

AMENDATORY CONTRACT

AMENDATORY CONTRACT entered into this 12th day of January 1982 between BARBADOS (hereinafter called the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (hereinafter called the "Bank").

ARTICLE ONE

The parties hereto agree to amend Loan Contract No. 440/SF-BA entered into between the Bank and the Borrower on April 8, 1976, as amended by Amendatory Contract of May 29th, 1979, in the manner and to the extent set forth hereafter:

1. Section 5.09 is hereby amended to read as follows:

"Section 5.09. Rates for Water and Sewerage Services. The Borrower shall take the appropriate measures acceptable to the Bank to ensure that the rates charged for the supply of water, whether by the Waterworks Department or the Authority, and the rates charged by the latter, for the provision of sewerage service, shall be gradually increased in order that within three years of the completion of the Project and during the life of the Loan, such rates produce revenues at least sufficient to cover all operating expenses of the water supply and sewerage systems, including those relating to the administration, operation and maintenance and to the extent possible, depreciation, taking into consideration the recommendations resulting from the Technical Cooperation Agreement in financial and tariff matters referred to in Section 5.08(a). In view of the foregoing, such graduated rates shall be presented to the Bank by April 8, 1982."

ARTICLE TWO

The parties hereto ratify all other provisions of Loan Contract No. 440/SF-BA, as amended, which Contract remains in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorised representative, have signed this Contract, in two equally valid copies on the date above written.

BARBADOS

/s/ J.M.G. Adams

J.M.G. Adams

Prime Minister and
Minister of Finance

INTER-AMERICAN DEVELOPMENT BANK

/s/ Michael E. Curtin

Michael E. Curtin

Executive Vice-President