

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH ECONOMIC DEVELOPMENT AUTHORITY

§ 10501. Definitions.

As used in this division:

- (a) “Bond trustee” means the trustee under the indenture of trust.
- (b) “Bondholder” means any person who shall be the registered owner of any outstanding bond or bonds and includes any insurer or guarantor of such bonds.
- (c) “Bonds” mean those bonds issued in the name of CEDA, including but not limited to the bonds entitled Commonwealth Economic Development Authority Adjustable Rate Revenue Bonds (Capital Improvement Projects) Series 1986A Bonds and Series 1986B Bonds contemplated and previously authorized by House Joint Resolution 5-12, S.D. 1.
- (d) “CEDA” means the Commonwealth Economic Development Authority established by PL 4-49, [4 CMC § 10101 et seq.] as amended.
- (e) “Covenant funds” means the \$126,000,000 of Capital Development Funds identified in the Multiple Financial Agreement dated July 10, 1985, signed by the Special Representatives of the President of the United States and of the Governor of the Commonwealth of the Northern Mariana Islands, as approved in U.S. Public Law 99-396, Section 10.
- (f) “Covenant funds trustee” means the trustee of the trust account established hereunder.
- (g) “Debt Service Fund” means the special trust fund so designated and established pursuant to Section 5.1 of the Indenture of Trust.
- (h) “Loan Agreement” means any loan agreement negotiated and executed by CEDA with respect to the bonds.
- (i) “Parity Lot Subaccount” means the subaccount of the trust account into which Covenant funds as may be pledged to secure bonds of a parity lot (as defined in the indenture of trust) shall be deposited.
- (j) “Revolving Fund” means a fund established by CEDA into which repayments of principal and interest from loan agreements made by CEDA to borrowing autonomous public agencies with respect to the bonds shall be deposited.
- (k) “Trust account” means an irrevocable trust account to be established by and administered at the direction of CEDA into which will be deposited Covenant funds as they are received from the Department of Interior (DOI). The account shall be established at a banking institution designated by CEDA as trustee, but such trust account shall be separate and apart from the trust estate that is held for the benefit of the bondholders under the indenture of trust, dated as of July 1, 1986 as amended, executed by CEDA and a bank as trustee for the bonds (indenture of trust).

Other terms, except as set forth heretofore, shall have meanings consistent with the indenture of trust.

Source: PL 5-37, § 3 (§ 10501); PL 22-1, § 3 (June 7, 2021).

Commission Comment: PL 5-37 took effect July 29, 1987. According to PL 5-37, §§ 1 and 2:

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Section 1. Purpose. The purpose of this Act is to authorize an irrevocable trust fund into which Covenant Capital Development Funds will be deposited so as to provide security for the payment of principal, premium and interest on revenue and non-revenue producing project[s] to Bondholders of the Commonwealth Development Authority Adjustable Rate Revenue Bonds (Capitol Improvement Projects) Series 1986A Bonds and Series 1986B Bonds.

Section 2. Intent. The intent of this Act is to establish the mechanism to use Covenant funds to secure and pay principal, interest and premium, if any, to bondholders and to fulfill the intent and purpose of U.S. Public Law 99-396 and House Joint Resolution 5-12, as amended, including the distribution of funds among the three Senatorial Districts.