

## **DEVELOPMENT LOAN AGREEMENT BETWEEN THE GOVERNMENT OF CANADA AND THE GOVERNMENT OF HONDURAS**

This Agreement made in duplicate the 14th of June 1977 between the Government of Canada (hereinafter called "Canada" acting through the International Development Agency hereinafter called "CIDA") and the Government of Honduras (hereinafter called "Honduras" acting through the Ministry of Treasury and Public Credit).

WHEREAS Honduras wishes to establish a general line of credit for purchase of materials, equipment, machinery or services, as described in more detail in Article II and Annex A of this Agreement;

AND WHEREAS Canada is willing to make a development loan for the purpose of establishing a line of credit available for this purpose on the terms and conditions provided herein;

NOW THEREFORE the parties hereto agree as follows:

### **ARTICLE I**

#### *The Loan*

##### **Section 1.01**

Canada shall make available to Honduras on the terms and conditions hereinafter set forth a development loan for establishing a line of credit in an amount not to exceed three million Canadian dollars (Can \$3,000,000).

##### **Section 1.02**

Canada shall open on its books a loan account in the name of Honduras and shall credit to such account the full amount of the loan. Withdrawals, payments and disbursements may be made from the loan account in accordance with the provisions of this Agreement.

##### **Section 1.03**

This loan shall be free from interest, commitment or service charges.

##### **Section 1.04**

Repayment of the principal amount of the loan shall be made in eighty (80) semi-annual instalments of thirty-seven thousand, five hundred Canadian dollars (Can \$37,500) each, due and payable on March 31 and September 30 of each year commencing on September 30, 1987 and ending on March 31, 2027.