

[ L.S. ]



I Assent,

**James B. Carlisle,**  
*Governor-General.*

17th July, 1998.

**ANTIGUA AND BARBUDA**

**No. 8 of 1998**

**AN ACT to make provisions for the borrowing of money for the purposes of constructing and equipping a new hospital at Mount St. John's.**

[ 30th July, 1998 ]

ENACTED by the Parliament of Antigua and Barbuda as follows—

**1.** This Act may be cited as the Loans (Mount St. John's Hospital Construction and Equipping) Act 1998.

Short title.

**2. Notwithstanding** the provisions of any other Act, the Minister responsible for Finance is authorised to borrow the sums of money specified in column 2 of Schedule 1 not exceeding an aggregate sum of **Thirty-one** Million dollars in currency of the United States of America from the Banks and Institutions specified in column 1 of Schedule 1 (in this Act referred to as the lenders) on such terms and conditions as may be agreed upon between the Minister responsible for Finance and the lenders.

Minister is authorised to borrow Thirty-one Million in United States Currency.

**3.** The money borrowed under the authority of **this** Act shall be applied to the construction and equipping of Mount St. John's Hospital in Antigua.

Application of money borrowed.

ANTIGUA 2  
**AND**  
BARBUDA

***The Loans (Mount St. John's Hospital  
Construction and Equipping)  
Act, 1998.***

No. 8 of 1998.

Power to authorise  
payment and to  
exempt from  
taxes.

4. (1) The Minister responsible for Health may, from time to time, authorise the Board of the **Medical** Benefits Scheme to transfer funds from its general account into a special account under the control of the Accountant General for the purpose of giving effect to the terms of any agreement entered into by the Minister responsible for Finance with the lenders in respect of the money borrowed under the authority of this Act.

Cap. 140.

(2) The Cabinet may approve the remission in whole or in part of any stamp duty or fee payable under any Stamp Act where he considers such remission necessary to give full effect to any agreement, instrument, guarantee or under-taking under this Act.

Exemption from  
Exchange Control  
Act.

5. The Exchange Control Act does not apply to any transaction required to effect payment of any sum in accordance with the terms of any agreement, promissory note, instrument, guarantee or under-talung under this Act.

Principal and  
interest charged  
on the Consoli-  
dated Fund.

6. The principal sum borrowed under the authority of this Act and the interest thereon are charged upon and payable out of the Consolidated Fund.

Ratification of  
terms and  
condition.

7. The terms and conditions of the Loan agreed to between the Minister and the Lenders and set out in Schedule II are hereby ratified.

**SCHEDULE I**

**Column I**

**Column II**

**Lenders**

**Sums**

Bank of Antigua

US\$2,000,000.00

Stanford Financial Group Ltd., and  
its **Affiliated** Companies and  
Syndicated Participants

US\$29,000,000.00



rate of 9.8%. **All** interest will be calculated on the basis of a 360-day calendar year.

- D. **DEFAULT RATE:** From and after the occurrence and during the continuation of any event of default under the Loan, at Lender's sole discretion, and regardless of whether Lender also elects any other remedies under the Loan, the entire unpaid principal balance of the Loan and any other sums owing shall bear interest at an augmented annual rate (the "Default Rate") equal to 10.8%.
- E. **PAYMENT:** Monthly payments of **accrued** interest only for the period terminating the earlier of (i) two (2) years from the date of the first advance under the Loan; or (ii) substantial completion of the Project (as will be defined in the loan documentation). Thereafter equal monthly payments of principal and interest, in an amount that would be sufficient to repay the outstanding debt in full in thirty (30) years from the date of the Loan. The outstanding balance of any sums due shall be payable at maturity. To the extent funds may be available therein, payments shall be automatically debited by Agent from the current account established by the Medical Benefits Board of Control pursuant to article 2.G.ii) below, for that purpose.
- F. **PREPAYMENT:** The Loan may be prepaid in part or in whole at anytime without prepayment penalties.
- G. **ESTABLISHMENT OF BANK ACCOUNTS:**
- i) **COMPENSATING BALANCES:** Borrower shall at all times during the term of the Loan maintain compensating balances with the Agent in an amount not less than U.S. \$1,481,482.00.
- ii) **CURRENT ACCOUNT:** In addition to the compensating balances referred to immediately above, Borrower shall during the term of the Loan maintain a current account with the Agent to which Borrower shall make the following deposit: an amount equal to the greater of (i) U.S. \$271,000.00 or (ii) the total amount collected by Borrower pursuant to the increased two percent (2%) **Medical Benefits Levy** since the last such deposit. Borrower may, so long as the Loan is not in default, withdraw such amounts in the current account in excess of U.S. \$271,000.00. In no event, shall the **minimum balance** in the current account be less than U.S. \$271,000.00 at any time other than as a result of any payment made on the Loan.

- H. **LATE PAYMENT:** Any payment not made **within** ten (10) days after such payment is due **shall** be subject to a late charge of U.S. \$500.00. The foregoing is without prejudice to the Lenders' right to charge interest on the Loan at the Default Rate set forth for defaults in article 2.D above. However, in the event of such a delinquency, the application of the Default Rate will not be imposed until after 30 days of delinquency has passed. Should a payment be delinquent for more than 30 days, then, at Agent's sole discretion, the Default Rate may be imposed. If agent does elect to enforce this penalty, it shall apply retroactively from the beginning of said delinquency and against the entire loan balance during the period of default.

**3. LOAN PURPOSE:** Financing the construction of a medical center for Antigua and Barbuda (the "Medical Center") located at St. John's, **Antigua** and to repay the interim loan facility extended by Bank of Antigua, as evidenced by that certain promissory note dated September 1, 1997 in the amount of E.C. **\$14,000,000.00**.

**4. SECURITY:** The Loan shall be evidenced and secured by the following:

- A. A Loan Agreement among the Lenders and Borrower and a Note in the principal amount of the Loan to be given by the Borrower to the Agent on behalf of the Lenders.
- B. A first-ranking pledge and security interest over all funds collected by the Medical Benefits Board of Control pursuant to the increased two percent (2%) Medical Benefit Levy.
- C. A **first-ranking** pledge and security interest over **all** accounts established pursuant to article 2.G above.
- D. A full, first-ranking charge and caution over the property described on Exhibit A hereto, and any buildings and improvement thereon (hereinafter the "Property").
- E. A security interest which shall be **first-ranking** (other than any purchase-money security interest) on all of the items of personal property of the Borrower to be placed upon and used in connection with the Property during the term of the Loan. The personal property of the Borrower to be so granted as security shall include, but not be limited to, furniture, equipment, fixtures, supplies, and materials, now or hereafter located on the Property or utilized in the operation or construction of any improve-



the Lenders to proceed with the Loan evidenced by this commitment shall be subject to the preparation and execution of Loan documentation in form and substance satisfactory to the Lenders and their legal counsel in their sole discretion. In addition, the Agent and Lenders and their legal counsel must be satisfied in their sole discretion with all matters pertaining to the construction of the Medical Center, including without limitation all plans, contracts and circumstances relating thereto, and **all** necessary third-party and governmental actions must have been duly taken.

**8. LOAN DOCUMENTS TO GOVERN:** This commitment shall be incorporated by reference in the Loan documents and the terms hereof shall be deemed **as binding** as if fully set forth therein. Should there be any apparent or evident contradiction between the terms of this commitment and any of the terms of the Loan documents, the Loan documents shall govern. It is understood that, in addition to the various provisions contemplated in this letter, the Loan documents will include representation and warranties, events of defaults, covenants, and negative covenants by the Borrower, **as** well as other provisions, **which** the Lenders in their discretion believe to be reasonable and appropriate for a credit such as the Loan.

**9. GENERAL CONDITIONS:** There are attached hereto and made a part hereof certain additional general conditions of the commitment which general conditions shall apply with the same force and effect as **all** of the other terms and conditions contained herein.

**10. MODIFICATIONS:** No change or **modification** of this commitment shall be valid unless such change or modification is made in writing and signed by the parties hereto. This commitment contains the entire agreement between the parties hereto and there are no promises, agreements, **conditions**, undertakings, warranties, or representations, either written or oral, expressed or implied, between the parties other than as set forth herein.

**11. AVAILABILITY AND DISBURSEMENT OF LOAN FUNDS:** Loan funds will be disbursed only upon satisfaction of all conditions **as** set forth in the Loan documentation.

**12. GOVERNING LAW AND JURISDICTION:** This commitment letter is, and the Loan and Loan documentation shall be, governed by the laws of Antigua and Barbuda. For any dispute or disagreement relating to this letter, the Loan or the Loan documentation, the Borrower submits to the nonexclusive jurisdiction of the **courts** of Antigua and Barbuda, waives any claim that such court is an inconvenient forum,



and delivered to Agent within 60 days **from** the date hereof, together with a check in the amount of U.S. **\$92,500.00** payable to the Agent representing a non-refundable commitment fee. Acceptance of this commitment by the Borrower on or prior to that date constitutes agreement to comply with the terms and conditions contained herein. From and after execution of this commitment, the Borrower shall be obligated to reimburse the reasonable fees and expenses of legal counsel to the Agent and the Lenders, including the connection with the preparation and execution of both this letter and the Loan documentation, regardless of whether the loan documentation is ever executed or the Loan is made. This commitment shall remain in full force and effect until **May 31, 1998**. If the Borrower fails for any reason whatsoever to comply with **all** the terms and conditions contained herein or attached hereto or fails to close the Loan by **May 31, 1998**, the commitment letter shall be null and void without further obligation or notice by agent or Lenders.

This letter supersedes our letter to you dated December **19, 1997**, Please indicate your acceptance of this commitment by signing and returning to us the attached copy.

*Sincerely,*  
Bank of Antigua Limited.

**by: Kenny Byron,**  
*President and CEO*

The undersigned accept and agree to **all** of the terms and conditions set forth therein.

BORROWER:  
**Government of Antigua and Barbuda**

By: **Date: 13 Feb. 1998**

Name: **John E. St. Luce,**

Title: *Minister of Finance, Agriculture, Land,  
Fisheries, Planning & Co-operatives*

