

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

This Agreement made in duplicate the 31st of March 1977 between the Government of Canada (hereinafter called "Canada" acting through the Canadian 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 line of credit for the purpose of promoting development of its forestry sector through 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 twelve million Canadian dollars (Can \$12,000,000).

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 one hundred and fifty thousand Canadian dollars (Can \$150,000) each, due and payable on March 31 and September 30 of each year commencing on September 30, 1987 and ending on March 31, 2027.