

No. 30872

**NEW ZEALAND
and
COOK ISLANDS**

**Exchange of letters constituting an agreement concerning
the variation of the Rarotongan Hotel loans. Wellington,
15 January 1985 and Rarotonga, 7 February 1985**

Authentic text: English.

Registered by New Zealand on 31 March 1994.

**NOUVELLE-ZÉLANDE
et
ÎLES COOK**

**Échange de lettres constituant un accord portant réaménagement
des prêts relatifs au Rarotongan Hotel. Wellington,
15 janvier 1985 et Rarotonga, 7 février 1985**

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 VARIATION OF THE RAROTONGAN HOTEL LOANS

I

OFFICE OF MINISTER OF FINANCE
WELLINGTON, N.Z.

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 variation of the terms of the agreement between our two governments, evidenced by letters of 1 April 1982 and 5 April 1982,² in respect 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 furnishing. I now propose on behalf of the Government of New Zealand that an agreement be reached between our two governments in the following terms:

a) The Government of New Zealand shall accept in respect of the loan reduced quarterly instalments of \$102,987.50 instead of \$120,209.36 for a 5 year period commencing with the instalment payable on 1 October 1983 and ending with the instalment payable on 1 July 1988.

b) The quarterly instalments in respect of the loan shall revert to the amount of \$130,209.36 beginning with the instalment payable on 1 October 1988 and payment at such rate shall continue until repayment of the loan. As a result of the quarterly instalments being reduced as aforesaid there is a deferral of capital repayments on the loan.

c) The Government of the Cook Islands shall accept that such deferred capital repayments shall be treated as a separate loan charged with interest at 10 per cent per annum with quarterly rests on a cumulative basis and to be repaid in accordance with this agreement.

d) The Government of the Cook Islands shall accept that the total amount of the deferred capital repayments is \$439,926.52 which shall be repaid with interest at 10 percent per annum with quarterly payments of principal and interest of \$28,220.02 commencing with a first payment on 1 October 1988 and thereafter on the 1st day of January, April, July and October in each year until repayment of the said sum of \$439,926.52 has been completed.

¹ Came into force on 7 February 1985, the date of the letter in reply, in accordance with the provisions of the said letters.

² See p. 135 of this volume.