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- (a) all interest immediately upon receipt subject to Government's right to retain all payments in excess of two percent (2%) per annum during a grace period of not to exceed ten (10) years from the first disbursement under the loan ("Government grace period") and all payments in excess of three (3%) percent per annum thereafter;
- (b) principal within forty (40) years, including the Government grace period; and
- (ii) interest in United States dollars of two percent (2%) per annum during the Government grace period and three (3%) percent per annum thereafter on all amounts of outstanding principal paid by Borrower to Government from the respective dates of such payment of principal.

2. Other Terms and Conditions:

- (a) Except for marine insurance, goods and services financed under the Loan shall have their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book. Marine insurance financed under the Loan shall have its source and origin in Brazil or any country included in Code 941 of the A.I.D. Geographic Code Book, provided, however, that such insurance may be financed under the Loan only if it is obtained on a competitive basis and any claims thereunder are payable in convertible currencies.

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- (b) The Government will guarantee the repayment of the Loan.
- (c) The Loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.



Deputy U.S. Coordinator
Herman Kleine

March 12, 1971
Date