

CHAPTER 100

NATIONAL UNION OF PUBLIC WORKERS (GUARANTEE OF LOAN) 2007-54

This Act came into operation on 20th December, 2007.

Amended by:

This Act has not been amended

Law Revision Orders

The following Law Revision Order or Orders authorized the insertion and removal of pages as the case may be under the Law Revision Act Cap.2 now repealed:

2007

CHAPTER 100

**NATIONAL UNION OF PUBLIC WORKERS (GUARANTEE OF LOAN)
2007-54**

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BARBADOS

NATIONAL UNION OF PUBLIC WORKERS (GUARANTEE OF LOAN)
2007-54

An Act to make provision for the Government of Barbados to guarantee the payment of the principal and interest in respect of a loan of \$6.0 million to the National Union of Public Workers from the Barbados National Bank Inc. to assist with the construction of the Union's headquarters at Dalkeith Road.

[Commencement: 20th December, 2007]

Short title

1. This Act may be cited as the *National Union of Public Workers (Guarantee of Loan) Act*.

Interpretation

2. In this Act,

“Minister” means the Minister responsible for Finance;

“Union” means the National Union of Public Workers.

Guarantee

3.(1) Subject to this Act, the Government may, by a resolution of both Houses of Parliament, guarantee the payment of the principal and interest due in respect of a loan to the Union in the sum of \$6.0 million on such terms and conditions as are set out in the *Schedule* to this Act for the purpose of assisting with the construction of the Union's headquarters.

(2) A guarantee given under subsection (1) may be signed by the Minister or any person authorised in writing by the Minister.

Payment of imposts

4. All imposts shall be borne by the Union.

Application of loan

5. The loan guaranteed under this Act shall be applied to the purpose for which it is guaranteed, as specified in the guarantee agreement.

Charge on Consolidated Fund

6. All amounts required for the payment of sums in pursuance of a guarantee given under this Act and for the payment of all interest and other charges on those sums are charged upon and shall be payable out of the Consolidated Fund.

Union to repay sums paid under guarantee

7. Where any amount is paid out of the Consolidated Fund in respect of any liability incurred by the Government under the guarantee given in exercise of the powers conferred under section 3, the Union shall repay any sum, together with interest thereon at such rate as the Minister may prescribe, to the Consolidated Fund, in such manner and at such time as the Minister may direct.

SCHEDULE

(Section 3(1))

TERMS AND CONDITIONS

Borrower:

The borrower is the National Union of Public Workers (“the Union”).

Lender:

The lender is the Barbados National Bank Inc. (“the Bank”).

Facility:

The amount is \$6.0 million.

Purpose:

To assist with the construction of the Union’s new head-quarters at Dalkeith Road, St. Michael.

Repayment Terms:

A 20-year term loan inclusive of a moratorium on principal for the construction period of 18 months and a further 6 months after construction. Interest to be serviced monthly during the moratorium. Thereafter repayable in monthly payments of \$58 837.75 in blended principal and interest over the remaining period of 18 years.

Basis:

All interest payable shall accrue from day to day on the basis of the actual number of days elapsed in a 360-day year.

Interest Rate:

Interest shall be charged at the Bank's prime rate floating currently at 9.70 % per annum.

When the Government Guarantee for \$6.0 million is formally in place, the interest rates charged on the facility will be reduced to Prime minus 0.5%, currently 9.2% per annum.

The Bank reserves the right to adjust the rate of interest payable to such level as it may in its absolute discretion consider appropriate on the giving of 3 months notice to the Union.

Security:

The facility shall be secured by:

1. A Letter of Comfort for \$6.0 million from the Ministry of Finance dated June 20, 2005 for the time being pending receipt of the Government Guarantee for the said amount.
2. Government Guarantee of the payment of principal and interest to the extent of \$6.0 million.

Notices:

1. Any instruction or notice given by the Union to the Bank shall be signed by a person authorized to do so by Resolution to be given to the Bank.
2. Any demand made by the Bank shall be sufficiently made if in writing and signed by the Manager or Managing Director of the Bank or if made by the Attorney-at-Law for the Bank.

Business Days:

1. The term "business day" shall mean a day on which the Banks in the City of Bridgetown are open for business.

2. Whenever any payment to be made shall be due on a day other than a business day, such payment shall be made on the next succeeding business day, and such additional days shall be included in computing interest in connection with such payment.

Waiver:

Any waiver by the Bank or any breach by the Union of any of the terms thereof, or any indulgence, time or relaxation by the Bank to the Union shall be without prejudice to and shall not affect the exercise at any time thereafter by the Bank of all or any of its rights and remedies, as though such waiver had not been made or indulgence or relaxation of time had not been granted.

Commitment Fee:

1/4 of 1% of \$6.0 million, that is \$15 000 is due and payable on the signing of the Agreement.

Legal Fees:

All legal and valuation fees, stamp duty or other fees incurred by the Bank in connection with the facility shall be paid by the Union.

Principal Covenants:

1. Any 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 financial information prepared and to debit the business account with the cost or to vary upwards the interest rate on the facility, having given notice of such variation.

2. The Union will not, without prior consent from the Bank:
(a) create or suffer to exist any encumbrances against property now owned or hereafter acquired except for pledges by subsidiaries to ensure borrowings;

- (b) borrow money except
 - (i) pursuant to the Agreement; and
 - (ii) for working capital loans having maturities of one year or less.
- 3. The Union undertakes to:
 - (a) ensure that the premiums on all insurance policies assigned to the Bank are paid promptly;
 - (b) keep the Bank informed of its other financial obligations when submitting its statement of affairs.

Events of Default:

Notwithstanding any other provision herein contained, any sum advanced with all unpaid interest shall become immediately payable to the Bank upon the happening of the following:

- (a) if any payment due by the Union is not paid on the date fixed for the payment thereof or within a 30-day grace period;
- (b) if the Union shall default in the performance or observance of any of the terms or covenants contained herein;
- (c) if any representation or warranty given here-under shall prove to be untrue or incorrect in any respect;
- (d) if a receiver is appointed in respect of the whole or part of the assets of the Union;
- (e) if any distress or execution is levied or issued against any property of the Union and shall not be discharged within 10 days;
- (f) if there is any change to the identity or control, whichever is relevant, of the members making up the Borrower.

Conditions of Sanction:

- (1) Submission of Town Planning approval of the proposed new building.
- (2) Quantity Surveyor's Report and detailed builder's estimate to support the cost of the project.
- (3) At least 2 satisfactory references on the builder or contractor.
- (4) Projected professional valuation to substantiate the estimated value to completion.
- (5) Drawings to be supported by interim Quantity Surveyor's Report and site visits to verify expenditure, and to verify that the structure is in accordance with approved building plans and that the undrawn portion of the loan is always adequate to complete the building.
- (6) All cost overruns are for the customer's account.