

1/3 of the F.O.B. value 30 (thirty) months from the date of the ocean Bill of Lading;

1/3 of the F.O.B. value 36 (thirty-six) months from the date of the ocean Bill of Lading.

- (ii) Interest on the amounts outstanding on each shipment shall be payable semi-annually from the date of each ocean Bill of Lading. For the first six-month period interest shall be calculated at the rate payable by the Board on its borrowings from Canadian chartered banks at Bill of Lading data for each. On subsequent six-month periods interest be calculated on the basis of the rate payable by the Board on its borrowings from Canadian chartered banks at the commencement of each subsequent six month period.
- c) In the event the Buyer exercises the credit option the following payment procedures shall apply:
- (i) Upon declaration of carrying vessel (s) the Buyer shall open an irrevocable letter of credit by Banco do Brasil in favour of the Board, to be advised through a chartered bank in Montreal, Canada, for an amount equivalent to 10 (ten) percent of the F.O.B. invoice value of the wheat.
  - (ii) After loading of the grain, Bills of Exchange (Drafts) covering 90% (ninety percent) of the F.O.B. invoice value set out in sub-paragraph (b) (i) above are to be drawn on and forwarded to Banco do Brasil for acceptance and guarantee. The accepted and guaranteed drafts are to be returned to the Board within 15 days after receipt by Banco do Brasil, at which time, Banco do Brasil will also provide the Board with a letter guaranteeing payment of interest in accordance with the procedure outlined in sub-paragraph (b) (ii) above.

### ARTICLE III

1. The Junta and the Board shall hold negotiations to determine the delivery periods, the grades of wheat, prices and other commercial conditions for the annual quantities stipulated in Article I (1), following which purchases of wheat shall be made by Banco do Brasil, S.A.—Carteira de Commercio Exterior (CACEX) from the Board under specific contracts. Each annual quantity shall be negotiated in accordance with the following schedule:

- a) Quantities for April 1 through May 31 for the first year of the Agreement shall be negotiated during January, 1980. Quantities for June 1 through July 31 for the first year of the Agreement shall be negotiated during May, 1980. Quantities for August 1 through September 30 for the first years of the Agreement shall be negotiated during July, 1980. Quantities for October 1 through November 30 for the first year of the Agreement shall be negotiated during September, 1980.