

## Act No. 22 of 1965

**THE ROYAL BANK OF CANADA LOAN  
AGREEMENT**

22 *cf* 1965

**An Act to authorize the Treasurer to enter into an agreement with the Royal Bank of Canada for the purpose of borrowing from that bank the sum of six million five hundred thousand dollars in the currency of the United States of America for the purpose of financing certain capital works.**

*[Commencement 12th May, 1965]*

Short title.

**1.** This Act may be cited as the Royal Bank of Canada Loan Agreement Act.

Interpretation.

**2.** In this Act where the context so admits:

“Bank” means The Royal Bank of Canada, a company incorporated in Canada and carrying on the business of banking in The Bahamas;

“principal sum” means the sum of six million five hundred thousand dollars in the currency of the United States of America.

Treasurer authorized to enter into agreement.

**3.** The Treasurer is hereby authorized at any time within six months after the coming into operation of this Act to enter into an agreement substantially in the form set out in the Schedule hereto with the Bank for the purpose of borrowing from the Bank the principal sum subject to the terms and conditions set forth in such agreement.

Principal, etc., charged upon consolidated Fund and other public funds.

**4.** The principal sum or so much thereof as shall from time to time be advanced by the Bank to the Government (and shall not have been repaid) shall together with all interest and commitment fees which may be or become due and payable to the Bank under the said agreement be charged upon and made payable out of the Consolidated Fund and other public funds of The Bahamas.

How agreement to be made.

**5.** The agreement to be made under this Act shall be expressed to be made by and between the Treasurer acting for and on behalf of the Government of the Bahama Islands of the one part and the Bank of the other part and

shall be executed by the Treasurer under his hand and seal, and shall be executed by the Bank under its common seal or by its Attorney duly authorised by Power of Attorney under its common seal.

**SCHEDULE  
DRAFT AGREEMENT**

BAHAMA ISLANDS,  
NEW PROVIDENCE.

AN AGREEMENT made the ..... day of..... ,  
A.D. 1965 BETWEEN William Garth Fowell Treasurer of the  
Bahama Islands acting for and on behalf of the Government of the  
said Bahama Islands (who in such capacity is hereinafter referred to  
as “the Government”) of the one part AND The Royal Bank of  
Canada, a company incorporated in Canada and carrying on the  
business of banking in the City of Nassau in the Island of New  
Providence one of the said Bahama Islands a copy of whose Act or  
Charter of Incorporation has been filed in the Registry of Records of  
the said Bahama Islands in accordance with the laws in that behalf  
enacted (hereinafter called “the Bank”) of the other part  
WHEREAS:

(A) The Government has requested the Bank to lend to it the  
sum of Six million Five hundred Thousand dollars (\$6,500,000) for  
the purpose of financing expenditure of a capital nature on various  
public works in the said Bahama Islands (hereinafter referred to as  
“the said Works”) which are more particularly set forth in the  
Schedule hereto; and

(B) The Bank has agreed to lend to the Government the said  
sum for the purposes of the said Works upon the Government  
entering into these presents and upon and subject to the terms and  
conditions hereinafter set forth;

NOW THEREFORE IT IS HEREBY AGREED BY AND  
BETWEEN THE PARTIES HERETO as follows:

1. In this Agreement:

(1) “Day” shall mean a period of Twenty-four (24) hours  
commencing at midnight.

(2) “Dollars” shall mean dollars in the currency of the United  
States of America.

(3) “Month” shall mean a calendar month.

(4) “Net Withdrawals” shall mean at any time during the  
period of this Agreement the difference between the total amount  
of withdrawals having been made up to such time and the total  
amount of repayments having been made up to such time.

(5) “Prime Rate” shall mean the average of the prime  
rates charged from time to time by The Chase Manhattan Bank,  
The First National City Bank of New York and Bankers Trust

Company, all in the City of New York in the State of New York one of the United States of America (calculated and apportioned from day to day).

(6) “Sum Available” shall mean at any time between the date hereof and the Thirty-first day of December, A.D. 1966 both days inclusive the difference between the sum of Six million Five hundred thousand dollars (\$6,500,000) and the Net Withdrawals at such time. The singular shall where the context so requires include the plural and vice versa.

2. (1) The Bank shall make available to the Government the sum of Six million Five hundred thousand dollars (\$6,500,000) from which the Government may make withdrawals at one time of the whole of such sum or in such instalments and at such times as it shall desire up to and including the Thirty-first day of December, A.D. 1966.

(2) Withdrawals shall forthwith be credited to the Government by the Bank to an account in the name of the Government in the principal office of the Bank in the said City of Nassau (or in such other office or offices of the Bank as the parties hereto shall from time to time agree) which said account shall be operated (subject to the rules and regulations of the Bank concerning the operation of accounts) by such Officer or Officers as the Government shall duly appoint.

3. (1) The Government shall pay to the Bank interest in the currency of the United States of America on the total amount of all withdrawals made and from time to time unrepaid at the rate of one-eighth (1/8) of One per cent (1%) per annum above Prime Rate and such interest shall be calculated from day to day and shall be paid at three monthly intervals the first of such payments to be made Three (3) months from the date of the first withdrawal.

(2) From the First day of January, A.D. 1966 until the Thirty-first day of December, A.D. 1966 (both days inclusive) the Government shall pay to the Bank a commitment fee in the same currency at the rate of one-eighth (1/8) of One per cent (1%) per annum (calculated from day to day) on the amount of the Sum Available and such commitment fee (if any) shall be paid in instalments on the first day of April, the first day of July, the first day of October and on the Thirty-first day of December, 1966.

4. (1) Subject as is hereinafter provided in sub-clause (2) of this clause the Government may repay to the Bank at any time and from time to time (whether before or after the Thirty-first day of December, 1966) the total amount of all withdrawals then outstanding and unrepaid or any part thereof (not being less on any occasion than the sum of One hundred thousand dollars (\$100,000)).

(2) The Bank may determine this Agreement on the second or any subsequent anniversary of the first withdrawal by giving to the Government at least One (1) year's previous notice in writing of its

intention so to do and on or before the expiration of such notice the Government shall repay all moneys both principal and interest due and payable to the Bank hereunder.

5. The Government will cause all withdrawals to be applied for or towards or in connection with the carrying out of the said Works and will permit the Bank by its agents duly authorized at all reasonable times to enter upon the lands upon which the said Works shall be in course of being carried out and all buildings and installations whereon or wherein the said Works are in progress to examine the state and condition thereof subject to such reasonable restrictions as the Government may impose.

6. (1) All notices required to be given under or for the purposes hereof shall be in writing.

(2) (a) Any notices to be served on the Bank under or for the purposes of any of the provisions of these presents shall be served by delivering the same to the Manager or an Assistant Manager of the Bank at the principal office of the Bank in the said City of Nassau or by sending the same by prepaid registered post addressed to the Bank at P. O. Box 537 Nassau New Providence or to such other address within the Colony as the Bank shall from time to time notify to the Government in writing.

(b) Any notices to be served on the Government under or for the purposes of any of the provisions of these presents shall be sent by prepaid registered post addressed to the Treasurer at the Public Treasury with a copy thereof sent by prepaid registered post addressed to the Permanent Secretary to the Ministry of Finance Nassau New Providence.

(3) For all the purposes of the foregoing provisions of this clause a notice sent by post shall be deemed to be given on the Seventh day after the day on which the letter envelope or wrapper containing the same was posted.

7. These presents shall be governed in all respects whether as to construction or otherwise by the laws of the said Bahama Islands.

THE SCHEDULE HEREINBEFORE REFERRED TO:

1. Improvements to water supplies, New Providence
2. Geriatrics Hospital, New Providence
3. Central Government Building, Rawson Square, New Providence
4. Customs buildings and residences, Out Islands
5. New schools, New Providence and Out Islands
6. Sports Centre, New Providence
7. Such other purposes as may be approved in writing from time to time by the Bank at the request of the Government (such approval not to be unreasonably withheld or delayed).

IN WITNESS WHEREOF etc.