

This AGREEMENT is made the 14th day of NOVEMBER, 1980 between the Government of Guyana represented herein by the Minister of Finance, Georgetown, Guyana (hereinafter called "The Borrower") of the one part and Lloyds Bank International (Bahamas) Limited, Nassau (hereinafter called LBIB) of the other part.

Whereby it is agreed as follows:-

The Borrower desires to borrow and LBIB agrees to make a loan to the Borrower in order to finance upon the terms and conditions set out hereunder, the down payment due to Short Brothers Ltd., England in respect of the Borrower's purchase of one Skyvan and associated spares and costs, referred to in a Contract Agreement dated 18th September, 1980 between the Government of Guyana and Short Brothers Ltd.

Clause 1. DEFINITIONS:

In addition to the terms defined above, the following terms shall, for the purposes of this Agreement, have the following meanings:-

Facility: means the funds agreed to be advanced by LBIB to the Borrower on the terms of this Agreement;

Loan: means the amount required to be borrowed by the Borrower hereunder or as the case may be the balance outstanding from time to time of the funds borrowed;

Dollars and US\$ means the lawful currency of the United States of America and, in relation to all payments and transfers of funds hereunder, New York Clearing House funds or such other funds as during the life of the loan it may become the customary practice of members of the New York Clearing House Association to stipulate in settlement of international transactions in Dollars;

Business Day: means a day on which deposits transactions in Dollars are carried out on the London Interbank Market and on which banks are open for business in London, Nassau and New York;

Commitment Termination Date: means the date falling 6 months after date hereof;

Repayment Date: means (subject to Clause 8 hereof) each of the date falling 12 months from the date hereof and the 4 dates falling at successive six-monthly intervals thereafter;

1. DEFINITIONS: Cont'd

Interest Period: means each of successive periods of 6 months, the first commencing on the date of drawdown and the last terminating on the final Repayment Date; provided that any Interest Period which would otherwise overrun a Repayment Date shall end thereon.

Notification Date: means the day falling two Business Days before the first day of an Interest Period.

Clause 2. AMOUNT:

The maximum amount of the Loan shall be the U.S. Dollar equivalent of £ 189,000.- evidenced by a Promissory Note (the Note) in the form of the attached Exhibit "A" drawn by the Borrower to the order of LBIB.

Clause 3. PURPOSE:

The Loan shall be utilised for the purpose set out in the preamble hereto.

Clause 4. DRAWDOWN:

Subject to satisfaction of the terms of Clause 12 hereof and to receipt by LBIB of at least three Business Days, irrevocable prior written notice (effective only on receipt), the Borrower shall avail of the Facility in one amount on any Business Day up to and including the Commitment Termination Date. Such notice shall request LBIB to make payment to Short Brothers Ltd., of a Sterling amount not exceeding £189,000.- and the Dollar equivalent of such Sterling amount, as determined by LBIB at or about 11.00 a.m. Nassau time on the Notification Date prior to drawdown by reference to its spot selling rate for Sterling against Dollars, shall constitute the amount drawn down under the Facility.

Clause 5. REPAYMENT:

This loan shall be repaid in five as nearly as possible equal instalments, one of which will be due on each Repayment Date.

Clause 6. PREPAYMENT:

Subject to receipt by LBIB of at least 30 days' prior written notice the Borrower may prepay the Loan, in whole but not in part, on the last day of any Interest Period. Once prepaid the Loan may not be reborrowed.

Clause 7. INTEREST:

The Loan will bear interest at a rate which in respect of each Interest Period will be 1-3/4% (one and three quarters per cent) per annum above the London Interbank offered rate as established by LBIB at or about 11.00 a.m. Nassau time on the relevant Notification Date for Dollar deposits of like amount to the Loan for the term of such Interest Period. Interest will be calculated on the basis of a 360-day-year for the exact number of days elapsed and shall be paid on the last day of each Interest Period. LBIB will advise the Borrower by telex on each Notification Date of the rate determined as above but failure to do so shall not affect the Borrower's obligation to pay interest as so determined.

Clause 8. COMMITMENT COMMISSION:

The Borrower shall pay to LBIB a Commitment Commission of 1/2% p.a. (one half of one percent per annum) on the daily undrawn amount of the Loan from thirty days after the date of this Loan Agreement. Such commission shall be calculated on the basis of a year of 360 days for the actual number of days elapsed and shall be payable on the earlier of (a) the last business day of the month in which the final drawdown takes place and (b) the Commitment Termination Date.

Clause 9. NEGOTIATION FEE:

On the first Drawdown Date the Borrower shall pay to LBIB a Negotiation Fee of 1% (one per cent) flat on the amount of the loan (the U.S. dollar equivalent of £189,000.- at the exchange rate applicable to the first Drawdown). This Agreement authorises LBIB to take this fee directly from the proceeds of the Loan on the first Drawdown Date.

Clause 10. NON-BUSINESS DAYS:

If any Repayment Date, the last day of any Interest Period or the due date for any payment to LBIB hereunder would otherwise fall on a non-Business Day, the effective date shall be the next succeeding Business Day in the same calendar month or, if none, the immediately preceding Business Day.

Clause 11. PAYMENTS:

All repayments of principal and payments of interest, commission, fee and any other amounts due to LBIB hereunder shall be made in Dollars by 10.00 a.m. New York time on the relevant due date to Lloyds Bank International, 95 Wall Street, New York, N.Y. 10005, U.S.A. for the account No. 3-201-536-4 of LBIB, Nassau, under reference "International Banking Department". All payments shall be made free and clear of any set-off, counterclaim, restriction or condition and without any deduction in respect of taxes, charges, levies, fees, imposts or withholdings whatsoever, now or hereafter imposed unless the Borrower is compelled by law to make such a deduction.

If pursuant to any law or otherwise the Borrower is obliged to make any deduction as aforesaid then the Borrower will pay to LBIB at the same time and in the same manner such additional amounts as will result in the receipt by LBIB of a net aggregate amount equal to that which would have been received had payment not been made subject to such deduction.

Clause 12. CONDITIONS PRECEDENT:

LBIB shall not be obliged to advance funds hereunder until it shall have received and found in order:

- (a) a copy of this Agreement duly signed by authorised signatories of the Borrower;
- (b) a legal opinion of Guyana Counsel acceptable to LBIB substantially in the form of Appendix "B" hereto;
- (c) the note duly completed by the Borrower as described in Clause 2 hereof;
- (d) a certificate from the competent monetary authority that it will make available to the Borrower the necessary foreign exchange in Dollars for payment on due date of all amounts payable by the Borrower under this Agreement.

Clause 13. REPRESENTATIONS AND WARRANTIES:

The Borrower represents and warrants to LBIB (and with the intention that such representations and warranties shall survive the execution and performance of this Agreement) and such representations and warranties shall be deemed to be repeated at the beginning of each Interest Period as if made at each such time that:

- (a) the Borrower under the laws of Guyana has full legal power to enter into and perform this Agreement and Note and has taken all necessary actions to authorise the borrowing under this Agreement upon the terms and conditions of this Agreement **and to execute, deliver and perform** this Agreement and the Note;
- (b) this Agreement and the Note constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their terms;
- (c) the execution and delivery of this Agreement do not, and the performance of the Borrower's obligations hereunder (including execution and delivery of the Note in the form specified herein) will not violate any provision of any presently existing law or regulation to which the Borrower is subject nor violate or constitute a default under any contract, mortgage, undertaking, judgement, franchise, treaty or permit to which the Borrower is a party or which is binding upon it;
- (d) no litigation, arbitration, or administrative proceeding, which in the opinion of LBIB would affect the Borrower materially, has been commenced or is presently pending or threatened against the Borrower;
- (e) all authorisations, approvals, licences, decrees and consents in so far as they are required by, or are to be obtained from, any governmental authority bureau or agency, for the execution, delivery and validity of this Agreement and the Note, and for the performance and enforceability of this Agreement and the Note in accordance with their terms, have been obtained and remain in full force and effect;
- (f) the Loans, when made, will rank pari passu with all other foreign indebtedness of the Borrower;
- (g) the Borrower has taken all action necessary under the laws of Guyana to ensure the validity, effectiveness, performance and enforceability of this Agreement including the filing, registration or recording with any authority and in any public office or elsewhere of this Agreement;

Clause 13. REPRESENTATIONS AND WARRANTIES: (Cont'd)

- (h) The Borrower hereby undertakes to waive any right it may have, now or at any time during the life of the loan, to deduct or withhold tax on any payments of principal, interest or other monies under this Agreement. No stamp or registration or similar taxes or charges are payable in Guyana in respect of this Agreement or the note, now or at any time during the life of the loan.
- (i) no Event of Default has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or notice or both would constitute an Event of Default.

Clause 14. NON-AVAILABILITY OF FUNDS:

In the event that on or prior to any Notification Date LBIB shall determine (which determination shall be final and binding upon the Borrower at any time) that (i) by reason of changes affecting the London Interbank Market adequate and fair means do not exist for determining the rate of interest applicable to the Loan in accordance with Clause 7 hereof; or (ii) the continuation of the Loan as a Dollar Loan has been made impracticable by the occurrence of contingency which materially and adversely affects the London Interbank Market (other than a contingency contemplated by Clause 15 hereof), then LBIB shall forthwith give notice to the Borrower of the occurrence of such event and if such notice relates to drawdown of the Loan drawdown shall not then take place. During the thirty days following the giving of such notice, the Borrower and LBIB shall negotiate in good faith with a view to modifying this Agreement to provide a mutually acceptable substitute basis for advancing or continuing the Loan which will be financially a substantial equivalent of the basis provided for herein. If within such thirty day period the Borrower and LBIB shall agree in writing upon such substitute basis/shall be effective in accordance with its terms. Any such substitute basis agreed in accordance with the provisions of this Clause shall cease to apply in respect of any subsequent Interest period if on the Notification Date relating to such Interest period LBIB shall certify that it is able to continue the Loan on the basis set out herein and to determine a rate of interest applicable to the Loan in accordance with Clause 7 hereof.

/then such substitute basis

Clause 14. NON-AVAILABILITY OF FUNDS: (Cont'd)

If within such thirty-day period the Borrower and LBIB shall fail to agree in writing upon such substitute basis then LBIB's obligations hereunder shall terminate and the Borrower agrees that it shall (A) pay the Loan in full immediately on the expiry of such thirty-day period together with accrued interest to the date of such payment and the amount being paid at the last applicable rate of interest; and (B) pay at the same time all other amounts owing or becoming due by the Borrower hereunder and all other additional costs incurred by LBIB as a result of such mandatory payment.

Clause 15. CHANGES IN APPLICABLE LAW:

If any change in any present or future applicable law or regulation or directive or in the interpretation thereof by any governmental authority charged with the administration thereof or any new law or regulation or directive shall:

(a) make it impossible or unlawful for LBIB to give effect to its obligations hereunder or to maintain the Loan, LBIB shall give notice of such an occurrence to the Borrower, whereupon LBIB's obligations hereunder shall immediately terminate and the Borrower shall, within 30 days after receipt of such notice repay to LBIB the Loan together with accrued interest thereon and all other amounts owing to LBIB hereunder;

(b) impose, modify or deem applicable regulations in respect of liquidity or reserve requirements against any assets of, deposits with or for the account of, or loans made by LBIB and this shall increase the cost to LBIB of maintaining the Loan hereunder or shall reduce the amount of principal or interest receivable by LBIB by an amount which LBIB deems material, the Borrower shall pay to LBIB upon demand such additional amounts as are necessary to indemnify LBIB against such increased cost or reduction.

Clause 16. EVENTS OF DEFAULT:

(a) In the event that:

(1) the Borrower fails to pay in full any sum due hereunder on the due date; or

(2) the Borrower commits any breach of or omits to observe any other obligation accepted or undertaken by it hereunder;

(3) any indebtedness of the Borrower becomes or is capable of being declared due prior to the due date for payment thereof or the Borrower defaults in the repayment when due of any indebtedness or

Clause 16. EVENTS OF DEFAULT (Cont'd)

in paying on the due date any sum payable under any guarantee or indemnity given by it; or

(iv) any governmental or other registration, license or approval necessary to enable the Borrower to comply with or perform any of its obligations hereunder is revoked, withdrawn or withheld or otherwise fails to remain in full force and effect; or

(v) It becomes unlawful for the Borrower to perform any of its obligations hereunder;

Then LBIB's obligations hereunder shall immediately cease and the Loan together with interest thereon and all other amounts owing by the Borrower to LBIB shall forthwith become due and payable on demand.

(b) In the event of default by the Borrower in payment on the due date by the time specified herein of any sum due hereunder (including under this Clause) the Borrower shall pay to LBIB on demand interest on such sum (as well after as before judgement) as follows:-

- (i) If such default occurs during an Interest Period, at 1% above the rate then applicable to the Loan;
- (ii) if such default occurs at or after the end of an Interest Period or is continuing at the end of an Interest Period, on the basis of consecutive periods, ('Default Interest Periods') running from the date of such default or, as appropriate, the end of such Interest Period to the date of receipt of such sum in full by LBIB. Each Default Interest period shall be of such duration as LBIB in its sole discretion may from time to time select. The Interest rate applicable to the sum in default for the first Default Interest Period shall be determined by LBIB at 11.00 a.m. Nassau time on the Business Day immediately succeeding the due date and for each subsequent Default Interest Period (for as long as such default continues) at 11.00 a.m. Nassau time on the last day of the preceding Default Interest Period and shall be 2 1/2% per annum above the London Interbank offered rate as established by LBIB for deposits of like amount and currency to the sum in default for the term of the relevant Default Interest period.

The Borrower undertakes to advise LBIB promptly upon its becoming aware of the occurrence of any event of default as specified in this Clause, or of any event which with the lapse of time or giving of notice, or both, would become such an event.

Clause 17. INDEMNITY:

The Borrower shall indemnify LBIB on demand against all losses and reasonable expenses incurred by LBIB arising out of the occurrence of an Event of Default referred to in Clause 16 hereof or the repayment of the Loan, pursuant to Clauses 14, 15, or 16 hereof other than on the last day of an interest period, including, but not limited to, losses incurred in liquidating or employing deposits from third parties acquired to effect or maintain the Loan or any part thereof. LBIB's certificate of the amount of such losses shall be prima facie evidence thereof.

Clause 18. JUDGEMENT CURRENCY:

- (a) In the event of a judgement or order being rendered by any Court or Tribunal for the payment of any amounts owing to LBIB under this Agreement or for the payment of damages in respect of any breach of this Agreement or under or in respect of a judgement or order of another Court or Tribunal for the payment of such amounts or damages, such judgement or order being expressed in a currency ('the Judgement Currency') other than the currency in which the Loan is outstanding ('the Loan Currency'), the Borrower shall indemnify and hold LBIB harmless against any deficiency in terms of the Loan Currency in the amounts received by LBIB arising or resulting from any variation as between:-
- (i) the rate of exchange at which any Loan Currency amount is converted into the Judgement Currency for the purpose of such judgement or order; and
 - (ii) the rate of exchange at which LBIB is able to purchase the Loan Currency with the amount of the Judgement Currency actually received by LBIB such rate being adjusted to take account of any premiums and costs of exchange payable in connection with the purchase of the Loan Currency.
- (b) The above indemnity shall constitute a separate and independent obligation of the Borrower from its other obligations hereunder and shall apply irrespective of any indulgence granted by LBIB from time to time.
- Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by LBIB and no proof or evidence of any actual loss shall be required by the Borrower.

Clause 19. EXPENSES:

The Borrower shall reimburse LBIB for all costs, fees and expenses incurred by LBIB in connection with the preparation or execution of this Agreement and the enforcement of, or the preservation of any right under this Agreement, including, but not limited to all reasonable fees and expenses of legal advisers, provided that such

Clause 19. EXPENSES: Cont'd

expenses be justified by presentation of the corresponding receipts or other documentation and shall not exceed in total US\$1,000.-.

Clause 20. WAIVER

No delay or omission by LBIB in exercising any of its rights under this Agreement shall operate or be construed as a waiver thereof nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

Clause 21. NOTICES:

All notices and other communications to the parties hereto shall be deemed to have been fully given when sent by prepaid first-class air-mail, authenticated telex or cable addressed to the party at its address specified herein or at such other address as each party may specify by notice in writing to the other, and shall (except in the case of a notice requiring drawdown) be deemed to have been received five days following the date of despatch in the case of a notice by mail and one day following the date of despatch in the case of a notice by telex or cable.

The address of the Borrower shall until further notice be The Minister of Finance, Main & Urquhart Streets, Georgetown, Guyana, and that of LBIB, P. O. Box N-1262, Nassau, Commonwealth of the Bahamas.

Clause 22. CLAUSE HEADINGS:

Clause headings in this Agreement are inserted for ease of reference only and shall be ignored in construing the sense of any clause or clauses therein.

Clause 23. APPLICABLE LAW:

This Agreement shall be governed by, construed and interpreted in accordance with English law. The Borrower agrees to submit to the jurisdiction of the Courts of England, but this shall not prejudice LBIB's rights in any other jurisdiction where proceedings may lawfully be commenced against the Borrower,

Clause 24. IMMUNITY FROM SUIT:

To the extent that the Borrower may in any jurisdiction in which proceedings may at any time be taken for the enforcement of this Agreement be entitled to claim for itself or its assets immunity from judicial proceedings and to the extent that in any such jurisdiction there may be attributed such immunity (whether or not claimed), the Borrower hereby irrevocably undertakes not to claim and hereby irrevocably

Clause 24. IMMUNITY FROM SUIT: (Cont'd)

waives such immunity to the fullest extent permitted by the laws of such jurisdiction and hereby irrevocably agrees to the said fullest extent that it and its assets are and shall be subject to judicial proceedings on account of the indebtedness and other obligations incurred by it under this Agreement.

Clause 25. AGENT FOR SERVICE OF PROCESS:

The Borrower hereby irrevocably appoints, designates and empowers in the case of any process pursuant hereto in the English Courts The High Commissioner, Guyana High Commission, 2 Palace Court, Bayswater Road, London W2, England, to receive, for and on behalf of itself, service of process in such jurisdiction in any legal action or proceedings with respect to this Agreement and agrees that failure by such process agent to give notice of such service of process to the Borrower shall not impair or affect the validity of such service or of any judgement based thereon. The Borrower further irrevocably consents to the service of process out of the aforesaid courts in any such action of proceedings by the mailing of copies thereof by registered airmail, postage prepaid, to the Borrower at its address aforesaid. Nothing herein shall affect the right of LBIB to serve process in any other manner permitted by law.

Yours truly,
LLOYDS BANK INTERNATIONAL (BAHAMAS) LTD.

J.P. Genasi
Manager

N.C. Grose-Hodge
Assistant Manager

Agreed to and Accepted:

Date:

For and on behalf of
GOVERNMENT OF GUYANA
by THE MINISTER OF FINANCE

.....

PROMISSORY NOTE

(Cont'd)

have happened in due and strict compliance with the applicable law of Guyana.

This Note and the rights and obligations of the Borrower and the Holders of this Note shall be construed and determined in accordance with the laws of England.

For and on Behalf of

THE GOVERNMENT OF GUYANA
by The Minister of Finance

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[The following text is extremely faint and largely illegible due to significant staining and fading on the document. It appears to contain several paragraphs of legal or financial terms and conditions.]

"EXHIBIT B"

Lloyds Bank International (Bahamas) Ltd.
BOLAM House
P.O. Box N-1262
Nassau, Bahamas

Loan Agreement dated

between LLOYDS BANK INTERNATIONAL (BAHAMAS) LIMITED, Nassau, Bahamas and the Government of Guyana represented by the Minister of Finance, Georgetown Guyana.

I am of the opinion that under the laws governing Guyana:-

- (A) the borrower has full legal power to enter into and perform the Agreement and the Note and has taken all necessary actions to authorise the borrowing under the Agreement upon the terms and conditions of the Agreement and to execute, deliver and perform the Agreement and the Note;
- (B) the Agreement and the Note constitute legal valid and binding obligations of the Borrower and are enforceable in accordance with their terms;
- (C) the execution, delivery and performance of the Agreement and the Note do not and will not violate any provision of any presently existing law or regulation to which the Borrower is subject nor do they nor will they violate or constitute a default under any contract, mortgage, undertaking, judgement, franchise, treaty or permit to which the Borrower is a party or is binding upon it;
- (D) all authorisations, approvals, licences, decrees and consents insofar as they are required by or are to be obtained from, any government authority, bureau, or agency, for the execution, delivery and validity of the Agreement and the Note in accordance with their terms, have been obtained and remain in full force and effect;
- (E) since the Agreement has been prepared outside Guyana and is to be signed by the Borrower in Guyana, the choice of English law to govern the Agreement is, under the laws of Guyana, a valid and binding choice of law;
- (F) the Borrower has taken all action necessary, under the laws of Guyana to ensure the validity, effectiveness, performance and enforceability of the Agreement, including the filing, registration or recording with any authority and in any public office or elsewhere, of the Agreement;