

No. 30871

**NEW ZEALAND
and
COOK ISLANDS**

**Exchange of letters constituting an agreement concerning the
Rarotongan Hotel. Wellington, 1 April 1982 and Raro-
tonga, 5 April 1982**

Authentic text: English.

Registered by New Zealand on 31 March 1994.

**NOUVELLE-ZÉLANDE
et
ÎLES COOK**

**Échange de lettres constituant un accord relatif au Raroton-
gan Hotel. Wellington, 1^{er} avril 1982 et Rarotonga, 5 avril
1982**

Texte authentique : anglais.

Enregistré par la Nouvelle-Zélande le 31 mars 1994.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF THE COOK ISLANDS CONCERNING THE RAROTONGAN HOTEL

I

PRIME MINISTER
WELLINGTON
NEW ZEALAND

1 April 1982

My Dear Prime Minister,

I have the honour to refer to discussions which have recently taken place between representatives of our respective Governments concerning the grant of a loan by the Government of New Zealand to the Government of the Cook Islands to enable the purchase of the hotel known as the Rarotongan Hotel and its plant and furnishings (“the hotel”) currently owned by Cook Islands Hotels Ltd. I now purpose on behalf of the Government of New Zealand that an agreement be reached between our two Governments in the following terms:

1. The Government of New Zealand shall make available to the Government of the Cook Islands on the 1st day of April 1981 a loan of the sum of five million five hundred thousand dollars (\$5,500,000) (“the principal sum”) in New Zealand currency to be applied by the Government of the Cook Islands only for on-lending to a company (“the company”) to be incorporated for the purpose of purchasing the hotel.

2. The loan shall be repayable over a term of 28 years commencing on the 1st day of April 1983.

3. The Government of the Cook Islands shall pay interest on the loan at the rate of seven percent (7%) per annum calculated with quarterly rests from the 1st day of April 1982, such interest to be paid quarterly on the 1st days of April, July, October and January in each and every year that the principal sum or any part thereof remains outstanding: provided however that the first payment shall be made on the 1st day of July 1983 and interest for the period from the 1st day of April 1982 to the 31st day of March 1983 shall be capitalised and added to the principal sum.

4. The principal sum, capitalised interests and interest shall be paid by the Government of the Cook Islands to the Government of New Zealand by quarterly instalments of \$120,209.36 in New Zealand currency on the 1st days of April, July, October and January in each and every year with the first payment to be made on the 1st day of July 1983. Payment shall be effected by telegraphic transfer to the Reserve Bank, Wellington for the credit of the Public Account.

¹ Came into force on 5 April 1982, the date of the letter in reply, in accordance with the provisions of the said letters.