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RPPL No. 6-47

SIXTH OLBIIL ERA KELULAU

Fourteenth Regular Session, May 2004 RPPL NO. 6-47

(Intro. as HB No. 6-283-14, SD2, PD1)

AN ACT

To approve a loan for the purpose of covering the remaining operational and contingent expenses of the Ninth Festival of Pacific Arts; and for related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 1. Short Title. This Act may be cited as the "Ninth Festival of Pacific Arts Financing Act."

Section 2. Approval of the Loan Agreement. The President of the Republic of Palau ("President") was authorized to negotiate a \$1,000,000 loan for the Festival in RPPL No. 6-44, Section 2(b). The President and the Bank of Hawaii ("BOH") have negotiated the terms of a short term loan in the principal sum of \$1,000,000 for the purpose of paying the remaining expenses of the Ninth Festival of Pacific Arts, and for related purposes. The Olbiil Era Kelulau hereby authorizes and ratifies the execution, delivery and performance by the Republic of Palau of the obligations of a Loan Agreement wherein the Republic of Palau borrows up to \$1,000,000 within the following material guidelines, which are not intended to be exclusive:

- (a) Rate: WSJP (Wall Street Journal Prime) plus 1.5% (floating);
- (b) Fees: Commitment Fees Waived;
- (c) Collateral: Section 213 "Impact Fund" Investment Account;
- (d) Minimum amount of each advance of \$100,000;
- (e) Payable in quarterly installments amortized over a twelve-month period.

Section 3. President's Authority. The Olbiil Era Kelulau hereby approves and ratifies the execution and delivery by the President of a Loan Agreement on behalf of the Republic of Palau and further authorizes, and empowers the President to execute and deliver, on behalf of the Republic of Palau, the Promissory Note(s) and any other instruments and/or documents as may be required to be executed and/or delivered by the Republic of Palau from time to time under the Loan Agreement.

Section 4. Appropriation of funds and loan payments.

- (a) The sum of \$1,000,000 is hereby authorized to be appropriated and is appropriated for the payment of expenses of the Ninth Festival of Pacific Arts and for related purposes. Of this