
AN ACT

To authorize the Governor of the Commonwealth or his duly authorized representative to waive on behalf of the Commonwealth some or all of the provisions of 7 CMC, Division 2, Chapter 2, Articles 1 and 2 and to submit to and accept the jurisdiction of any court of the State of New York or any Federal Courts of the United States of America, located in the City and State of New York, United States of America, in connection with a guarantee of the Commonwealth guaranteeing payment of all amounts payable by the Commonwealth Development Authority in connection with a proposed to US \$25,000,000 loan agreements being arranged by BankAmerica Capital Markets Group, and to exempt such loan agreement from certain provisions of 4 CMC, Division 5, Chapter 3.

BE IT ENACTED BY THE FIFTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 Section 1. Purpose. By a joint resolution of the Fifth Northern
2 Marianas Commonwealth Legislature, the Commonwealth Development
3 Authority ("CDA") has been authorized to enter into up to US \$25,000,000
4 loan agreements (the "CDA Loan Agreement") being arranged by BankAmerica
5 Capital Markets Group and the Governor or his duly authorized
6 representative has been authorized on behalf of the Commonwealth to
7 execute an irrevocable and unconditional guarantee of the Commonwealth
8 (the "Commonwealth Guarantee") guaranteeing payment of all amounts
9 payable by the Commonwealth Development Authority under the CDA Loan
10 Agreement. This Act will permit the Commonwealth to waive in connection
11 with the Commonwealth Guarantee of the CDA Loan Agreement certain
12 provisions of 7 CMC, Division 2, Chapter 2, Articles 1 and 2 and to
13 submit to and accept the jurisdiction of any of the court of the State
14 of New York or any Federal Courts of the United States of America
15 located in the City and State of New York, United States of America
16 consistent with public interest.

1 The CDA Loan Agreement will provide for interest on the principal
2 amount outstanding at a rate equal to 1% per annum above the Reference
3 Rate (which will be defined to be the rate of interest publicly announced
4 from time to time by the San Francisco head office of Bank of America
5 National Trust and Savings Association as its Reference Rate). The CDA
6 Loan Agreement will further provide that upon the occurrence of an event
7 of Default (as such term will be defined in the CDA Loan Agreement), the
8 applicable rate of interest will be 1% per annum above the interest rate
9 specified in the immediately preceding sentence and that on any amounts
10 not paid when due, the applicable rate of interest will be 2% per annum
11 above the Reference Rate in effect from time to time. This Act will
12 exempt the CDA Loan Agreement from the application of the provisions of
13 4 CMC, Division 5, Chapter 3.

14 Section 2. Waiver of Certain Aspects of Government Immunity
15 Permitted. The Governor or his duly authorized representative may waive
16 some or all of the following provisions of 7 CMC, Division 2, Chapter 2,
17 Articles 1 and 2.

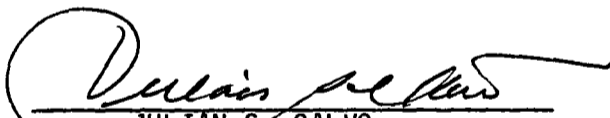
- 18 (a) Section 2205
19 (b) Section 2251
20 (c) Section 2252
21 (d) Section 2253
22 (e) Section 2254

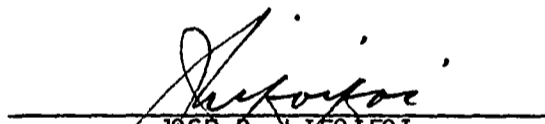
23 Such waiver shall be made only upon a specific finding by either
24 the Governor or his duly appointed representative which is consistent
25 within the public interest.

1 Section 3. Exemption from Usury Limitations. Interest payable
 2 under the CDA Loan Agreement or the Commonwealth Guarantee shall be
 3 exempt from the application of the provisions of 4 CMC, Division 5,
 4 Chapter 3, and specify any other applicable usury laws, it being
 5 detemined by the Fifth Northern Marianas Commonwealth Legislature that
 6 the interest rates payable under the CDA Loan Agreement are fair and
 7 reasonable and consistent with public interest.

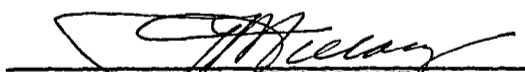
8 Section 4. Severability. If any provision of this Act or
 9 regulation thereunder shall be found to be invalid by any court of
 10 competent jurisdiction the remainder of the Act or regulation shall not
 11 be affected thereby.


12 Section 5. Effective Date. This Act shall become effective upon
 13 its approval by the Governor or upon its becoming law without such
 14 approval.

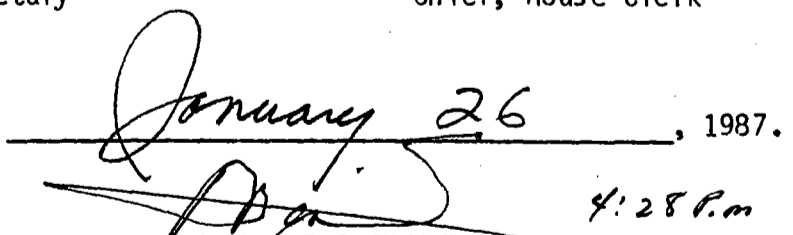

 JULIAN S. CALVO
 President of the Senate


 JOSE R. LIFOIFOI
 Speaker
 House of Representatives

ATTEST:


 MANUEL P. VILLAGOMEZ
 Senate Legislative Secretary


 FRANCES P. SABLAN
 Chief, House Clerk


 January 26, 1987.
 4:28 P.m.
 PEDRO P. TENORIO
 Governor
 Commonwealth of the Northern Mariana Islands