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ARTICLE VIII

Property

Section 801. (a) All right, title, and interest in and to real and personal property in the Northern Mariana Islands owned or held by the Government of the Trust Territory of the Pacific Islands will be transferred to the Government of the Northern Mariana Islands upon the effective date of this Section;*/ provided, however, that the President may exclude therefrom, for a period not to extend beyond termination of the Trusteeship Agreement, such right, title and interest in and to such real and personal property as is necessary for active use by the Government of the Trust Territory in the administration thereof.

(b) All right, title and interest in and to real and personal property in the Northern Mariana Islands owned or held by the Government of the Trust Territory of the Pacific Islands on the day preceding the termination of the Trusteeship Agreement will be transferred to the Government of the Northern Mariana Islands upon termination.

*/ I.e., upon the establishment of the new Government of the Northern Mariana Islands.

(c) The Government of the Northern Mariana Islands will take the right, title, and interest which will be conveyed to it under this Section subject to the valid claims or rights or interests of others respecting such real and personal property.

Section 802. (a) The following property will be made available to the United States [by lease] in accordance with this Agreement to enable it to carry out its defense responsibilities:

(1) on Tinian Island, approximately 17,475 acres (6,993 hectares) and the water immediately adjacent thereto;

(2) on Saipan Island, approximately 482 acres (193 hectares) adjacent to Isley Field, and approximately 127 197 acres (78 hectares) at Tanapag Harbor;

(3) on Farallon de Medinilla Island, approximately 229 acres (93 hectares) encompassing the entire island, and the water immediately adjacent thereto.

(b) The United States by its approval of this Agreement will affirm that it has no present need for or present intention to acquire any additional property, or any greater interest in property than that which is granted to it in accordance with this Agreement, in order to carry out its defense responsibilities.

Section 803. (a) The Government of the Northern Mariana Islands will cause the lease for the property described in Section 802 to be executed. The terms of the lease will conform to the provisions of this Agreement, [will implement the recommendations of the Joint Land Negotiating Committee established by the Marianas Political Status Commission and the Personal Representative of the President of the United States,] and will not contain limitations on the use of the property leased which conflict with the basic responsibilities and authorities of the United States under this Agreement.

(b) The terms of the lease for the property described in Section 802 will include, but need not be limited to the following:*/

(1) the property will be made available to the United States for an initial term of 50 years and the United States will have one option to renew the lease for all or part of such property for an additional 50-year period.

(2) the United States will reimburse the Government of the Northern Mariana Islands for the actual

*/ The MPSC is prepared to consider alternatives to including in the status agreement all terms stated in Section 803(b). Alternatives might include: incorporating these terms into the recommendations of the Joint Land Negotiating Committee Report (see bracketed material in Section 803(a); a separate memorandum signed by the principals and referred to in the status agreement; or an appendix to the status agreement.

reasonable cost of obtaining title to the land described in Section 802 and the actual reasonable cost of removing any and all encumbrances with respect to such land which would be inconsistent with the lease to the United States for defense purposes;

(3) the United States will obtain the interest in the property described in Section 802 under the lease upon payment by the United States of the sum determined by paragraph (4) hereof, provided that if the United States does not make such a payment within five years after the approval of this Agreement the lease will be null and void and of no further force and effect; and provided further, that each year or portion thereof following the expiration of the first year after the approval of this Agreement, until the expiration of five years after such approval, or until the payment by the United States of the sum determined by paragraph (4) hereof, whichever occurs first, the United States will pay to the Government of the Northern Mariana Islands a sum which bears the same ratio to [ten] percent of the amount determined by paragraph (4) as the number of acres owned or held by the Government of the Northern Mariana Islands within the area described in Section 802 (excluding, prior to the termination of the Trusteeship Agreement, land subject to a Use and Occupancy Agreement) bears to the total acreage therein, in recognition of the inability of the people

of the Northern Mariana Islands to make full use of such land because it may have to be made available to the United States;

(4) [the United States will pay to the Government of the Northern Mariana Islands \$_____ million for the interests granted to the United States in the property described in Section 802, provided that this sum will be adjusted for each fiscal year until it is paid, by a percentage which is the same as the percentage change in the Guam Consumer Price Index using 1975 as the base year];^{*/}

(5) [if the United States exercises its option to renew the lease for an additional 50-year period it will pay to the Government of the Northern Mariana Islands just compensation for the interests in property it obtains through the exercise of the option, but nothing will prevent the United States from the continued use and occupancy of the property with respect to which it exercises its option until just compensation is determined by negotiations between the Government of the United States and the Government of the

^{*/} Paragraphs (4) and (5) are drafted on the assumptions that (a) the parties will agree that the United States will make a lump sum payment at the beginning of each 50 year period, and (b) that the parties will agree on a price for the first 50 years, rather than on a mechanism to determine the price, during the negotiations. These are both open issues, and either or both assumptions may be wrong.

Northern Mariana Islands, or by the District Court for the Northern Mariana Islands in accordance with applicable rules for determining just compensation in eminent domain cases];

(6) upon failure by the United States during a period of five years to make substantial and frequent use of the property, or of any significant portion thereof, for the purpose for which the property has been made available, the interests of the United States in such property granted pursuant to the lease will be terminated, provided however, that the United States will be permitted to remove therefrom such property as it is permitted to remove pursuant to applicable law;

(7) consistent with the intended use by the United States, the people of the Northern Mariana Islands will have maximum use of and accessibility to the property (including beaches, waters and other natural resources) leased to the United States, and such use and access will be on a basis no less favorable than that of the military personnel and their dependents for non-defense purposes;

(8) there will be joint civilian and military use of the air field to be constructed on the Island of Tinian, and of the harbor at San Jose Village on the Island of Tinian, and appropriate civilian authorities will become responsible for the harbor no later than the termination of the Trusteeship Agreement;

(9) in the course of planning and building infrastructure and facilities on or relating to the property leased to it, the United States will, to the maximum extent practicable, work jointly with the Northern Mariana Islands, and will promote the development of the local community through the appropriate joint use and development of power, water and similar facilities;

(10) the United States will lease back to the Government of the Northern Mariana Islands for a nominal fee for the maximum practicable period of time the maximum practicable amount of property for agricultural and other appropriate purposes which are consistent with the intended use of the property by the United States;

(11) in utilizing the property to be made available to it, the United States will act in a manner which accords full respect to the environment of the Northern Mariana Islands and to the safety of the people and property therein;

(12) the United States will to the maximum extent practicable utilize and cause its contractors and employees to utilize the resources and services of the people of the Northern Mariana Islands in construction and supply activity relating to the property leased to the United States as if the Northern Mariana Islands were part of the United States, and the United States will provide technical and

financial assistance to the people of the Northern Mariana Islands in accordance with applicable law to assure their participation in economic activity relating to the use of such property by the United States;

(13) there will be established a Joint Committee on Civilian-Military Affairs to which any person with a grievance relating to the presence of the United States military in the Northern Mariana Islands may submit such grievance, and which will make a good faith effort to resolve such grievance; and

(14) upon an adjudication by a court of proper jurisdiction that the United States has breached this Agreement, and upon a failure of the United States to correct a breach within a reasonable time, the Government of the Northern Mariana Islands may cause the lease to be terminated, but shall not terminate the lease under any other circumstance not provided for in the lease itself.

Section 804. (a) The Government of the United States will cause all agreements between it and the Government of the Trust Territory which grant to the Government of the United States use or other rights in real property located within the Northern Mariana Islands, other than real property described in Section 802 and real property required for active use by the United States for civilian governmental purposes, to be terminated upon or before the approval of this Agreement.

(b) The Government of the United States will cause all agreements between it and the Government of the Trust Territory which grant to the Government of the United States use or other rights in real property located in the Northern Mariana Islands described in Section 802 to be terminated upon or before the execution of the lease for the property described in Section 802.

(c) The Government of the United States and the Government of the Northern Mariana Islands will negotiate in good faith concerning the terms and conditions under which real property located in the Northern Mariana Islands needed for active use by the United States for civilian governmental purposes will be made available, and concerning the terms and conditions of the joint use of Isely Field on Saipan; provided, however, that the United States will continue to have the use of such real property and the joint use of Isely Field under the terms and conditions in effect upon the approval of this Agreement until but not after such negotiations are completed or the Trusteeship is terminated, whichever first occurs.

Section 805. [alienation restrictions -- see Nov. 1, 1974 Joint Working Draft.]

Section 806. [U.S. future land acquisition -- see Nov. 1, 1974 Joint Working Draft.]