

**MARIANAS PUBLIC LAND TRUST**

**MPLT RESOLUTION NO. 26-001**

A Resolution Approving the Establishment of a Margin / Investment-Secured Loan Facility with Bank of Hawaii in Connection with the \$29,000,000 CNMI Settlement Fund Loan Authorized under MPLT Resolution 25-001

**RECITALS**

WHEREAS, on September 29, 2025, the Trustees of the Marianas Public Land Trust (“MPLT”) adopted MPLT Resolution 25-001, approving a Loan Agreement with the Commonwealth of the Northern Mariana Islands (“CNMI”) in the principal amount of \$29,000,000 (the “CNMI Loan Agreement”) for the CNMI’s Fiscal Year 2026 obligation to the NMI Settlement Fund, subject to specific terms and conditions, including the use of a margin account / investment-secured financing structure as a condition of prudently funding the loan without liquidating Trust assets;

WHEREAS, MPLT Resolution 25-001 expressly determined that financing the CNMI Loan Agreement through a margin or investment-secured account would preserve portfolio value, avoid liquidation losses, and protect long-term income to the Trust and its beneficiaries, including the analysis showing significant long-term income loss if bonds were liquidated rather than pledged as collateral;

WHEREAS, MPLT Resolution 25-001 further required that the margin account transaction be authorized and implemented in accordance with prudent investment standards and the Trustees’ fiduciary obligations under Article XI, Section 6 of the CNMI Constitution, and be documented through appropriate commercial loan documentation and collateral arrangements;

WHEREAS, in order to satisfy its fiduciary duties of prudence, loyalty, and care, and to evaluate available market terms for an investment-secured / margin financing facility, MPLT undertook a competitive procurement and market-testing process prior to selecting a financial institution for the market or investment-secured account;

WHEREAS, on October 10, 2025, MPLT issued formal Requests for Information (“RFI”) to Bank of Hawaii and Bank of Guam seeking detailed information regarding interest rates, fees, collateral requirements, loan-to-value ratios, margin requirements, and other material lending terms for a facility secured by MPLT’s investment portfolio;

WHEREAS, between November 14, 2025 and December 2, 2025, MPLT received written responses to its RFI from Raymond James Financial Services, Bank of Hawaii and Bank of Guam;

WHEREAS, following review of the RFI responses, MPLT issued Requests for Best and Final Offers (“BAFO”) to Bank of Hawaii and Bank of Guam on December 2, 2025, with a submission deadline of December 4, 2025;

WHEREAS Bank of Hawaii and Bank of Guam timely submitted to MPLT their respective BAFO on December 4, 2025;

WHEREAS, after evaluating the competing BAFO from Bank of Hawaii and Bank of Guam, including interest rates, fees, collateral structure, covenant requirements, operational feasibility, and overall risk to the Trust corpus and income stream, the Trustees determined on December 5, 2025 that the proposal submitted by Bank of Hawaii represented the most favorable and prudent financing option for MPLT and its beneficiaries;

WHEREAS, the Trustees find that the foregoing procurement and evaluation process was fair, competitive, and consistent with MPLT's constitutional and fiduciary obligations and with generally accepted trust and public-sector procurement practices;

WHEREAS, on December 19, 2025, Bank of Hawaii ("BOH") issued a Conditional Approval Letter to MPLT approving an Investment-Secured Fully Amortizing Term Loan facility in an amount up to \$25,000,000, with a 12-month interest-only disbursement period followed by a nine (9) year amortization, a total ten (10) year maturity, and an initial fixed interest rate of 4.70% for the first five years and for the remaining five years, the outstanding principal balance of the Loan be reset based on the prevailing rate for similar commercial loans at that time, secured by a first-position pledge of a BOH diversified investment account comprised of U.S. Treasuries, U.S. Government agency obligations, and investment-grade corporate and municipal bonds and GSEs;

WHEREAS, the BOH approval further requires establishment of a pledged investment account in an estimated amount of approximately \$34,000,000 to satisfy required advance and maintenance ratios and compliance with ongoing reporting covenants, including annual CPA-audited financial statements and monthly account statements

WHEREAS, the Trustees find that the BOH investment-secured loan facility is consistent with, and fulfills, the margin account financing structure contemplated and required by MPLT Resolution 25-001 and Public Law 24-17 for the prudent funding of the CNMI Loan while preserving Trust principal and long-term income; and

WHEREAS, the Trustees further find that entering into such facility is in the best interests of MPLT and its beneficiaries and is consistent with MPLT's and the Trustees' constitutional and fiduciary duties.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Approval of Margin / Investment-Secured Loan Facility.

The Trustees hereby approve MPLT's entry into an investment-secured / margin loan facility with Bank of Hawaii in a principal amount of up to \$25,000,000, substantially on the terms set forth in the Bank of Hawaii Conditional Approval Letter dated December 19, 2025, including:

- Ten (10) year maturity with a twelve (12) month interest-only disbursement period and nine (9) year amortization;

- Initial fixed interest rate of 4.70% for five (5) years, with the interest rate for the remaining five years to be reset thereafter;
- No prepayment penalty;
- First-position pledge of a BOH diversified investment account consisting of U.S. Treasuries, U.S. Government agency obligations, and investment-grade bonds; and
- Required collateral levels sufficient to satisfy the Bank's advance and maintenance ratios.

#### Section 2. Relationship to MPLT Resolution 25-001.

This Resolution is adopted pursuant to and in furtherance of MPLT Resolution 25-001, and is intended to implement the margin / investment-secured financing structure expressly required as a condition of the \$29,000,000 CNMI Loan authorized therein.

The BOH facility approved by this Resolution is hereby designated as an authorized financing mechanism to fund, in whole or in part, MPLT's obligations to disburse funds to the CNMI under the CNMI Loan Agreement approved in MPLT Resolution 25-001.

#### Section 3. Authorization to Establish Pledged Investment Account.

The Trustees hereby authorize the establishment of one or more Bank of Hawaii investment accounts to serve as collateral for the credit facility, funded with Trust assets consistent with MPLT's Investment Policy and fiduciary standards, in amounts sufficient to meet required collateral ratios.

#### Section 4. Authorization to Execute Documents.

The Chairman, Treasurer, and/or any other officer of MPLT are hereby authorized and directed, to act singly or collectively, on behalf of MPLT to:

- Execute the Loan Agreement, security agreements, account control agreements, promissory notes, certifications, and any other related loan or collateral documentation required by Bank of Hawaii;
- Establish and fund the pledged investment account(s);
- Take all actions reasonably necessary, from time to time, to consummate and administer the facility in compliance with this Resolution and MPLT Resolution 25-001, including but not limited to executing written requests for funding or advances from the facility; and
- Perform all such other acts and execute and deliver all such other instruments and documents which the Chairman, Treasurer or such officers may deem necessary to carry out the purposes of this Resolution, and, in connection with any of the foregoing, to accept, receive, withdraw or waive notices, demands, protests, vouchers, papers, and property, and to make, execute and deliver notes, obligations, instruments, assignments, waivers, releases, indemnities and other agreements, including amendments and restatements.

Any and all actions taken by the Chairman, Treasurer, and/or any officers of MPLT in connection with or relating to any and all transactions between MPLT and Bank of Hawaii be and they are hereby ratified and confirmed as the proper and binding actions of MPLT.

## Section 5. Fiduciary Findings.

The Trustees reaffirm that:

1. Use of an investment-secured / margin facility avoids forced liquidation of long-term bond holdings;
2. Preserves portfolio value and income to beneficiaries;
3. Reduces long-term opportunity losses documented in MPLT's prior fiscal analysis; and
4. Constitutes a prudent investment and financing strategy under Article XI, Section 6 of the CNMI Constitution.

## Section 6. No Waiver of Other Conditions.

This Resolution and all authorizations herein contained shall be conclusively deemed to be in addition to, and shall not be deemed to revoke, rescind, modify or otherwise affect, any other resolutions or authorizations certified copies of which have been heretofore or may be hereafter delivered to Bank of Hawaii.

Specifically, and without limitation to all authorizations, nothing in this Resolution shall be construed to waive or modify any other conditions, protections, or requirements imposed under MPLT Resolution 25-001, including but not limited to:

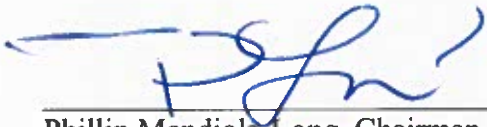
- CNMI reporting obligations;
- Indemnification and defense provisions; and
- Withholding of distributable income for loan repayment.

## Section 7. This Resolution Is in Full Force and In Effect.

This Resolution and any certifications executed pursuant to this Resolution shall remain in full force and effect, and that Bank of Hawaii is authorized and requested to rely and act upon the matters contained in this Resolution and such certifications, and that MPLT shall indemnify Bank of Hawaii for, from and against all losses and expenses (including reasonable attorneys' fees) incurred by Bank of Hawaii as a result of such reliance and actions, until Bank of Hawaii shall receive, at the offices to which the certified copy of this Resolution is delivered, either a certified copy of a further resolution of MPLT's Trustees specifically and expressly amending or revoking this Resolution, or a further certification as above provided for, as the case may be. In the event that Bank of Hawaii for any reason, is uncertain as to the continuing effectiveness of the authority conferred by this Resolution, or any other resolution of MPLT, or any certifications, Bank of Hawaii may refrain from taking any action until such times as it is satisfied as to its authority, and Bank of Hawaii shall be indemnified and held harmless for, from and against any claims, demands, expenses (including reasonable attorneys' fees), losses or damages resulting from or arising out of its refraining from taking any action.

The signatures of the MPLT Trustees below may be executed in counterparts on separate pages and assembled into one document with this Resolution, each page shall be an original instrument and all of which shall together constitute one and the Resolution.

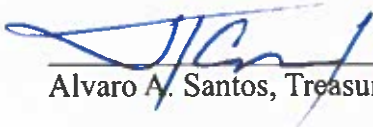
SO ADOPTED by majority vote of the Trustees of the Marianas Public Land Trust this 22nd day of January, 2026, on Saipan, Commonwealth of the Northern Mariana Islands.



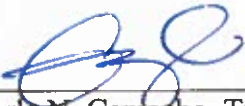
Phillip Mendiola-Long, Chairman & Trustee

**[abstained]**

Dr. Rita A. Sablan, Vice Chairwoman & Trustee



Alvaro A. Santos, Treasurer & Trustee



Carla N. Camacho, Trustee



Pedro Q. Dela Cruz, Trustee