at a figure to be mutually agreed.
- Legal Expenses: Capped at US\$25,000.00
- Material Adverse Changes: All terms and conditions mentioned herein are subject to changes in market conditions. The obligation of the Arranger to arrange the Facility will cease if, in the opinion of the Arranger, a material adverse change in the market conditions and/or in the Issuer's financial condition occurs. The Arranger reserves the right to withdraw or modify the terms and conditions of this indicative offer.

Understanding: All payments of principal, interest and all other amounts shall be made in United States dollars, and will be paid without withholding or deductions for or on account of any taxes imposed by the Government of Barbados or any other Government. To the extent that taxes are required to be withheld, the Issuer shall gross up any such withheld amounts.

Governing Law: Law of Barbados.