§ 18-401. Effect of LIBOR discontinuance on agreements. 1. On the LIBOR replacement date, the recommended benchmark replacement shall, by operation of law, be the benchmark replacement for any contract, security or instrument that uses LIBOR as a benchmark and:

a. contains no fallback provisions; or

b. contains fallback provisions that result in a benchmark replacement, other than a recommended benchmark replacement, that is based in any way on any LIBOR value.

2. Following the occurrence of a LIBOR discontinuance event, any fallback provisions in a contract, security, or instrument that provide for a benchmark replacement based on or otherwise involving a poll, survey or inquiries for quotes or information concerning interbank lending rates or any interest rate or dividend rate based on LIBOR shall be disregarded as if not included in such contract, security or instrument and shall be deemed null and void and without any force or effect.

3. This subdivision shall apply to any contract, security, or instrument that uses LIBOR as a benchmark and contains fallback provisions that permit or require the selection of a benchmark replacement that is:

a. based in any way on any LIBOR value; or

b. the substantive equivalent of paragraph a, b or c of subdivision one of section 18-402 of this article.

A determining person shall have the authority under this article, but shall not be required, to select on or after the occurrence of a LIBOR discontinuance event the recommended benchmark replacement as the benchmark replacement. Such selection of the recommended benchmark replacement shall be:

(i) irrevocable;

(ii) made by the earlier of either the LIBOR replacement date, or the

latest date for selecting a benchmark replacement according to such contract, security, or instrument; and

(iii) used in any determinations of the benchmark under or with respect to such contract, security or instrument occurring on and after the LIBOR replacement date.

4. If a recommended benchmark replacement becomes the benchmark replacement for any contract, security, or instrument pursuant to subdivision one or subdivision three of this section, then all benchmark replacement conforming changes that are applicable (in accordance with the definition of benchmark replacement conforming changes) to such recommended benchmark replacement shall become an integral part of such contract, security, or instrument by operation of law.

5. The provisions of this article shall not alter or impair:

a. any written agreement by all requisite parties that, retrospectively or prospectively, a contract, security, or instrument shall not be subject to this article without necessarily referring specifically to this article. For purposes of this subdivision, "requisite parties" means all parties required to amend the terms and provisions of a contract, security, or instrument that would otherwise be altered or affected by this article;

b. any contract, security or instrument that contains fallback provisions that would result in a benchmark replacement that is not based on LIBOR, including, but not limited to, the prime rate or the federal funds rate, except that such contract, security or instrument shall be subject to subdivision two of this section;

c. any contract, security, or instrument subject to subdivision three of this section as to which a determining person does not elect to use a recommended benchmark replacement pursuant to subdivision three of this section or as to which a determining person elects to use a recommended benchmark replacement prior to the occurrence of a LIBOR discontinuance event, except that such contract, security, or instrument shall be subject to subdivision two of this section; or

d. the application to a recommended benchmark replacement of any cap, floor, modifier, or spread adjustment to which LIBOR had been subject pursuant to the terms of a contract, security, or instrument.

6. Notwithstanding the uniform commercial code or any other law of this state, this title shall apply to all contracts, securities and instruments, including contracts, with respect to commercial transactions, and shall not be deemed to be displaced by any other law of this state.