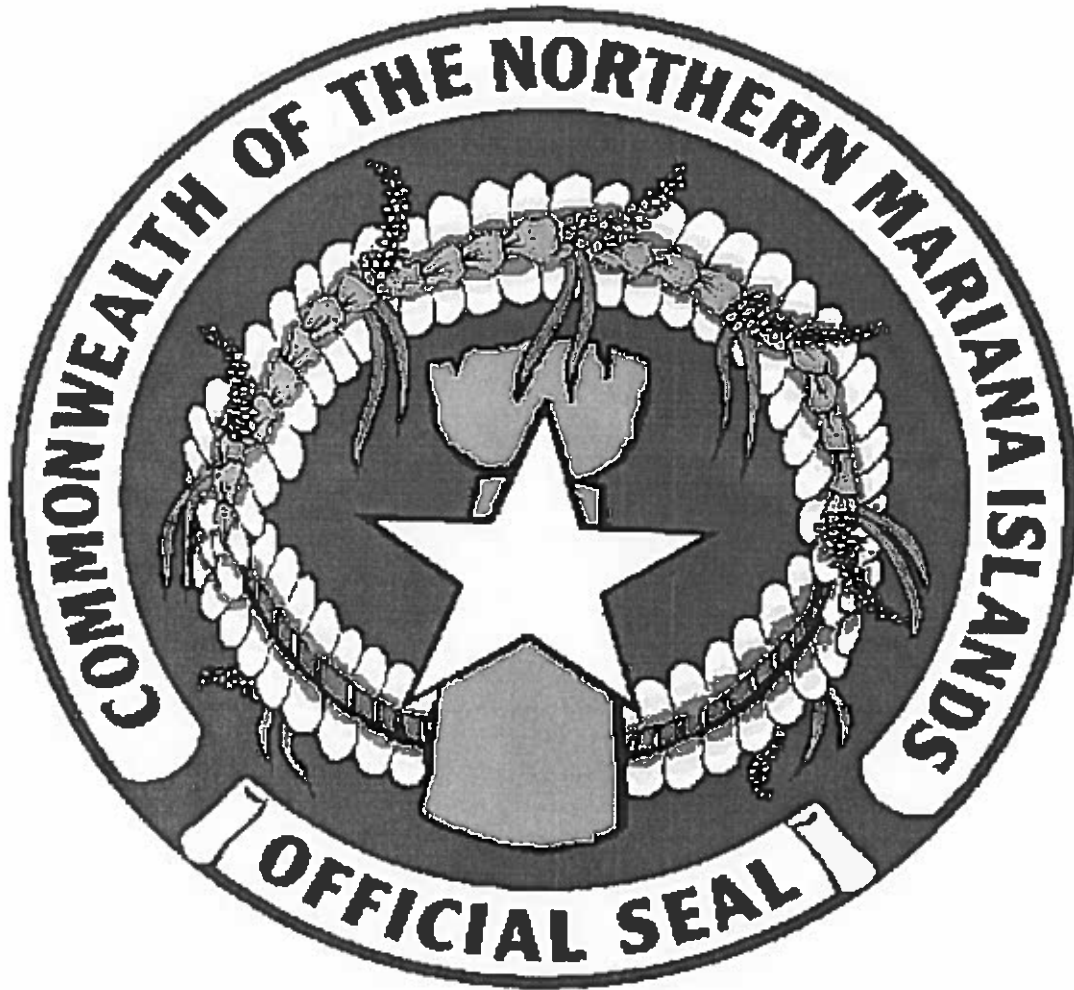


COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, TINIAN, ROTA and NORTHERN ISLANDS



COMMONWEALTH REGISTER

VOLUME 38
NUMBER 01

JANUARY 28, 2016

COMMONWEALTH REGISTER

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Commonwealth of the Northern Mariana Islands
DEPARTMENT OF PUBLIC LANDS
Pedro A. Tenorio, Secretary
P.O. Box 500380
Saipan, MP 96950
Tel. 234-3751

**NOTICE OF ADOPTION OF REGULATIONS
FOR THE DEPARTMENT OF PUBLIC LANDS**

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER
AS PROPOSED REGULATIONS
Volume 37, Number 11, pp 037247-037295

ACTION TO ADOPT PROPOSED REGULATIONS: The Department of Public Lands (the "Department") HEREBY ADOPTS AS PERMANENT REGULATIONS the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Department announced that it intended to adopt them as permanent, and now does so. (Id.) I also certify by signature below that: they are as published, such adopted regulations are a true, complete and correct copy of the referenced Proposed Regulations and that they are being adopted with the modifications described below.

PRIOR PUBLICATION: The prior publication was as stated above.

MODIFICATIONS FROM PROPOSED REGULATIONS: In response to comments received the proposed regulations were modified as follows:

- Section 105 was revised to make it clear that DPL will issue an RFP (as opposed to a Notice of Intent to Lease) if it knows or believes more than one party is interested in the expiring parcel.
- Section 110 was revised to make it clear that payments received will be applied to oldest amounts due first.
- Section 120 was revised to remove sentence fragments and make clear.
- Section 210 was revised to make clear that signboards are only permitted on a temporary basis, that maintenance permits are not available for commercial purposes, and that only commercial photographers will be charged an annual fee.
- Section 215 was revised to clarify that commercial activity may be permitted by DPL on public beaches in specific zones but without designating any specific space within such zones.

AUTHORITY: The Department has the authority to adopt rules and regulations in furtherance of its duties and responsibilities pursuant to Article XI of the Commonwealth Constitution and 1 CMC §2801 et. seq.

THE TERMS AND SUBSTANCE: The attached Regulations prohibit the commercial use of public lands without a valid lease, temporary occupancy agreement, permit, or concession agreement, and govern the leasing and temporary occupancy of public lands whether by permit, lease, or temporary authorization in conformity with the Department's obligation to objectively manage the use and disposition of public lands set forth at 1 CMC § 2801 *et. seq.*

THE SUBJECTS AND ISSUES INVOLVED: These rules and regulations:

1. Prohibit commercial use of public lands without authorization by the Department, and set for the framework for the Department to grant such authorization in a manner intended to maximize the return for the Department's beneficiaries.
2. Define permitted and authorized uses of public lands
3. Restrict permitted uses to those uses authorized by lease, temporary occupancy agreement, permit, or concession agreement.
4. Establish in policy, certain fundamental principles applicable to all leases, temporary occupancy agreements, permits and concession agreements including minimum fees and rents applicable to such uses and procedures for award of authorizations and enforcement thereof.

DIRECTIONS FOR FILING AND PUBLICATION: These Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular. (1 CMC § 9104(a)(1)).

EFFECTIVE DATE: These regulations were proposed on November 28, 2015 and are hereby being adopted as Permanent Regulations of the Department of Public Lands pursuant to 1 CMC §9104. They will become permanent ten (10) days after publication in the January 2016 Commonwealth Register.

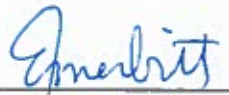
COMMENTS AND AGENCY CONCISE STATEMENT: Pursuant to the APA, 1 CMC sec. 9104(a)(2), the agency has considered fully all written and oral submissions respecting the proposed regulations. Upon this adoption of the regulations, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption, incorporating therein its reasons for overruling the considerations urged against its adoption.

The adopted regulations were approved for promulgation by the Attorney General in the above-cited pages of the Commonwealth Register, pursuant to 1 CMC sec. 2153(e) (To review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I DECLARE under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 15th day of January, 2016, at Saipan, Commonwealth of the Northern Mariana Islands.


Submitted by:  01/15/16
Pedro A. Tenorio Date
Secretary, Department of Public Lands

Received by:  01/15/16
Esther S. Fleming Date
Special Assistant for Administration

Filed and Recorded by:  01.19.2016
ESTHER SN NESBITT Date
Commonwealth Register

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

Dated the 19 day of January, 2016.


Hon. EDWARD MANIBUSAN
Attorney General

Part 001 - General Provisions

§ 145-70-001 Authority

The regulations in this chapter are promulgated by the Department of Public Lands pursuant to the authority set forth in Article XI of the Commonwealth Constitution and Public Law 15-2 (1 CMC § 2801 *et. seq.*)

§ 145-70-005 Purpose

These promulgated rules and regulations govern the leasing and temporary occupancy of public lands whether by permit, lease, or temporary authorization as in conformity with the obligation to objectively manage the use and disposition of public lands set forth at 1 CMC § 2801 *et. seq.* No commercial use of public lands is authorized or permitted without a valid lease, temporary occupancy agreement, permit, or concession agreement authorized by these regulations.

§ 145-70-010 Definitions

- (a) "Applicant" means the person, persons, entity, or entities that have submitted a proposal to the DPL to lease or otherwise use public lands including respondents to requests for proposals issued by DPL for the leasing, development, or use of public lands, including without limitation persons or entities who have responded to one or more land use RFPs issued by the DPL.
- (b) "Commercial Use" means used for revenue generating activities. Active use means the actual physical operations or facilities generating revenue. Passive use means a supplementary use that augments the revenue generating operations or facility (e.g. parking lots)
- (c) "Department" means the Department of Public Lands (DPL).
- (d) "Government" means, for purposes of the regulations in this chapter, the departments and agencies of the CNMI Government other than the Department of Public Lands, unless otherwise specified in these regulations.
- (e) "Lessee" means the person, persons, entity, or entities holding leasehold interests in public lands.
- (f) "Occupant" means the person or entity whose name appears on the temporary occupancy agreement.
- (g) "Owner" means the person, persons, entity, or entities holding fee simple title in lands that are not public lands.
- (h) "Permanent Structure" means a structure placed on or in the ground, or attached to another structure or fixture in a fixed position, and intended to remain in place for more than 6 months.
- (i) "Permittee" means a person or persons given a permit by DPL and whose name appears on the permit.
- (j) "Principal" means the Applicant personally or a person employed by the Applicant with the legal authority to negotiate, decide, and enter into agreements on behalf of the Applicant.

- (k) "Public Lands" means all those lands defined as public lands by N.M.I. Const. art. XI, § 1 including improvements thereon.
- (l) "Secretary" means the Secretary of the Department of Public Lands.
- (m) "Related Party" means the person, persons, entity, or entities who participate in the funding or operations of the Applicant or Lessee's development or proposed development including without limitation parent companies in multinational company structures, as well as controlling or major shareholders. For the avoidance of doubt, Related Party shall include persons or entities that provide funding to an Applicant or Lessee. Transactions that, because of their nature, may be indicative of the existence of related parties include:
 - (1) Borrowing or lending on an interest-free basis or at a rate of interest significantly above or below market rates prevailing at the time of the transaction.
 - (2) Making loans with no scheduled terms for when or how the funds will be repaid.
 - (3) Lack of sufficient working capital or credit to continue the business, or lack of complete business plan or financial projections.
 - (4) Exchanging property for similar property in a nonmonetary transaction.
- (n) "Request for Proposal" (RFP) means an open solicitation made through a bidding process by DPL to determine interest of potential lessees to lease and develop certain public lands at terms determined by or acceptable to DPL.
- (o) "Roadside Vendor" the use of a temporary structure, vehicle, or mobile canteen for the sale of local produce or fish, other perishables or non-perishable items such as handicrafts, trinkets, souvenirs, or other goods, at a permitted distance from the side of a road or thoroughfare at a location on public land designated by DPL.

Part 100 – Lease Policies

§ 145-70-101 General Requirements and Restrictions

- (a) No right or interest in or to public lands shall be created orally. Any right to use, access, or enjoy public lands must be in writing signed by the Secretary in full compliance with these regulations or is void *ab initio*. Consideration and preference must first be given to non-productive developed public land or underutilized public land before undeveloped land is considered for development. Consideration for entering into a lease shall be consistent with DPL's fiduciary duties to its beneficiaries. The Secretary of DPL shall have reasonable discretion regarding issues not anticipated by these regulations.
- (b) Every lease shall be properly documented via a written lease agreement and such other documents deemed necessary or appropriate by DPL to complete the transaction. All duly executed lease agreements shall be recorded at the Commonwealth Recorder's Office by the party receiving an interest in Public Land in accordance with 2 CMC §4913. The Department shall strictly enforce all terms of every lease requirement imposed as a condition of legislative approval of a lease or lease extensions, if any. Leases for mining shall require appropriate environmental impact study, damage mitigation plan, and restoration plan, an assessment on the value of minerals to be mined, and any other studies required by law or DPL as a condition precedent to possession. All costs including those for appraisals, surveys, topographical surveys, geotechnical reports, studies, etc. whether required by the DPL or the Government shall be borne by Applicant.

(c) Eligibility.

All Applicants must be current and in good standing with the Department of Finance Division of Revenue and Taxation, all licensing and regulatory authorities, and with the DPL.

(1) Individuals - must be at least 18 years of age.

(2) Businesses - must be duly formed, in good standing and authorized to do business in their jurisdiction of origin AND in the CNMI, and must provide all documentation required by the DPL to confirm such status.

(3) All Applicants must demonstrate credit worthiness, ability to pay rent, and ability to fund all proposed development, and to comply with all the conditions and covenants of the lease agreement to the satisfaction of the Secretary.

(d) Restrictions.

(1) It is DPL's preference not to lease public lands where the proposed structures/facilities will overlap boundaries of adjacent private lands.

(i) If necessary and in the best interest of DPL's beneficiaries, the DPL may permit such development provided that all such proposed development and construction of facilities that will occupy both private and public lands shall be performed in a manner to facilitate and simplify segregation of improvements on the public lands from those on adjacent private lands upon expiration or termination of the lease. Alternatively a land trust consisting of the private lands and public lands may be formed with the DPL as trustee, or the fee simple title to the private lands may be assigned to DPL, at Lessee's expense. For the avoidance of doubt, such permitted improvements shall be designed and constructed to be free and independent from private land improvements so that upon expiration or termination of the Lease, when the DPL takes possession of the improvements, such improvements and DPL's (or its designee's) operation thereof shall not be dependent upon adjacent private lands. This restriction shall not apply if the fee simple interest in the private lands is assigned or transferred to the DPL as described herein.

(ii) Before commencement of construction or development, Lessee shall be required to place on deposit with DPL the amounts necessary to perform such segregation at the expiration or termination of the lease, as estimated by an engineer selected by DPL.

(2) Notwithstanding the foregoing, for minor developments such as parking structures attached to adjacent improvements, if such improvements will be of little value to the DPL, the Secretary may waive the obligations set forth in subsection 1 above if the Applicant places on deposit concurrent with the execution of the lease the projected cost of demolition and removal of improvements, and restoration of leased premises.

§ 145-70-105 Procedures for Issuing Leases, Extensions, and Renewals

(a) The DPL will deal only with the Principals of the Applicant.

(b) DPL shall satisfy its fiduciary duties by taking the following steps towards entering into new leases, extensions, or renewals:

(1) Properties not under lease – DPL shall select proposals that provide DPL the greatest revenue over the course of the lease term. All leases must be aligned with DPL's land use plan. In all instances, the DPL shall negotiate lease terms most favorable to its beneficiaries.

(i) Unsolicited Proposals – If the DPL receives a proposal or application to lease Public Land, it shall upon conclusion of negotiations (if any), publish a Notice of Proposed Lease of Public Land in accordance with Public Law 15-2 and these regulations, to determine if there are other interested parties, and consider public comments. If a second or other proposals are received

during the notice period, the DPL may either select the most beneficial proposal or issue an RFP.

- (ii) Solicited Proposals – If the DPL solicits proposals to lease specific parcels or tracts of Public Lands and two or more proposals are received by the DPL, DPL may select the most beneficial proposal. If only one proposal is received the DPL may award the sole Applicant, re-issue the Request for Proposal, or reserve the relevant parcels for future disposition.
- (2) Properties under lease – if a current Lessee is interested in re-leasing, extending, or renewing its lease, DPL shall:
 - (i) Thoroughly review the performance of the lessee to determine if re-leasing or extending the lease is in the best interest of its beneficiaries.
 - (ii) Issue a Notice of Proposed Lease of Public Lands in accordance with 1 CMC § 2807 at least four years prior to expiration, but only if an extension or renewal of the existing lease is determined to be in the best interest of DPL and its beneficiaries, and no other firm has indicated an interest to lease affected parcel.
 - (iii) If additional proposals are received in response to such Notice, or if DPL has knowledge of one or more additional interested parties, DPL shall issue an open RFP at least two years prior to the expiration of the existing lease if in DPL's judgment the second proposal is in the best interest of DPL and is significantly advantageous to the proposal of the existing lessee.
 - (iv) If a competing proposal does not materially enhance the existing lessee's proposal, operations, or otherwise project to materially increase the revenue to DPL, and lessee has satisfied all the covenants and conditions of its existing lease, it is DPL's preference to renew the lease with the current lessee with lease payments comparable to that proposed or implied by the best competing proposal, but in no case shall DPL accept lease rent less than what was established in any preceding period.

§ 145-70-110 Lease Agreement Requirements

DPL shall include in lease agreements provisions typical of commercial practices. All public land leases are on a "triple net" basis "as is where is". All leases shall conform to the following provisions:

- (a) Legal Description of the property (ies) subjected to the lease.
- (b) Purpose – a detailed description of the intended development and operations.
- (c) Term – the effective date and duration of the lease shall not exceed 25 years. Note: Upon expiration of the term, the property including all improvements shall revert to DPL for renewal, extension, or re-leasing to the highest best bidder as determined by these regulations in accordance with CNMI law.
- (d) Fees, Security Deposit, Costs.
 - (1) Prior to the preparation of any lease or supporting document, the Applicant shall deposit an administrative processing fee equal to the greater of \$5,000, or 0.50% of the estimated value of the subject property.
 - (2) Prior to any lease approval, lessee must deposit at least 5% of the total cost of the proposed project to which the lease pertains, whether the entire project or only a part of it will be situated on public lands. These funds will be held by the DPL to secure construction start up, and remediation costs.
 - (3) The security deposit requirement shall also apply to lease extensions or renewals where one or more key factors for approval is lessee's proposal to further develop the property it currently occupies.

- (4) Funds remaining on account with the DPL after the completion of the proposed development in excess of 1% of the development cost shall be released to lessee upon completion of the project development.
- (5) Funds shall forfeit to DPL should the project be cancelled or start date delayed more than one year from the execution of the lease. Mere ceremonious commencement (i.e. ground breaking or ribbon cutting without materially beginning and continuing construction) will not avoid forfeiture.
- (6) All costs related to the lease including underwriting, appraisals, surveys, topographical surveys consolidations, excavation, studies, recordings, etc shall be borne by Applicant or Lessee.
- (e) **Rental Rates.**
 Rent derived from public lands shall be based on the value of the property, and actually computed and collected on that basis; provided, that the DPL shall, within the limits set by fiduciary duty and the provisions of Public Law 15-2, have discretion in negotiating basic rentals and additional rents upward taking into account changing economic conditions and other relevant trends and factors including other land transactions deemed substantially similar to the proposed lease. For the avoidance of doubt the Secretary of DPL may determine that a property's true value is greater (but not less than) an appraised value determined by independent appraisal.
- (1) New Leases – shall include new leases, and renewals.
- (2) Basic Rent shall be based on the value of the fee simple title to the property. It is the policy of DPL to collect at least 5% of a property's value each year for the term of the lease as base rent.
- (3) In no event shall the rent in subsequent years be less than the amounts in previous years of the lease.
- (4) Properties shall be re appraised and basic rent adjusted upward to market every five years based on an updated appraisal. For the purpose of determining Basic Rent, the value in subsequent periods shall include all improvements on the property less the value of improvements made by the Lessee during the term of the lease.
- (5) New Leases – shall be based on the value of the fee simple interest including improvements (if any).
- (6) Extensions - shall be based on the appraised value of the fee simple interest including improvements less the value of improvements made by the Lessee since the inception of the lease.
- (7) Renewals – shall be treated as new leases for purposes of determining rent.
- (8) Additional Rent - Percentage of Business Gross Receipts – due to the scarcity of public lands and in accordance with its fiduciary duties owed to its beneficiaries, DPL shall charge additional rent that allows its beneficiaries to participate in the revenues generated as a result of the lease. This rent shall be charged as a percentage of Lessee's Business Gross Receipts (BGR) and shall also apply to the BGR of Lessee's subtenants, concessionaries and others permitted to engage in commercial activity upon the leased Premises. For the sake of clarity, BGR includes enterprise BGR, not just BGR derived from parts of the enterprise situated on public lands. The additional rent per year for every year of the lease term shall be as follows:

Business Gross Receipt Payment Schedule

Tier	Annual BGR Amounts		% of BGR	Minimum Per Tier
	From	To		
1	\$ -	\$ 50,000.49	3.00%	
2	\$ 50,000.50	\$ 100,000.49	2.89%	\$ 1,500
3	\$ 100,000.50	\$ 200,000.49	2.78%	\$ 2,889
4	\$ 200,000.50	\$ 400,000.49	2.67%	\$ 5,556

5	\$ 400,000.50	\$ 800,000.49	2.56%	\$ 10,667
6	\$ 800,000.50	\$ 1,600,000.49	2.44%	\$ 20,445
7	\$ 1,600,000.50	\$ 3,200,000.49	2.33%	\$ 39,112
8	\$ 3,200,000.50	\$ 6,400,000.49	2.22%	\$ 74,669
9	\$ 6,400,000.50	\$ 12,800,000.49	2.11%	\$ 142,227
10	\$12,800,000.50	and Over	2.00%	\$ 270,234

- (9) Passive Uses - Rent for leases of public lands for use as parking area or activities that supplement the actual enterprise shall be Basic Rent and Additional Rents as outlined in this subsection. Additional Rent shall be assessed based on the ratio of public lands to lessee's other lands being used for the same purpose on the BGR of the entire enterprise supplemented by the public lands [e.g. Lessee's existing ground parking space area is 500 square meters. Lessee wants to expand parking area by leasing 400 square meters of public lands. The ratio of public lands for use as additional parking area is $400/(500+400) = 44.4\%$. Assuming the lease is within the first five-year period rent will be assessed at the greater of Basic Rent, or $44.4\% \times 1.0\% \times \text{BGR}$ (i.e. 0.444% of BGR)]. However, the strategic value of the property shall be the paramount consideration when determining the appropriate rate to be applied, and in such cases as developments that could not proceed without the use of Public Land, Additional Rent will not be reduced by any apportionment provisions set forth herein.
- (10) All rental amounts payable under all lease agreements and reimbursement of costs incurred by DPL as a result of enforcing the lease shall be fully assessed and collected from the Lessee.
- (11) Lease rental payments shall be collected when due or timely pursuant of default provisions of the lease agreement shall be made.
- (12) Past due rental payments of any amount shall bear interest at one and one half percent (1.5%) per month compounded monthly, from the date it becomes due until fully paid.
- (13) Application of Rent Payments - Rent payments shall be applied in the following order (with oldest receivables in each category being credited first):
- (i) Outstanding cost reimbursements due to DPL first
 - (ii) Penalties due second
 - (iii) Past due interest third
 - (iv) Rent last
- (f) Construction Quality, Maintenance, Repairs, Alterations.
- (1) Construction repairs and alterations shall be in good workmanlike manner and in compliance with applicable laws, regulations, ordinances, and building codes.
 - (2) Maintenance – Lessee shall maintain its leased premises in the level of condition at industry standards of similar facilities for the duration of the lease.
 - (3) Alterations – lessee shall inform DPL of any proposed alterations or improvements exceeding 1.00% of the total cost of the facility or will result in the reducing the value of the property by more than 1.00% shall be subject to DPL's prior approval. Proposed alterations shall be in line with or enhance to existing operations and lessee shall submit pro forma financial statements showing the additional revenues (or revenue reduction) anticipated as a result of the alteration. DPL may require additional documentation for a proper assessment.
- (g) Financing - Submission by lessee (and Related Party if any portion of the operations will be continuously funded by the Related Party) of the following periodically as required in the lease agreement: Audited Financial Statements, Annual Reports of Lessee, Related Parties, and subtenants, and CNMI BGR Tax Filings from Lessee.
- (1) No later than sixty (60) days after lessee's fiscal year, financial statements audited by a Certified Public Accountant certified in the United States comparing financial information of the past two

- years including any restatements on its profit and loss and cash flow statements, change in ownership and owner's equity, and balance sheet.
- (2) Applicants and Lessees with less than \$500,000 in BGR may submit management prepared financial statements together with a certified tax transcript for the corresponding period in lieu of audited statements
 - (3) Publicly held corporations and corporations required to issue annual reports to their shareholders shall submit their annual report to shareholders to DPL at the time of issuance. Lessees shall submit to DPL all periodic reports required by the CNMI Department of Commerce before the filing deadline.
 - (4) Financial statements from lessee and subtenants shall include a schedule of gross receipts indicating sources and deductions in support of the gross receipts fee and any other documents DPL may deem necessary to properly determine lessees' compliance with conditions or covenants of the lease.
 - (5) Submit CNMI BGR tax filings upon filing but no later than one tax period after the filing deadline.
- (h) Guarantees. The following guaranties and security are required for all Public Lands Leases:
- (1) Guarantees from all Related Parties to guaranty Lessee's obligations under the lease and funding of the proposed development.
 - (2) Formal written resolutions authorizing the guarantee for each guarantor other than individual guarantors.
 - (3) Performance Bond, Completion Bond, Stand by Letter of Credit, or a combination thereof covering 100% of development cost.
- (i) Assignment and Subleases – Leases shall not be assigned or subleased in part or in whole without the prior written consent of the DPL.
- (1) Proposed assignees and sublessees shall be subject to the same eligibility requirements, qualifying factors, and level of scrutiny as lessees.
 - (2) Leases of less than five year from date of execution or within five years of expiration shall not be assignable.
 - (3) In no instance shall the deposits of Applicant or Lessee be refunded until assignee or subtenant deposits equal or greater amounts with DPL.
 - (4) Lessee and assignee or subtenant shall provide DPL a complete and accurate copy of their proposed assignment agreement and/or sublease showing the total consideration given for or in connection with the assignment or subleasing transaction.
 - (5) DPL shall charge an assignment fee of 25% of the value of the sublease or assignment.
- (j) Renewals, Extensions – DPL will consider proposals to renew or extend leases no sooner than the latter of the completion of construction or two years after the commencement date of the lease agreement, and thereafter, at least two years prior to the expiration of an existing lease. Such consideration shall be based on the lessee's performance under its existing lease.
- (1) Consideration for renewal and extension shall be based on lessee's performance on its existing lease and subject to the same eligibility requirements, qualifying factors, and level of scrutiny as new lessees. Lessees with more than three late payments within the previous 24-month period shall be ineligible for renewal or extension.
 - (2) Base Rent for renewals shall be based on the appraisal of the property including improvements
- (k) Mortgage.
- (1) The Lessee and its permitted successors and assigns may, subject to the express prior written approval of the DPL, mortgage its lease and its interest in the property provided that no holder of any mortgage of the lease, or any one claiming by, through or under any such mortgage shall,

by virtue thereof, except as otherwise specified in the lease agreement acquire any greater rights hereunder than the Lessee.

- (2) No mortgage of the lease or the Lessee's interest in the leased property, in whole or in part, by the Lessee or the Lessee's successors or assigns shall be valid, unless:
 - (i) At the time of the making of such mortgage, there shall be no default under any of the agreements, terms, covenants and conditions to be performed by the Lessee under the lease;
 - (ii) The mortgage shall be subject to all the agreements, terms, covenants and conditions of the Lease,
 - (iii) The mortgage shall reserve to the DPL prior right, and in the event of Lessee's default under the same and after notice of the same character and duration as required to be given to Lessee, to correct the default or to purchase the same and terminate the lease
- (3) The mortgage shall contain the following provisions: The consent by the DPL to an assignment, transfer, management contract, or subletting may be granted, denied or made subject to such conditions as the DPL finds it in the best interest of its beneficiaries
- (4) All proceeds from the facility secured by the mortgage shall be used solely for the improvement of the leased property.

(l) Termination, Recapture

- (1) Notice shall be given to lessees who are in material default as follows: 1st Notice with 30 days to cure, Final Notice with 15 days to cure, and Notice of Termination effective immediately.
- (2) DPL may terminate a lease agreement that remains in default forty five days (45) after the 1st Notice has been delivered unless otherwise stated in these regulations for reasons including without limitation:
 - (i) Failure to consistently and significantly reduce past due rents, fees, or taxes or other charges required to be paid by lessees;
 - (ii) Other material defaults due to non performance including without limitation failure to complete development in accordance with the development plan and projections upon which a lease is based;
 - (iii) Abandonment; and
 - (iv) Use of the property other than Lessee's proposed purpose and as stated in the lease.
- (3) DPL may recapture all or portions of properties under lease in the event the use of the property is not consistent with the proposed development as stated in the lease or in the event of under-utilization of public lands when such lands may have a higher and better use via notice to Lessee.

(m) Holdover.

- (1) If a Lessee fails to vacate the leased property upon the expiration, termination or cancellation of its lease, Lessee shall be deemed a holdover tenant
- (2) The fee during any holdover period shall be not less than 150% of the latest Basic Rent amount, and Additional Rent.
- (3) Payment of the holdover fee shall in no way constitute a limitation upon any rights or remedies the DPL may be entitled to pursue for violation of the Lease, for trespass or illegal possession or for any other cause of action arising out of the holdover tenant's failure to vacate the premises including the right to evict the holdover tenant without court action, and the cost thereof to be paid by the holdover tenant.
- (4) The Lessee shall be responsible, at its sole cost and expense and even after termination of the lease, for removing any person or entity, authorized or unauthorized by the Lessee, from the premises who may have been on the premises prior to the termination of the lease and continues to occupy a portion of the premises thereafter. The failure of the Lessee to remove the person or entity from the premises at the end of the lease constitutes a holdover.

§ 145-70-115 Lease Form

All leases shall be in the form set forth below.

(Space Above for Recording Purposes Only)

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, MARIANA ISLANDS**

LEASE AGREEMENT

(LA __ - ____S)

This Lease Agreement (hereinafter the "Lease") is made and entered into this _____ day of _____ 20[xx] (hereinafter the "Commencement Date"), by and between the **DEPARTMENT OF PUBLIC LANDS** (hereinafter the "DPL"), established under Public Law 15-2, having authority and responsibility over the management, use and disposition of public lands in the Commonwealth, , and [insert Lessee's Name] (hereinafter the "Lessee"), a [insert form of business entity].

WITNESSETH:

WHEREAS, the Lessee desires to lease public land on [insert island], Commonwealth of the Northern Mariana Islands, for the purposes set forth on the lease data sheet attached hereto as Schedule 1 (hereinafter the "Lease Data Sheet"); and

WHEREAS, the DPL, being responsible for the management, use and disposition of public lands in the Commonwealth finds it desirable, beneficial and in the interest of the Commonwealth and public land beneficiaries to permit the Lessee to use public land for such purpose; and

WHEREAS, the Lessee has paid a lease application fee in accordance with DPL's regulations.

NOW THEREFORE, in consideration of the mutual covenants and benefits to be derived herein, the parties agree as follows:

ARTICLE 1: GRANT OF LEASE

The DPL leases to the Lessee the below-described public land (hereinafter the "Premises"), more particularly described as follows:

[Insert Legal Description]

[Insert description of existing improvements if any]

ARTICLE 2: PURPOSE

The Lessee shall use the Premises for the purpose set forth on the Lease Data Sheet. No portion of the Premises shall be used as housing or dwelling purposes, whether temporary or permanent. Lessee agrees to use the Premises in a reasonably prudent manner, so as not to cause nuisance or hazards to the public, and not to allow, permit, or suffer, any waste or unlawful, improper or offensive use of the Premises. Lessee shall be responsible for obtaining all required licenses and permits for such use from all departments and agencies having jurisdiction over such use.

ARTICLE 3: TERM

The term (hereinafter the "Term") of this Lease shall be for a period of twenty-five (25) years, unless otherwise terminated or cancelled pursuant to applicable provisions of this Lease. The Term shall commence on the Commencement Date as set forth above. Pursuant to P.L. 15-2, the DPL may not transfer a leasehold interest in public lands that exceeds twenty-five years including renewal rights.

ARTICLE 4: EXTENSIONS

An extension of up to fifteen years may be granted with approval of the legislature in accordance with P.L. 15-2. Consistent with its fiduciary duty to manage the use and disposition of public lands for the benefit of the collective owners, the DPL will entertain requests for extensions no sooner than two (2) years after completion of all development contemplated hereunder, and no later than two (2) years from expiration of the Term. The DPL will make its determination to seek legislative approval, or to decline to seek such approval based upon Lessee's actual performance versus its projections provided in connection with the negotiation and execution of this Lease, as well as its compliance record with the DPL prior to Lessee's extension request.

ARTICLE 5. RENT

The Lessee, in consideration of the foregoing, shall pay to the DPL, in the manner prescribed herein, in lawful money of the United States, Base Rent and Additional Rent for the Premises as

BASE RENT

[Greater of proposed or 5% of fee simple value]

ADDITIONAL RENT

[Percent established by regulation in effect on Commencement Date or greater percentage proposed by Lessee]

A. Base Rent. Lessee shall pay Base Rent as set forth above in advance on an annual basis on each anniversary of the Commencement Date without invoice, notice, or other demand upon or to Lessee.

B. Additional Rent. In addition to the Base Rent provided for above, the Lessee shall pay to the DPL in the manner prescribed herein the percentage of Gross Receipts as described in the above rental schedule from whatever business activity is related to or conducted within the described premises during the Term of this Lease and any extension thereof, and as further defined in Article 40G hereof ("Additional Rent"). This additional amount, shall be paid quarterly, within forty-five (45) days from the end of the calendar quarter, with adjustment, if any, to be made at the end of every calendar year upon submission of the annual certified financial statements as provided in Article 11 hereof. A copy of the Lessee's CNMI Business Gross Revenue Tax Monthly Returns must be submitted concurrently with any payment together with the computation of the quarterly Gross Receipts Rental to substantiate any additional payment or non-payment.

C. Manner of Payment. The Lessee shall discharge its obligation of payment by depositing the payments required under this Article with the DPL, at such location as the DPL may from time to time designate in writing.

D. Time and Payment; Interest; Amortization. All rents payable pursuant to the terms of this Lease shall be deemed to have commenced on the first day of the month after the Commencement Date of this Lease, and shall be paid without prior notice or demand. Past due rental payments shall bear interest at one and one half percent (1.5%) per month compounded monthly, from the date it becomes due until paid. This provision shall not be construed to relieve the Lessee from any default in making any rental payment at the time and in the manner herein specified, but is subject to the amortization provisions set forth herein.

ARTICLE 6. APPRAISAL AND DETERMINATION OF RENTAL AFTER EACH FIVE YEAR PERIOD

For purposes of calculating Guaranteed Minimum Annual Rent during the initial five (5) year period, the parties stipulate that the value of a fee simple estate in the Premises is as set forth on the Lease Data Sheet. At the end of the initial five (5) year period of this Lease and each succeeding five (5) year period, the Base Rent payable by the Lessee to the DPL shall be based upon the percentage of the value of the improved land as of the

commencement of each five-year period. An independent appraiser who must be a member of a nationally accepted appraisal society, (selected by agreement between the DPL and the Lessee), will establish the value subject to upward adjustment by the DPL in accordance with the regulations set forth at NMIAC § 145-70-301. In the event that the DPL and the Lessee cannot reach an agreement on the selection of the appraiser, a committee of three (3) arbitrators being selected by the other two will select the appraiser. The cost of appraisal and any arbitration will be borne by the Lessee.

ARTICLE 7. SECURITY DEPOSIT AND PERFORMANCE BONDS.

Within ten (10) days after the Commencement Date, the Lessee shall deposit the sum reflected on the Lease Data Sheet as a Security Deposit with the DPL. The Security Deposit will be held in an interest bearing account of the DPL. This Security Deposit is security that the Lessee will comply with all the terms of this Lease and indicates Lessee's good faith commitment to undertake and complete the construction, development and operation the proposed development. This Security Deposit shall also be security to ensure performance of Lessee's obligations upon the expiration or termination of the Lease.

If the Lessee defaults on this Lease prior to the expiration of this Lease, the DPL shall be able to keep all or part of this Security Deposit to cover unpaid rent, administrative costs, attorneys' fees, damage to the property, and/or other expenses.

At the expiration of this Lease, the DPL will inspect and fully document the condition of the Premises. Within thirty (30) days of the expiration of this Lease, if the Lessee has supplied the DPL with a forwarding address and the Lessee has complied with all terms of this Lease, the DPL will return the Security Deposit plus any interest earned, or the DPL will provide the Lessee with a written notice including an itemized list as to why the full Security Deposit amount is not being returned and a check for any remaining Security Deposit owed to the Lessee after such deductions have been made.

The DPL may retain and apply as much of the Security Deposit as necessary as compensation or reimbursement for unpaid rent, administrative costs, attorneys' fees, damages, or other expenses resulting from Lessee's use of the Premises or from any default of the Lease by the Lessee. If during the Term the DPL applies all or part of the Security Deposit for the reasons set forth above, the DPL may demand that the Lessee replace such sum.

In addition to the Security Deposit, Lessee shall within thirty (30) days after the Commencement Date deliver to the DPL a Completion Bond, Stand by Letter of Credit, or a combination thereof covering 100% of the cost of Lessee's proposed development.

ARTICLE 8. PERMITS, CONSTRUCTION PLANS, AND SPECIFICATIONS

A. Construction Plans and Specifications. Lessee has provided conceptual drawings and specifications depicting its proposed development as a basis for negotiation of this Lease. The Lessee agrees and covenants that within three (3) months from the Commencement Date of this Lease, it will at its own cost, risk and expense, submit to the DPL its complete construction plans and specifications, which shall be consistent with its previously tendered conceptual design of the development of the Premises. Upon submittal by the Lessee, the DPL shall have thirty (30) working days to review the submitted construction plans and specifications and to notify the Lessee of approval or disapproval of the plans. In the event that changes are necessary, the DPL shall give the Lessee reasonable time to make the necessary changes to the plans for re-submittal. If the DPL does not notify the Lessee in writing of the status of the submitted plan within the thirty (30) working day review period, then the plans and specifications are deemed approved. In no event shall construction, demolition, repair or other development activity commence on the Premises unless and until plans have been approved by DPL or the thirty (30) day review period set forth above has expired without comment by DPL.

B. The Lessee agrees and covenants that within six (6) months from the Commencement Date of this Lease, it will at its own expense and risk secure all required CNMI Government and applicable Federal permits for the development and construction to be completed on the Premises and shall immediately commence construction. Copies of such permits must be delivered to the DPL within five (5) days of their issuance. If the Lessee requires additional time to secure the permits, it must notify the DPL in writing of the reason for the delay in securing the necessary approval and its request for extension. The DPL shall review the Lessee's request for extension and provide for additional time if the extension is reasonable, necessary, and is not due to any delay or inaction on the part of Lessee.

ARTICLE 9. CONSTRUCTION SCHEDULE

The Lessee agrees and covenants that within the time hereinafter stipulated it will, at its own cost, risk and expense, fully equip and furnish any improvements, structures and associated facilities within two (2) years after the Commencement Date of this Lease.

ARTICLE 10. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

All construction, improvements, renovations, and repairs placed on the Premises shall be constructed in good workmanlike manner and in compliance with applicable laws, regulations, ordinances, and building codes. Principal structures serving the primary use (as define defined by Saipan Zoning) of the Premises shall be of full concrete construction for exterior and load bearing walls, and ceilings (i.e. no tin roofs, framed structural walls,

etc.). Accessory structures (as defined by Saipan Zoning) that serve the principal building may be concrete framed finished with other materials to accentuate the theme of the primary use. All portions of buildings located upon the Premises exposed to perimeter properties or to the public view shall present a pleasant appearance, and all service areas shall be screened from public view. The Lessee shall, at all times during the Term of this Lease and at the Lessee's sole cost and expense, maintain the Premises and all improvements thereon in good order and repair and in a neat, sanitary and attractive condition.

Unless the same are to be promptly replaced with improvements having at least an equal value, no removal or demolition of improvements which has a value in excess of \$25,000.00 shall take place without the prior written consent of the DPL. No additions having a value in excess of \$100,000.00 shall be constructed on the Premises without the prior written consent of the DPL. The Lessee shall indemnify and hold harmless the DPL and the CNMI Government against liability for all claims arising from the Lessee's failure to maintain the Premises and the improvements situated thereon as hereinabove provided, and / or from the Lessee's violation of any law, ordinance, or regulation applicable thereto.

Within thirty (30) days after the Commencement Date, Lessee shall procure a performance or completion bond in favor of the DPL for the full cost of development and construction contemplated hereunder. The parties' initial estimate of such cost is set forth on the Lease Data Sheet which shall serve as the basis for bonding. In the event of an upward adjustment in construction or development costs, Lessee shall immediately notify the DPL of such, and shall ensure that such bonds are commensurately increased within thirty (30) days thereafter. Failure to procure and maintain such security shall be cause for immediate termination of this Lease by DPL.

Unless specifically authorized on the Lease Data Sheet, Lessee shall not construct structures or other improvements that overlap boundaries of adjacent private lands. Any authorization permitting such must be set forth on the Lease Data Sheet, and shall be in conformance with DPL's regulations in effect on the Commencement Date AND be consistent with the following principles:

- (i) Development and construction of facilities and improvements that will occupy both private and public lands shall be performed in a manner to facilitate and simplify segregation of improvements on the public lands from those on adjacent private lands upon expiration or termination of the lease, unless a land trust consisting of the private lands and public lands is formed with the DPL as trustee, or fee simple title to the private lands is assigned to DPL, at Lessee's expense prior to development. For the avoidance of doubt, such permitted improvements shall be designed and constructed to be free and independent from private land improvements so that upon expiration or termination of the Lease, when the DPL takes possession of the improvements, such improvements and DPL's (or its designee's) operation thereof shall not be dependent upon adjacent private lands. This restriction shall not apply if the fee simple interest in the private lands is assigned or transferred to the DPL.

- (ii) Before commencement of construction or development Lessee shall be required to place on deposit with DPL the amounts necessary to perform such segregation at the expiration or termination of the lease as estimated by an engineer selected by DPL.
- (iii) Notwithstanding the foregoing, for minor developments such as parking structures attached to adjacent improvements, if such improvements will be of little value to the DPL, the Secretary may waive the obligations set forth in subsection (a) above if in addition to the Security Deposit the Applicant places on deposit concurrent with the execution of the lease the projected cost of demolition and removal of improvements, and restoration of leased premises.

ARTICLE 11. EXCUSED DELAY OF PERFORMANCE

Whenever under this Lease a time is stated within which or by which original construction, repairs, reconstruction or other performance by the Lessee shall be commenced or be or be completed, and a failure or delay in such performance is due, in whole or in part, to fire, explosion, earthquake, storm, flood, drought or other unusually severe weather conditions, strike, war, insurrection, riot, act of God or the public enemy (each a "Force Majeure Event") provided that such failure or delay does not result in whole or in part from the fault or negligence of the Lessee, the period of delay so caused shall be added to the period allowed herein for the completion of such work provided, however, that the Lessee shall notify the DPL in writing within thirty (30) days after the occurrence of any of the above events. Notwithstanding the foregoing, no Force Majeure Event (or combination of them) shall excuse any failure or delay in excess of One Hundred Eighty (180) days.

ARTICLE 12. ANNUAL REPORTS AND AUDIT

The Lessee shall, not later than forty-five (45) days after the end of each calendar year of this Lease, submit to the DPL financial statements certified by a CNMI licensed Certified Public Accountant, which shall include a schedule of gross receipts indicating sources and deductions in support of the gross receipts rental requirement under Article 5A. DPL shall have access to and the right to examine and audit any or all pertinent books, documents, papers and records of the Lessee and its sublessees and concessionaires relating to this Lease during the normal business hours of any working day. Lessee shall insert a similar provision in all subleases, concession and similar agreements pertaining to this right of access, examination, and audit, and shall make available to said representative(s) or agent(s) all books and records of the Lessee or its sublessees and concessionaires which may be requested or may be necessary for completion of a special audit of any or all activities or enterprises conducted on the Premises.

The Lessee shall keep and maintain its accounting and bookkeeping system in accordance with generally accepted accounting principles. The Lessee shall keep its accounting books and records at all times in the English language.

ARTICLE 13. PUBLIC BENEFIT OBLIGATION

As a public benefit, Lessee shall give a local discount of no less than a 10% (or any greater amount set forth on Lease Data Sheet (which shall be mandatory if local discount is only applicable public benefit)) and such other local benefits acceptable to the Secretary as more fully described on the Lease Data Sheet. Lessee shall allow public parking (non-exclusive), and provide public access, restrooms, and related recreational amenities at all beach and other recreational areas situated upon public land adjacent to the leased Premises as more fully described on the Lease Data Sheet. The Lessee is further obligated to provide proper lighting and security on the Premises and take all other reasonable actions and steps in order to ensure the safety, well-being and protection of its guests and invitees upon the public land that it is utilizing.

ARTICLE 14. SUBLEASE, ASSIGNMENT, TRANSFER, CONCESSIONS

A. Consent Required. Except with the prior consent in writing of the DPL in each instance, Lessee shall not, with respect to development on the public land leased hereby:

- (1) Assign, lease, sublease, sell, convey, mortgage, encumber, transfer or dispose of all or any part of Lessee's interest in or to the Premises, or permit the Premises to be used or occupied by others; or
- (2) Enter into a management contract or other arrangement by which the activities engaged in on the Premises shall be managed and operated by anyone other than Lessee; or
- (3) Grant concessions, permits, or otherwise contract for or permit any business or commercial enterprise or activities to be constructed or performed on the Premises by any person other than the Lessee, unless the following conditions are met:
 - (i) The availability of such concession, permit or enterprise shall be advertised by in a newspaper of general circulation in the Northern Mariana Islands;
 - (ii) First priority in granting the concession, permit or enterprise shall be given to bona fide residents of the Northern Mariana Islands;
 - (iii) The granting of such concession, permit or enterprise shall be subject to the approval of DPL or its successor.

For the purposes of this condition, "concession, permit or enterprise" shall mean a privilege or right to sell products or perform services, which are peripheral to Lessee's proprietary use of the Premises.

Provided, however, Lessee may sublease this Lease to any affiliate or subsidiary of the Lessee in existence and under joint ownership or control at the time of execution of this Lease, without the consent of the DPL. Provided that such sublease shall in no way relieve Lessee of its responsibilities, obligations, or duties hereunder; and provided further that such assignment or sublease does not result in a change of control as defined in Article 14B.

The consent by the DPL to an assignment, transfer, management contract, or subletting may be granted, denied or made subject to such conditions as the DPL finds it in the best interest of its beneficiaries. Any

purported assignment, lease, sublease, sale, conveyance, transfer, mortgage or encumbrance of this Lease, whether written or oral, or any other action for which DPL consent is needed as outlined above, to which the DPL has not given its prior consent is null and void and is of no force or effect and is a violation of this Lease. No sublease, assignment, transfer, or contract shall be valid without the approval of the DPL, and then only if the respective sublessee, assignee, transferee, or other contracting party agrees in writing that the provisions of this Lease bind such sublessee, assignee, transferee, or contracting party. DPL will not consider any assignment, sublease, or transfer during the initial five (5) years of the lease term nor the final five (5) years of the lease term.

Once given, the DPL's consent shall not relieve Lessee, or any subsequent sublessees, assignees or transferees, in any way from obtaining the prior consent in writing of the DPL to any further assignment, transfer, management contract, or subletting.

For purposes of this section, "Premises" includes any portion of the leased premises or any improvement on the leased premises, and "Lessee" includes Lessee's employees, successors and assigns.

B. Change in Control of Lessee. If the sale, assignment, transfer, use, or other disposition of any of the issued and outstanding capital stock of Lessee (or of any successor or assignee of Lessee which is a corporation), or of the interest of any general partner in a partnership owning the leasehold estate created hereby, or of the interest of any member of a joint venture, syndicate, or other group which may collectively own such leasehold estate, shall result in changing the control of Lessee or such other corporation, partnership, joint venture, syndicate, or other group, then such sale, assignment, transfer, use, or other disposition shall be deemed an assignment of this Lease and shall be subject to all the provisions of this Lease with respect to assignments.

For purposes of this Article, if Lessee is a corporation or a limited liability company, "change of control" shall mean any dissolution merger, consideration, or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of the Lessee, or the sale of at least fifty-one percent (51%) of the value of the assets of the Lessee. The term "controlling percentage" means the ownership of, and the right to vote, stock possessing at least fifty-one percent (51%) of the combined total voting power of all classes of Lessee's capital stock issued, outstanding and entitled to vote for the election of directors.

For purposes of this Article, if Lessee is a partnership, joint venture, syndicate or other group which collectively holds this Lease, "change of control" means a withdrawal or change, voluntary or involuntary or by operation of law, of any partner, individual or entity owning more than fifty-one percent (51%) of the beneficial interest in the partnership, joint venture, syndicate or other group.

For the purposes of this Article, "control" of any corporation shall be deemed to be vested in the person or persons owning more than fifty percent (50%) of the voting power for the election of the Board of Directors of such corporation, and "control" of a partnership, joint venture, syndicate, or other group shall be deemed to be vested in the person or persons owning more than fifty percent (50%) of the general partner's interest in such partnership or of the total interest in such joint venture, syndicate, or other group. For purposes of determining control by a

person, members of the family of any assignor or transferor shall be included. For purposes of this section, "members of the family" include a person's spouse, grandparents, parents, brothers and sisters, nephews and nieces, and children by adoption and by blood. Lessee shall furnish an annual statement to the DPL that includes the names and addresses of all stockholders in any corporation or general partners in any partnership holding this lease, showing the number of shares of stock owned by each stockholder of such corporation, or the respective interest of the partners in such partnership, as the case may be. Such statement shall be signed under oath by an officer of each corporation and by a general partner of each partnership holding this lease.

C. Notice to DPL. Lessee shall furnish a statement of ownership/control to the DPL prior to the Commencement Date of this Lease, and on the same date annually thereafter. If Lessee is a corporation, such statement shall include the names and addresses of all principal stockholders and officers in any corporation acting as Lessee, which stockholder(s) own more than ten percent (10%) of the total combined voting power of all classes of Lessee's capital stock issued, outstanding and entitled to vote for the election of directors. If the Lessee is a partnership, joint venture, syndicate or other group, such statement shall include the name, address and respective interest of each person or entity with an interest in the partnership, joint venture, syndicate or other group.

D. Assignee's Duties. No assignment, sublease or transfer made with DPL's consent shall be effective until there shall have been delivered to DPL an executed counterpart of such assignment, sublease or transfer containing an agreement, in recordable form, executed by the assignor, sublessor or transferor and the proposed assignee, sublessee or transferee in which the latter assumes due performance of the obligations on the former's part to be performed under this Lease to the end of the leasehold term.

E. Assignment or Change In Control Fee . If the DPL consents to an assignment of this Lease or to a change in control of Lessee, as described in Section B of this Article, it shall assess a fee of twenty-five percent (25%) of the gain or profit attributable to the leased land. For purposes of this section the terms " gain" and "profit" are defined as the proceeds from any change in control or assignment less the book value of improvements and fixtures installed by Lessee. Lessee shall pay the fee to DPL at closing of the assignment or the change in control of the Lessee.

G. Transfer Fee. In addition to any other fees due as a result of an assignment or transfer, if the DPL consents to an assignment, or other transfer of the leased Premises, as particularly described in Article 1 of this Lease, it shall assess a fee of 25% of the remaining rent due under this Lease for the remainder of the Term of the Lease. The transfer fee shall be assessed and Lessee shall pay the fee to DPL at closing of the transfer.

ARTICLE 15. STATUS OF SUBLEASES

Termination of this Lease, in whole or in part, by cancellation or otherwise, shall operate either as an assignment to the DPL of any and all such subleases, concessions, and sub-tenancies or shall terminate all such subleases, concession agreements or sub-tenancies at DPL's discretion.

ARTICLE 16. AGREEMENTS FOR UTILITY LINES

The Lessee shall have the right to enter into agreements with public utility companies or with the Government of the Commonwealth of the Northern Mariana Islands and/or any of its agencies to provide utility services, including water, electricity, telephone, television, and sewer lines necessary to the full enjoyment of the Premises and the development thereof in accordance with the provisions of this Lease. Subject to prior consultation with Lessee, the DPL reserves the authority to grant utility rights-of-way across the Premises. The Lessee shall furnish to the DPL executed copies thereof together with a plat or diagram showing the true location of the utility lines to be constructed in accordance therewith. Nothing herein contained shall be deemed to imply an obligation on the part of DPL to furnish Lessee with any water services or other utilities whatsoever and DPL does not guarantee the availability of same. It is expressly understood that the Lessee shall obtain such services at its sole cost and expense.

ARTICLE 17. RIGHT OF MORTGAGE

The Lessee, its successors and assigns may, subject to the express prior written approval of the DPL, mortgage this Lease and the Lessee's interest hereunder, provided that no holder of any mortgage of this Lease or the Lessee's interest hereunder, or any one claiming by, through or under any such mortgage shall, by virtue thereof, except as provided herein, acquire any greater rights hereunder than the Lessee, and no mortgage of this Lease or the Lessee's interest hereunder, in whole or in part, by the Lessee or the Lessee's successors or assigns shall be valid, unless: (i) at the time of the making of such mortgage, there shall be no default under any of the agreements, terms, covenants and conditions to be performed by the Lessee under this lease; (ii) such mortgage shall be subject to all the agreements, terms, covenants and conditions of this Lease, (iii) any such mortgage shall reserve to the DPL prior right, in the event of Lessee's default under the same and after notice of the same character and duration as required to be given to Lessee, to correct the default or to purchase the same and terminate this Lease; and (iv) such mortgage shall contain the following provisions:

This instrument is executed upon condition that (unless this condition be released or waived by the DPL or its successors in interest by an instrument in writing), no purchaser or transferee of said Lease at any foreclosure sale hereunder, or other transfer authorized by law by reason of a default hereunder where no foreclosure sale is required, shall, as a result of such sale or transfer, acquire any right, title or interest in or to said Lease or the leasehold estate hereby mortgaged unless (i) the DPL shall receive written notice of such sale or transfer of said Lease within fifteen (15) days after the effective date of such sale or transfer and (ii) a duplicate original copy of the

instrument or instruments used to effect such sale or transfer shall be delivered to the DPL within thirty (30) days after the execution and delivery thereof.

Any mortgage entered into shall be in strict compliance with all applicable laws and regulations, including mortgage security instrument laws, or applicable constitutional provisions, in order to be valid and enforceable. All funds received pursuant to any mortgage of the leasehold property shall be expended only for leasehold improvements within the Northern Mariana Islands.

ARTICLE 18. RIGHTS OF LEASEHOLD MORTGAGEES

If the Lessee or the Lessee's successors or assigns shall mortgage this Lease or its interest in the Premises in accordance with the provisions of this Lease, then so long as any such leasehold mortgage as hereinafter defined shall remain unsatisfied of record, the following provisions shall apply:

A. Notice to Mortgagee. The DPL shall serve upon the Lessee any notice of default pursuant to the provisions of Article 27 or any other notice under the provisions of or with respect to this Lease. The Lessee shall thereafter serve a copy of such notice upon the holder of the then existing mortgage of this Lease of the Premises. Service of such notice of default upon the Lessee shall be deemed as service on the mortgagee who shall thereafter have the same period as the Lessee for remedying the default or causing the same to be remedied, as is given the Lessee after service of such notice upon it.

B. Remedy. Such leasehold mortgagee of this Lease or the Premises, in case the Lessee shall be in default hereunder, shall, within the period and otherwise as herein provided have the right to remedy such default, or cause the same to be remedied, and the DPL shall accept such performance by or at the instigation of such leasehold mortgagee as if the same had been performed by the Lessee.

C. Diligent Prosecution. No default on the part of Lessee in the performance of work required to be performed, or acts to be done, or conditions to be remedied, shall be deemed to exist, if steps shall, in good faith, have been commenced promptly to rectify the same and shall be prosecuted to completion with diligence and continuity in accordance with Article 27 hereof, on "Default", unless otherwise specified in this Lease.

D. Termination. Notwithstanding while the leasehold mortgage remains unsatisfied of record, if any event or events shall occur which shall entitle the DPL to terminate this Lease, and if before the expiration of thirty (30) days after the date of service of notice of termination by the DPL all rent and other payments herein provided for then in default is fully paid, and the Lessee shall have complied or shall be engaged in the work of complying with all the other requirements of this Lease, if any, then in default, then in such event the DPL shall not be entitled to terminate this Lease, and any notice of termination theretofore given shall be void and of no force or effect, provided, however, nothing herein contained shall in any way affect, diminish or impair the right of DPL to terminate this Lease or to enforce any other subsequent default in the performance of any of the obligations of the Lessee hereunder.

E. Notice of Termination. In the event of the termination of this Lease prior to the natural expiration of the term hereof, whether by summary proceedings to dispossess, service of notice to terminate or otherwise, due to default of the Lessee as provided in Article 27 hereof, or any other default of the Lessee, the DPL shall serve upon the holder of the then existing mortgage on this Lease or the Premises written notice of such termination. Nothing herein contained shall release the Lessee from any of its obligations under this Lease, which may not have been discharged or fully performed by any mortgagee of this Lease or the Premises, or its designee.

F. First Mortgage Only. Whenever reference is made herein to the holder of the mortgage on this Lease or the Premises, the same shall be deemed to refer only to the holder of the first record mortgage on this Lease or the Premises, if any, as shown by the records of the Commonwealth Recorder's office. Notice of such mortgage shall be sent to the DPL by certified or registered mail, and include a copy of the recorded mortgage certified by the Commonwealth Recorder's office as to the date and time of recordation. Any notice or other communication to any such mortgagee by the DPL shall be in writing and shall be served either personally or by certified or registered airmail address to such holder or mortgagee at his/her address appearing on such records or at such other address as may have been designated by notice in writing from such holder or mortgagee to the party serving such notice of communications. Nothing contained in this Article shall be construed so as to require the DPL to serve notices upon or recognize any leasehold mortgagees other than the holder or such first mortgage on this Lease or the Premises, as aforesaid.

ARTICLE 19. STORM, FIRE AND DAMAGE INSURANCE

The Lessee shall procure upon the Commencement Date and shall continue to maintain in force during the entire Term of this Lease or any extension thereof, storm (typhoon) fire and damage insurance for the Premises with a company or companies authorized to do business in the Northern Mariana Islands, with extended coverage endorsements jointly in the names of the Lessee and the DPL, covering the full insurable value of all improvements on the Premises, subject to appropriate co-insurance provisions (no greater than 10%). The policy shall contain a clause requiring that the DPL be given thirty (30) days notice prior to any cancellation or termination of the policy. A copy of such policy or policies or an acceptable certificate shall be deposited with the DPL within thirty (30) days of the same obtained by the Lessee. The Lessee shall pay all premiums and other charges payable in connection with insurance carried by the Lessee. In the event of damage to any permanent improvement on the premises, the Lessee shall reconstruct such improvement in compliance with applicable laws, ordinances, and regulations and in accordance with the applicable provisions of this Lease. Such reconstruction shall commence within six (6) months after the damage occurs and shall be pursued diligently and completed within one (1) year of the occurrence. In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all permanent improvements on the Premises during the last five (5) years of the term of this Lease, the Lessee for ninety (90) days shall have the option to agree to reconstruct the damaged improvements. Should the Lessee fail to notify the DPL in

writing of the exercise of its option to reconstruct within ninety (90) days of the occurrence of damage, the Premises shall be cleared at the Lessee's expense and upon completion of such clearing this Lease shall terminate. In the event Lessee shall elect not to rebuild damaged improvements during the last five-year term of the Lease, all insurance proceeds accruing as a result of the fire or damage, shall be for the sole benefit of and made payable to the DPL, or its lawful successors and assigns. Any damages incurred or suffered by any sublessee, assignee, mortgagee or otherwise as a result of such termination shall be borne solely by the Lessee.

ARTICLE 20. LIABILITY INSURANCE

The Lessee shall, from the Commencement Date of this Lease, procure and maintain in force during the entire term of this Lease or any extension thereof, at its sole expense, commercial general liability insurance (all risk) for the Premises and operations conducted thereon, with the DPL and the CNMI Government as named co-insured, in a company or companies authorized to do business in the Northern Mariana Islands, with a minimum coverage of \$\$1,000,000 per occurrence / \$5,000,000 in the aggregate or such higher amounts as the DPL may reasonably require. Copies of such policies shall be delivered to the DPL within thirty (30) days of their issuance, and shall contain a clause requiring at least thirty (30) days' written notice shall be given to the DPL prior to cancellation or refusal to renew any such policies. Lessee agrees that if such insurance policies are not kept in force during the entire term of this Lease, the DPL may procure the necessary insurance, pay the premium therefore, and such premium shall be repaid to the DPL immediately upon the DPL's demand.

All insurance obtained by the Lessee in compliance with this Lease shall be obtained from reputable companies acceptable to the DPL.

ARTICLE 21. NOTICES

Except as otherwise specified herein, all notices required or permitted under this Lease shall be in writing and shall be delivered in person or deposited in the United States mail in an envelope addressed to the proper party, certified or registered mail, postage prepaid as follows:

DPL: Department of Public Lands
P.O. Box 500380
Saipan, MP 96950

LESSEE: [Input from Lease Data Sheet]

or at such other address as the DPL or Lessee may from time to time specify in writing. All notices shall be deemed delivered (1) on the date personal delivery is made, or (2) on the date falling three (3) days after the date of the post mark by the U.S. Post Office of any mail or notice properly addressed and containing sufficient postage.

ARTICLE 22: RESERVATION OF EASEMENTS/MINERAL RIGHTS

This Lease shall be subject to all existing easements, roadways, and rights-of-way across or through the Premises. The DPL and the CNMI Government retain the right at all times to cause the construction, maintenance, operation or repair of public utilities or parts thereof on the premises, including, but not necessarily limited to, electric power transmission, telegraph, telephone and pipelines, and for roads and other community projects. Lessee shall be entitled to no compensation from the DPL or the CNMI government for such uses of the Premises. The DPL hereby reserves all rights to minerals and resources on the Premises, including the right of access to and use of such parts of the surface of the Premises as may be necessary for the mining and saving of said minerals. The right of ingress to and egress from the Premises upon which public utilities and other improvements have been constructed, and for the purposes of inspection by the DPL, as well as for the performance of official duties in the maintenance, operation and repair of such utilities and other improvements is hereby reserved.

ARTICLE 23. RIGHT OF INSPECTION; INGRESS/EGRESS

A. The DPL, its agents, and representatives shall have, upon reasonable notice, the right to enter the Premises at any time for inspection purposes in order to determine whether the provisions of the Lease are being complied with by the Lessee, to serve notices required under this Lease, or for any other purpose deemed appropriate by the DPL. In addition, DPL shall have the right to inspect and examine all the books, records, documents, and accounts of the Lessee or its sublessees, from time to time upon request.

B. The DPL reserves to the CNMI Government the right to order cessation of all operations on the Premises until further notice should the CNMI Government, any agency thereof, or the DPL determine the Lessee is not exercising a high degree of care in protecting the safety of persons and property in the conduct of its activities on the Premises.

Regardless of the above provisions, it always remains the sole responsibility and duty of the Lessee to ensure that the operation is operated in a safe and healthful manner.

ARTICLE 24. CONDEMNATION

The DPL and Lessee covenant and agree that in the event the whole property hereby leased shall be taken in condemnation proceedings or by any right of eminent domain, or otherwise, for public purposes, then and on the happening of any such event, the DPL or Lessee, may terminate this Lease and the Term hereby granted and all the rights of the Lessee hereunder, and the rent shall be paid up to the date of such condemnation or termination and any unearned rent paid in advance by the Lessee shall be refunded pro rata. In the event any portion of the property hereby leased is condemned or taken by right of eminent domain or otherwise for public purposes, thereby rendering the leased property unsuitable for the purpose of Lessee as stated in Article 2 above, then and on the happening of such event Lessee may terminate this Lease and the Term hereby granted,

and all the rights of the Lessee hereunder and the rent shall be paid up to the date of such termination or condemnation and any unearned rent paid in advance by the Lessee shall be refunded pro rata. If Lessee does not terminate this Lease upon such event, then the rent shall be reduced in proportion to the land taken as such bears to the total area of land leased. The DPL and the Lessee may each independently file separate claims in such proceedings for the purpose of having the value of their respective interests determined, and the award shall be paid accordingly; but if the public or governmental authorities shall object or refuse to permit separate claims to be proved and/or distributed in such manner, the DPL will prosecute all claims for damages to the Premises on behalf of both the DPL and the Lessee (and authority to do so is hereby granted), and after deducting all reasonable expenses incurred by the DPL incident thereto, the balance of said award shall be divided between the DPL and the Lessee as established in that proceeding. In the event the DPL prosecutes the claim on behalf of both parties hereto, all such awards shall be paid to the DPL for the account of the DPL and Lessee as hereinbefore provided.

ARTICLE 25. COVENANT AGAINST DISCRIMINATION

The use and enjoyment of the Premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, or a physical handicap, or as provided by Commonwealth or Federal laws.

ARTICLE 26. ABANDONMENT / UNDERUTILIZATION OF PREMISES

Should the Lessee fail to use the Premises for the purpose set forth in this Lease for a consecutive period of ninety (90) days without securing the written consent of the DPL, the Lessee shall be deemed to have abandoned the Premises, so that in such event this Lease may, at the option of the DPL, be terminated pursuant to the provisions of Article 27 hereof without further notice to the Lessee.

In the event of a use other than the permitted use set forth on the Lease Data Sheet, or utilization of the Premises that fails to comport with the conceptual design upon which this Lease was based, DPL may recapture all or portions of properties under lease when such lands may have a higher and better use than as actually being used or developed by Lessee. In such case Lessor shall give notice to Lessee and an opportunity to cure or within sixty (60) days reach agreement with the DPL on a proposed course of action to cure or such non-conforming or underutilized portions of the premises shall revert to the DPL.

ARTICLE 27. DEFAULT

Time is of the essence and Lessee shall automatically be in default of this Lease if:

A. Failure to pay. Lessee shall fail to pay any installment or rent hereby reserved or shall fail to pay any taxes or other charges required to be paid by Lessee within thirty (30) days after the due date under the terms of this Lease.

B. Other Breach of Lease. Lessee shall breach any term, provision or covenant of this lease, other than the payment of rent, taxes, or other charges, and fails to cure such breach within thirty (30) days from and after written notice from the DPL.

C. Insolvency or Bankruptcy. Lessee, its successors and assigns, becomes insolvent or file for relief under the United States Bankruptcy Code.

D. Abandonment. Lessee abandons the Premises as provided in Article 26.

Upon the occurrence of Lessee's default of this Lease as described above, all Lessee's rights under this Lease are terminated, including, but not necessarily limited to Lessee's right to use the Premises. Any notices, as may be required by law or this Lease, shall be delivered as provided by Article 21 of this lease.

ARTICLE 28. REMEDIES

Upon termination of Lessee's rights under this Lease pursuant to Article 27, the DPL may terminate this Lease and may, upon fifteen (15) days written notice, enter in, into and upon the leased premises and take possession of all buildings, fixtures and improvements, and evict Lessee without liability of trespass. The remedies herein shall not prejudice the DPL's other rights and remedies at law or equity.

ARTICLE 29. ACCORD AND SATISFACTION

No payment by Lessee or receipt by the DPL of a lesser amount than the annual rent herein stipulated shall be deemed to be other than on account of rents due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of rent be deemed an accord and satisfaction, and the DPL may accept such check or payment without prejudice to the DPL's right to recover the balance of such rent or pursue any other remedy provided in this lease. In the event that the rent or any other monies which are due hereunder by Lessee are delinquent, the DPL may, upon the receipt of any payments, apply them to any account or period it shall determine in its discretion.

ARTICLE 30. WAIVER OF BREACH

Waiver by the DPL of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained. The acceptance of rent by the DPL shall not be deemed to be a waiver of any of the terms or conditions including the remedies of DPL hereof. No covenant herein shall be deemed waived by the DPL unless such waiver is in writing by the DPL.

ARTICLE 31. EXPENSE OF ENFORCEMENT

If an action is brought by the DPL for rent or any other sums of money due under this Lease, or if any action is brought by the DPL to enforce performance of any of the covenants and/or conditions of this Lease,

Lessee shall pay reasonable attorney's fees to be fixed by the Court as a part of the costs in any action. Use of in-house counsel or the Office of Attorney General shall not be a basis to reduce or avoid an award of such costs. In such event, fees shall be calculated by multiplying the prevailing hourly rate for private counsel in the Commonwealth by the reasonable number of hours spent in connection with such enforcement activities.

ARTICLE 32. INDEMNIFY, DEFEND AND HOLD HARMLESS

Lessee hereby releases and forever discharges and agrees to defend, indemnify and hold harmless the DPL, the CNMI Government, their successors, employees and assigns, from any and all injury or loss and all liability for injury or loss to persons or property which occur on the Premises or which arise out of or in connection with any activities contemplated under this Lease during the Term of this Lease, any extension thereto or during any holdover by Lessee

whether or not such claims, demands or actions are rightfully or wrongfully brought or filed and against all costs incurred by the DPL, the CNMI Government, their successors, employees and assigns therein. In case a claim should be brought or an action filed with respect to the subject of indemnity herein, Lessee agrees the DPL, the CNMI Government, their successors, employees and assigns may employ attorneys of their own selection to appear and defend the claim or action on their behalf, at the expense of the Lessee. The DPL, the CNMI Government, their successors, employees and assigns, at their own option, shall have the sole authority for the direction of the defense, and shall be the sole judge of the acceptability of any compromise or settlement of any claims or actions against them.

ARTICLE 33. QUIET ENJOYMENT

The DPL covenants that the Lessee, upon paying the rent required herein and upon fulfilling all the conditions and agreements required of the Lessee, shall and may lawfully, peacefully and quietly have, hold, use, occupy and possess and enjoy the property during the Term agreed upon without any suit, hindrance, eviction, ejection, molestation, or interruption whatsoever of or by the DPL, or by any other person lawfully claiming by, from, under or against the DPL.

ARTICLE 34. GOVERNMENT REQUIREMENT

Lessee shall procure all licenses, certificates, permits, and other required authorizations from any and all other governmental authorities having jurisdiction over the Operation of the Lessee under this Lease. Lessee shall provide the DPL with copies of all such licenses, certificates, permits and other required authorizations from other governmental authorities within three (3) months after the Commencement Date of this Lease.

ARTICLE 35. UNLAWFUL USE AND COMPLIANCE WITH LAWS

Lessee covenants and agrees not to use or cause or permit to be used any part of the Premises for any unlawful conduct or purpose. Lessee agrees to comply with all property, building, health, sanitation, safety and other laws and regulations of the Commonwealth of the Northern Mariana Islands, which are in effect or which may hereafter become effective.

ARTICLE 36: HOLDOVER CLAUSE

If the Lessee fails to vacate the Premises upon the expiration, termination or cancellation of this Lease, Lessee shall be deemed a holdover Lessee. Such holdover Lessee shall be obligated to pay the DPL a holdover fee during the holdover period of not less than 150% of the monthly-prorated Base Rent and Additional Rent for the Five Year Period immediately preceding the holdover period as provided in Article 5A. Payment of such liquidated damages shall in no way constitute a limitation upon any other rights or remedies the DPL may be entitled to pursue for violation of the Lease, for trespass or illegal possession or for any other cause of action arising out of holdover Lessee's failure to vacate the Premises including the right to evict the Lessee without court action, and the cost thereof to be paid by the Lessee.

ARTICLE 37. CONDITION OF PREMISES

The Lessee acknowledges that it has examined the Premises prior to the making of this Lease and knows the conditions thereof, and that no representations or warranties other than those expressed herein have been made by the DPL. Lessee hereby accepts the Premises as-is in their present condition at the Commencement Date of this Lease.

ARTICLE 38. VACATING THE PREMISES

Upon the expiration or earlier termination or cancellation of the Lease, the Lessee shall quietly and peacefully vacate the Premises and surrender the possession thereof. The DPL may, at its option, require the removal of all improvements and property on the Premises, or it may require all improvements, except removable personal property, trade fixtures and equipment, remain on the Premises and become the property of the DPL after termination of this Lease. Upon the failure or neglect of the Lessee to remove her property from the Premises or restore the Premises, the DPL, its officers or agents, may enter the Premises and remove all persons and property therefrom without recourse to any action or proceeding at law or in equity. Such removal and/or restoration shall be at the cost and expense of the Lessee, and no claim for damages of any nature whatsoever against the DPL, the CNMI Government or any officer or agent thereof shall be created by or made on account of such removal.

ARTICLE 39. PUBLIC AUDITOR

This Lease is subject to 1 CMC § 7845. The Lessee shall provide, upon request of the Public Auditor of the Commonwealth all records and reports, and shall allow audit, inspection, access and the right to copy her books, records, documents, correspondence, and any other data and material relating to this Lease, to the Public Auditor, and do any other acts required under 1 CMC § 7845. This right of access, inspections, and copying shall continue until the expiration of three (3) years after the final payment under the Lease is made, or such other time as set forth in 1 CMC § 7845.

ARTICLE 40. GENERAL PROVISIONS AND DEFINITIONS

A. Waiver. No waiver of any default of the Lessee hereunder shall be implied from any omission by the DPL to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect the default other than the default specified in the express waiver, and that only for the time and to the extent therein stated. One or more waivers of any covenant, term or condition of this Lease by the DPL shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the DPL to or of any act by the Lessee requiring the DPL's consent or approval shall not be deemed to waive or render unnecessary the DPL's consent or approval to or of any subsequent or similar acts by the Lessee. The acceptance of Lease fees by the DPL shall not be deemed to be a waiver of any of the terms or conditions, including the remedies of the DPL. No covenant of this Lease shall be deemed waived by either party unless such waiver is in writing and signed by the party waiving the covenant.

B. Agreement Complete. It is hereby expressly agreed that this Lease, together with the exhibits attached hereto, contains all of the terms, covenants, conditions and agreements between the parties hereto relating in any manner to the use and occupancy of the Premises, and that the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed herein and that there are no collateral agreements, stipulations, promises or understandings of any nature whatsoever between the parties hereto relating in any manner to the use and occupancy of the Premises, and none shall be valid or of any force or effect, and that the terms, covenants, conditions and provisions of this Lease cannot be altered, changed, modified or added to except in writing signed by the parties hereto.

C. Interpretation. The language in all parts of this Lease shall be in all cases construed simply, according to its fair meaning, and not strictly for or against the DPL or the Lessee. Captions and paragraph headings contained herein are for convenience and reference only, and shall not be deemed to limit or in any manner restrict the contents of the paragraph to which they relate.

D. DPL's Representative. The authorized representative of the DPL for purposes of this Lease shall be the Secretary of the Department of Public Lands or his/her designee.

E. Lessee's Representative. The authorized representative of the Lessee for purposes of this lease shall be as set forth on the Lease Data Sheet.

F. Law Governing. This Lease shall be governed by the laws and regulations of the Commonwealth of the Northern Mariana Islands, both as to performance and interpretation therein. If any provision of this Lease shall be held invalid under the laws of the Commonwealth of the Northern Mariana Islands for any reason, the same shall in no way impair the validity of the remaining provisions of this Lease, and the remaining provisions of the Lease shall otherwise remain in full force and effect.

G. Gross Receipts. "Gross Receipts", as that term is used herein, means all income or revenue whatsoever, including money and any other thing of value, received by or paid to the Lessee, its sublessees or concessionaires, or received by or paid to others for the use and benefit of any of the aforementioned, derived from business done, sales made or services rendered from, on, or related to the leased Premises, or derived from the subleasing, sub-renting, permitting, contracting, or other use of the same. The Lessee shall not directly or indirectly divert from inclusion in Gross Receipts any income or revenue whatsoever derived from the leased Premises to any other business or enterprise located elsewhere and all revenues from any attempted or inadvertent diversion shall be calculated as revenue hereunder.

The following items may be deducted from the gross receipts:

1) credits for the exchange of goods or merchandise from the premises to another store or stores owned or operated by the Lessee, its parent or affiliate, where such exchange is made solely for the convenience of business and not for the purpose of consummating a sale previously made directly or indirectly from or upon the Premises;

2) to the extent the same shall have been included in "Gross Receipts", there shall be deducted credits to customers for returned merchandise, merchandise trade-ins, exchanges, and merchandise cancellations, ;

3) the amount derived from the sale or other disposition of fixtures, goodwill, improvements, furnishings, equipment, accessory, appliance, utensils or any other item of property: (i) which is either sold outside the ordinary course of the Lessee's business; or (ii) which is not acquired or held by the Lessee as a stock-in-trade or inventory for resale in the ordinary course of the Lessee's business;

ARTICLE 41. LEASE AGREEMENT BINDING

This Lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the parties hereto, their heirs, successors and assigns and to any other person claiming to hold or to exercise any interest by, under or through any of the parties hereto.

ARTICLE 42. ADDITIONAL OBLIGATIONS OF LESSEE

Lessee shall perform all responsibilities, obligations, and duties set forth on the Lease Data Sheet as if set forth within the body of this Lease.

ARTICLE 43. PERSONAL / PARENT COMPANY GUARANTEE

In further consideration for this Lease, Lessee's majority shareholder(s) and parent corporation(s) identified on the Lease Data Sheet, jointly and severally guarantee full performance of all terms and conditions to be performed by Lessee under this Lease including but not limited to, prompt payment of any and all obligations that may arise under this Lease as follows:

- A. Guarantors, jointly and severally, will in all respects guarantee the due and proper performance of the Lease and the due observance and prompt performance of all obligations, duties, undertakings, covenants, warranties, and conditions by or on the part of the Lessee contained therein and to be observed and performed by Lessee, which guarantee shall extend to included any variation or addition to the Lease throughout its Term and any permitted extension thereof.
- B. If Lessee fails to carry out, observe or perform all any of such obligations, duties undertakings, covenants, warranties and/or conditions under the Lease (unless relieved from the performance of any part of the Lease by statute or by the decision of a court or tribunal of competent jurisdiction) the Guarantors will be jointly and severally liable for and shall indemnify the DPL against all losses, damages, costs and expenses, whatsoever which the Beneficiary may incur by reason or in consequence of any such failure to carry out observe
- C. The Guarantors, (or any one of them), shall not be discharged or released from this Guarantee by the occurrence of any one or more of the following:-
 1. Any alteration to the nature of extent of the Lease;
 2. Any allowance of time, forbearance, indulgence or other concession granted to the Lessee under the Lease or any other compromise or settlement of any dispute between the DPL and the Lessee
 3. The liquidation, bankruptcy, administration, absence of legal personality, dissolution, incapacity or any change in the name, composition or constitution of the Lessee or the Guarantor(s).
- D. This Guarantee is a continuing guarantee and accordingly shall remain in operation until all obligations, duties, undertakings, covenants, conditions and warranties now or hereafter to be carried out or performed by the Lessee under the Lease shall have been satisfied or performed in full and is in addition to an not in substitution for any other security which the DPL may at any time

hold for the performance of such obligations and may be enforced without first having recourse to any such security and without taking any other steps or proceedings against the Lessee.

- E. So long as any sums are payable (contingently or otherwise) by the Lessee to the DPL under the terms of the Lease then the Guarantors shall not exercise any right of set off or counterclaim against the Lessee or any other person or prove in competition with the DPL in respect of any payment by the Guarantors hereunder and in case either Guarantor receives any sum from the Lessee or any other person in respect of any payment of the Guarantors hereunder the respective Guarantor shall hold such monies in trust for the DPL so long as any sums are payable (contingently or otherwise) under this Guarantee.
- F. Guarantors will not, without prior written consent of the DPL hold any security from the Lessee or any other person in respect of the Guarantors' liability hereunder or in respect of any liabilities or other obligations of the Lessee to the Guarantors. The Guarantors will hold any security held by it in breach of this provision in trust for the DPL.
- G. This Guarantee is in addition to and not in substitution for any present and future guarantee lien or other security held by the DPL. The DPL's rights under this Guarantee are in addition to and not exclusive of those provided by law.

Guarantors each agree to waive any corporate protection under the law pertaining to such guarantee of full performance hereunder.

IN WITNESS WHEREOF, the parties hereunto set their respective hands, the date and year first written above.

LESSEE

By: _____

Date: _____

NOW IN CONSIDERATION OF THE SUM OF ONE UNITED STATES DOLLAR (\$1.00) (THE RECEIPT AND SUFFICIENCY OF WHICH THE GUARANTORS HEREBY ACKNOWLEDGE) THE GUARANTORS HEREBY COVENANT WITH THE DPL AS IS SET FORTH IN ARTICLE 43 ABOVE.

GUARRANTORS

[]

By: _____

Name: _____

Title: President

[]

By: _____

Name: _____

Title: President

**SCHEDULE 1
Lease Data Sheet**

Lessee Name:

Form of Business Entity:

Permitted Purpose of Lease:

Lease Term:

Property Description:

Fee Simple Value of Premises (applicable during first 5 years of term):

Base Rent during initial 5 year period (in dollars):

Additional Rent (as percent of BGR):

Security Deposit:

Public Benefit Obligations:

Additional Obligations of Lessee:

Additional Restrictions upon Lessee:

Specific Authorizations (permitted under body of lease):

§ 145-70-120 Underwriting Requirements

In order for the DPL to properly assess and compare proposals, Project Details – All proposals submitted shall include the following:

- (a) Qualifying Criteria.
 - 1) Character – Evidence of experience in and knowledge of the industry of the proposed development and evidence that Applicant and Related Parties are in good standing with taxing and regulatory authorities, creditors, and depository institutions.
 - 2) Capacity – Evidence of a combined net worth of Applicant and Related Parties of at least 30% of the proposed development cost with current Free Cash Flow to cover at least 150% of Basic Rent.
 - 3) Capital – Evidence of combined liquid capital (cash or cash equivalents) to cover at least 20% of the total cost of development or attestation from a reputable investment bank experienced in funding similar projects on Applicant group's ability to raise 105% of the capital required to fund the development including Applicant's capital.

- (b) Business plan including financial projections, opportunities and risks, and who or what the competition is in its industry. Pro forma financial statements including profit and loss statement, cash flows, and balance sheet for first five years of the proposed development, and revenue projections over the life of the lease. If multiple revenue generating activities will be conducted, pro forma statements shall show revenues from each activity including the subletting of commercial space to tenants.

- (c) Financial Documents.
 - (1) Evidence of adequate financing to fund the proposed development and satisfy payment obligations under the proposed lease including documents showing the funding source and an attestation to the legal nature of funds.
 - (2) Financial Statements of applicant, guarantors, Related Party, or equity investors/shareholders of the Applicant. Audited statements are required for companies with business gross revenues of \$500,000 or greater

- (d) Ownership, Structure, Resolutions to Enter Lease, Guarantees
 - (1) List of owners having an ownership interest in the Applicant of 10% or greater.
 - (2) Certified entity formation documentation, certificate of incumbancy, and transactional authorizations of Lessee and Related Parties. If Lessee or any Related Party is not a domestic entity or resident individual, such party shall first be domesticated and authorized to do business in the Commonwealth. Foreign documents and signatures shall be authenticated and legalized (or apostilled if originated in Hague Convention jurisdiction). An organizational chart showing the relationship of parent companies, subsidiaries, and Related Parties involved in the funding and operations of the proposed development shall be provided.
 - (3) Formal resolution from Applicant authorizing Applicant to enter a lease with the DPL and designating a specific director or officer of Applicant to negotiate and execute the lease agreement and related transactional documents.
 - (4) Formal resolution from each Related Party identifying its authorized signatory and authorizing Related Party to provide full financial support for the proposed project and to guarantee Applicant's obligations under the lease agreement.
 - (5) Evidence of ability to secure Performance Bond, Completion Bond and/ or Stand by Letter of Credit as security for lessee's development obligations under the lease
 - (6) Agreement to issue personal guarantee from all Related Parties

(e) Construction Plans and Specifications. Applicant shall provide:

- (1) Architectural layout and design of the development overall with its application, and the same shall be updated at each phase of development.
- (2) Renderings showing the proposed layout, elevations of the facility and how it will be situated on the premises.
- (3) Timeline for construction schedule and cost schedule updated at each phase of development.

Part 200 – Policies and Procedures for Temporary Non Exclusive Occupancy of Public Lands

DPL's authority does not extend to the issuance of land use permits and licenses. "Land use" in the licensing and permitting context generally involves the regulation of specific uses or activities, without regard to ownership or authorization to occupy land. The authorities that regulate the use of land in the Commonwealth include Zoning, BECQ, Historic Preservation Office, and other Government regulatory agencies that issue permits and licenses pursuant to their respective enabling legislation. DPL, however is charged with management of the use of public lands, subject to its land use plan and all other land use regulations and regulatory agency approvals. The regulations in this Part describe how the DPL will manage and authorize such public land use, and the fees and charges that will be imposed therefore. These regulations neither supersede, nor amend the Commonwealth's land use regulations.

§ 145-70-201 General Requirements

- (a) The temporary occupancy of public lands or properties may be authorized via Temporary Occupancy Agreements, Concession Agreements, Permits, and other agreements appropriate for the activity to be conducted. The activity for which the premises will be used must be permitted by the land use permitting agencies of the CNMI and applicable laws. These agreements shall generally:
 - (1) Provide a benefit to the public;
 - (2) Be short term or intermittent in nature;
 - (3) Be reviewed periodically for compliance;
 - (4) Prohibit the construction of permanent structures;
 - (5) Provide non-exclusive rights to the land or property unless otherwise stated in these regulations;
 - (6) Be non-transferable, non-assignable, and cannot be sold, subjected to mortgage, or used as collateral;
 - (7) Self-terminate should Occupant or Operator cease to exist or ceases the activity described in the application; and
 - (8) Require compliance with all business licensing, permitting, and regulatory requirements for business or other activities to be conducted including without limitation all zoning, building and other permits as applicable.

§ 145-70-205 Occupancy and Easements for Private Telecommunications

Non-exclusive subsurface occupancy rights or easements granted to non-governmental telecommunications service providers may be granted for multiple year terms up to twenty five (25) years in total. Occupancy or proposed uses that sever, transact, or present a material impediment to the use of the surface land or air above or otherwise render the burdened and/or adjacent lands undevelopable, shall not be eligible for easement or similar authorization contemplated in this section but instead, shall only be granted through leases of full burdened parcels on commercially reasonable terms in accordance with the leasing regulations set forth herein.

- (a) **Underground Telecommunication Cables** – The activity involving the use of public lands to lay, maintain and operate underground telecommunication cable wires and related telecommunication equipment. Upon promulgation of these regulations the annual fee for buried cable trenches shall be 5.0% per year of 50.0% of average market price of lands on the island where the trenching will occur. Average market price shall be an area-weighted average determined by DPL based on recent publicly available real estate sales data for fee simple land transactions.
- (b) **Telecommunication Tower** – The activity involving the use of public lands to, erect, maintain and operate commercial pedestals, access nodes underground telecommunication cable wires and radio transmitter antenna, and or wireless communication equipment shelter for cellular telephones, paging systems or similar related wireless telecommunication equipment. The annual fee for the use of public land for this purpose shall be 8.00% of the estimated fair market value. In environmentally, historically, or otherwise sensitive areas including tourist destinations, such activity (if permitted in DPL's sole discretion) may be subject to space-sharing conditions as imposed by DPL

§ 145-70-210 Temporary Occupancy Agreement

Temporary Occupancy Agreements (TOA) shall be used for the temporary occupancy of certain public lands laying fallow at the time of application where no proposals have been received by DPL for the long term lease of those lands. In any case, TOA's do not in any way grant an interest in the land, written or implied, and the construction of permanent structures shall not be allowed. Allowable purposes include short-term agricultural use, temporary livestock grazing, sporting or social events, or planning activities in anticipation of a lease. TOAs are subject to termination upon thirty (30) day's written notice by DPL.

- (a) The following apply to all TOA's:
 - (1) All TOAs are terminable by DPL at will;
 - (2) Applications shall be made annually two months prior to expiration or as solicited via a Request for Proposal or at auction;
 - (3) Fee per use shall be an annual charge of 8% of BGR but not less than \$250, or such greater amount as bid;
 - (4) TOAs are non exclusive with the exception of Agricultural, Vehicular Parking, Staging, and Quarry which shall be exclusive and limited to the activities performed directly by Occupant;
 - (5) Property shall be used solely as outlined in the application for TOA in accordance and DPLs regulations for the operations of the Occupant;
 - (6) DPL can demand the removal of any and all structures at any time at Occupant's expense; and
- (b) Agricultural use shall be limited to family subsistence (non-commercial) purposes as follows:
 - (1) Farming - limited to up to 2,000 square meters (per household) of public lands determined by DPL to be suitable for farming, annual fee shall be \$250.00 per TOA; and
 - (2) Livestock – limited to up to 10,000 square meters (per household) of public lands for grazing, or livestock, annual fee shall be \$1,250.00 per TOA.
 - (3) Agricultural uses in excess of the limitations in this subsection, or which require fixed terms shall be subject to the lease requirements of these regulations.
- (c) Vehicular Parking - The activity that involves a location(s) and designated area(s)/assignment(s) on public land where motor vehicles may be temporarily stored or parked.

- (1) Temporary vehicular parking spaces are categorized as primary, secondary, and tertiary parking zones. The parking zone descriptions for Rota and Tinian, respectively are shown in Schedule 145-70-210(c)(1). The parking zones for Saipan are tied to the Saipan Zoning districts as follows:

<u>Primary</u>	<u>Secondary</u>	<u>Tertiary</u>
GC: Garapan Core	IN: Industrial	AG: Agriculture
GE: Garapan East	VC: Village Commercial	RU: Rural
BR: Beach Road		
MC: Mixed Commercial		
TR: Tourist Resort		

- (2) The fees quarterly per square meter fee shall be \$10.00 for primary, \$6.00 for secondary, and \$2.00 for tertiary zones.
- (d) Signboards/Banners – The activity that involves erecting or placement of a temporary board, poster, banner, a piece of cloth or bunting, placard, or other temporary sign varying in size, color, and design which is displayed, posted, erected, hung, or tied in a certain public location or tract of land to advertise or to convey information or a direction.
- (1) Public lands zones for the placement of signboards or banners are categorized as primary, secondary, and tertiary zones identical to Vehicular Parking.
- (2) CNMI government shall not be charged a fee for locally funded signboards for public awareness purposes. The fees for the placement of signboard by other Applicants are shown in the tables below:

SIGNBOARD PERMIT STANDARD FEES

	Primary Zone	Secondary Zone	Tertiary Zone
Annually	\$600.00	\$350.00	\$250.00
Monthly	\$100.00	\$ 70.00	\$ 50.00

SIGNBOARD PERMIT FEES – NON-INCOME GENERATING NON-PROFITS

	All Zones
Annually	\$250.00
Monthly	\$ 50.00

- (e) Roadside Vendors - The activity that involves the use of a temporary structure, vehicle, or mobile canteen for the sale of local produce or fish, other perishables or non-perishable items such as handicrafts, trinkets, souvenirs, or other goods, at a permitted distance from the side of a road or thoroughfare at a location(s) or designated area(s)/assignment(s) on public land.
- (f) Maintenance - The activity that involves the clearing and cutting of brush or vegetation for no-use purposes (ex. Fire break).
- (1) Residential – shall not be on more than 300 square meters of public lands adjacent to an Occupant's private property. The fee is a non-refundable application fee of \$20.00 per year.
- (g) Filming/Photography - The activity involving the use of public lands in the production of video or motion picture films, commercial advertisement filming, photography and other activities that involve video or film production at certain locations or areas of public lands.
- (1) The fee for engaging in commercial motion/still filming or photography on Public Land in any location in the CNMI is \$250.00 per day plus location credits within the publication indicating that

the film or photograph was taken in the CNMI, the island, and the specific location. Use of any part of a day is charged as one full day. One full day is defined as a continuous 24-hour period beginning at 12:01 a.m.

- (2) The fee for still/portrait photography not for commercial publication, sale, or distribution (e.g. family portrait intended for sale only to the subject family) shall be \$1,000.00 per year per commercial photographer.
 - (3) The Occupant shall provide DPL a copy of the finished product, and location credits within the product indicating that the film or photograph was taken in the CNMI, the island, and specific location.
 - (4) Applicants must submit a copy of their CNMI business license, sufficient liability insurance, and an approved CRM permit along with their application.
- (h) **Staging** - The activity involving the temporary use of public lands to store or place construction equipment, materials, tool sheds, contractor's trailer or field office, and for storage or stockpiling of materials (e.g. coral, aggregate, or manufactured sand), and other similar uses incidental to a construction project. The fee for the temporary use of public land for a staging area is 8.00% of the property value per year, or a fraction thereof.
- (i) **Quarry** - A large, open excavation or pit from which rock products or other minerals are extracted by excavation, cutting, or blasting (this definition also includes mining activities).
- (1) The permit shall specify the type of materials the Permittee is authorized to extract and sell.
 - (2) Upon promulgation of these regulations, the Minimum Annual Rent shall be the total of \$12,000. Each year following promulgation of these regulations, the Minimum Annual Rent shall increase by 5.00% in each subsequent year. Additionally, permittee shall pay a Royalty Fee of at least \$3.00 per cubic yard of limestone materials extracted, plus 0.50% of BGR, or such greater amounts as proposed for each category.
 - (3) Extraction of other materials shall be subject to additional permitting and assessed a higher royalty fee as a percentage of market prices as quoted on a major U.S. commodities exchange for those materials or minerals.
- (j) **Encroachment** - The activity involving the temporary use of public land for commercial or residential purposes (e.g., , barbeque pavilions, temporary and permanent structures, etc).
- (1) The annual fee for the temporary permitted encroachment on public land for commercial purposes is based on 8.00% of the estimated fair market value or 3.00% gross receipts if this amount is greater than the annual permit fee.
 - (2) The annual fee for the encroachment of public land for residential purposes is 4.00% of the estimated fair market value.

§ 145-70-215 Concession Agreements

Concession agreements grant the concessionaire the right to conduct business operations on public land on terms determined by DPL.

- a) Upon receipt of request, DPL will determine the desirability of proposed use and past performance and /or experience (if any) of proposed concessionaire. If acceptable to the DPL and if consistent with designated use, zoning, surrounding activities, DPL may issue a Notice of Intent.
- b) DPL may issue an RFP or conduct an auction if there are two or more similar competing interests in the concession area, or in any instance at the discretion of the Secretary.

- c) Monthly fees of at least \$250.00 per concession (up to 200 square feet) shall be charged in addition to 3% of BGR. Concessions negotiated through RFP or auction may be subject to higher fees based upon applicant's proposal or bid amount.
- d) Premises shall be used solely for the business operations of the Operator. Subconcessions are not permitted unless expressly authorized in these regulations.
- e) Term shall be for no longer than one year per concession agreement with the exception of the Managaha Concession.
- f) Criteria for evaluating an application/proposal for an Concession Agreement under consideration shall be the same as those outlined in the regulation on leases.
- g) Beach concessions for beach and ocean recreational activities shall be limited as follows:
 - (1) Concessions for activities involving motorized water craft shall not be permitted outside of the area designated by the BECQ - Coastal Resource Management Office and shall occur only within specific zones authorized by DPL.
 - (i) Concessions are restricted to areas adjacent to boudary corners of hotels, or if no hotel is located in the vacinity, to the perimiter boundaries of the public land perpendicular to the high water mark.
 - (ii) Beach concession permits will be limited to twenty five total concessions per year due to limited space and safety concerns and in an effort to maintain a peaceful beach experience for those not participating in concession activities.
 - (2) Concessions for activities not involving motorized water craft shall only be limited to location not restricted by BECQ.
 - (3) All concession agreements shall expire same day annually, and locations shall be distributed via annual RFP or other competitive bidding process (e.g. live auction), or lottery to ensure fair distribution. Said process will be announced at least ninety (90) days prior to the annual expiration of concession agreements.
 - (4) Enforcement procedures shall be as follows:
 - (i) A first violation of permit terms or conditions will result in a citation and fine of \$200.
 - (ii) A second violation within thirty (30) days of any citation shall result in an order to show cause not to terminate. A hearing shall be scheduled within fifteen (15) days if requested by concessionaire. If no hearing is requested, Concessionaire's authorization shall be terminated with immediate effect. Violators shall not be eligible for a concession agreement for three (3) years following any termination.

§ 145-70-220 Occupancy not Covered in this Subsection

Proposed occupancy and use of public lands not covered under this subsection shall be evaluated under the section on leases and shall be subject to those requirements.

Part 300 – Policies on Appraisals for Leases

§ 145-70-301 Appraisals

Procedures are hereby established for the regular appraisal of all public lands leased for commercial purposes, which ensure that the fair market value basis for computation of Basic Rent for any given lease is updated no less frequently than every five years. All appraisal reports shall be reviewed by

DPL's staff appraiser for completeness of the technical aspects, and to certify if the appraised value meets or exceeds the fair market value of the property. The findings of the staff appraisers shall be for internal use only. As this information may affect the negotiation of lease terms it shall be held confidential during negotiations. DPL may discuss any areas of concern with the independent appraiser and the Applicant.

- (a) The cost of appraisals and their review shall be borne by applicant or lessee and in no instance shall DPL reimburse the cost to lessee or offset any such costs or expenses against rent. However, DPL shall require the appraiser to acknowledge that DPL is the client and that the report is being prepared on behalf of DPL.
- (b) Appraisals shall be first prepared by an independent U.S.-CNMI Certified General Real Estate Appraiser who is licensed to do business in the CNMI. The appraiser shall acknowledge that the appraisal report is being prepared in accordance with the requirements of the appraisal standards and procedures for the benefit of the Department of Public Lands.
- (c) All appraisals must be performed and completed in compliance with the current Uniform Standards of Professional Appraisal Practice (USPAP) and the CNMI issued regulations and procedures by the Board of Professional Licensing.
- (d) The Secretary shall review all appraisal reports for reasonableness, and shall use the value shown in the report as a guide to assess annual base rent. The value may be adjusted upwards for reasonableness if deemed appropriate by the Secretary to take into account the strategic value of the property and recent real estate sales or lease transactions that were not adequately considered by the appraiser in the Secretary's sole opinion.
- (e) Lessee shall re-appraise the fee simple interest of the leased property every five years on the anniversary of the lease and if necessary rent shall be adjusted upward to current value based on the new appraisal as adjusted by the Secretary in conformance with these regulations.

Part 400 – Application Processing Fees

DPL shall charge an application fee to recover the cost of processing. Unless otherwise stated in these regulations, the application processing fees are as follows:

<u>Transaction</u>	<u>Application Fee</u>
Temporary Operating Agreement	\$ 50.00
Renewal of TOA	\$ 50.00
Amendment of TOA	\$ 50.00
Concessions	\$ 75.00
Amendment of Lease Agreement	\$1,500.00
Lease Agreement Extension	\$2,500.00
Assignment of Lease Agreement	\$2,500.00
Sublease Agreement	\$2,500.00
Renewal of Sublease Agreement	\$2,500.00

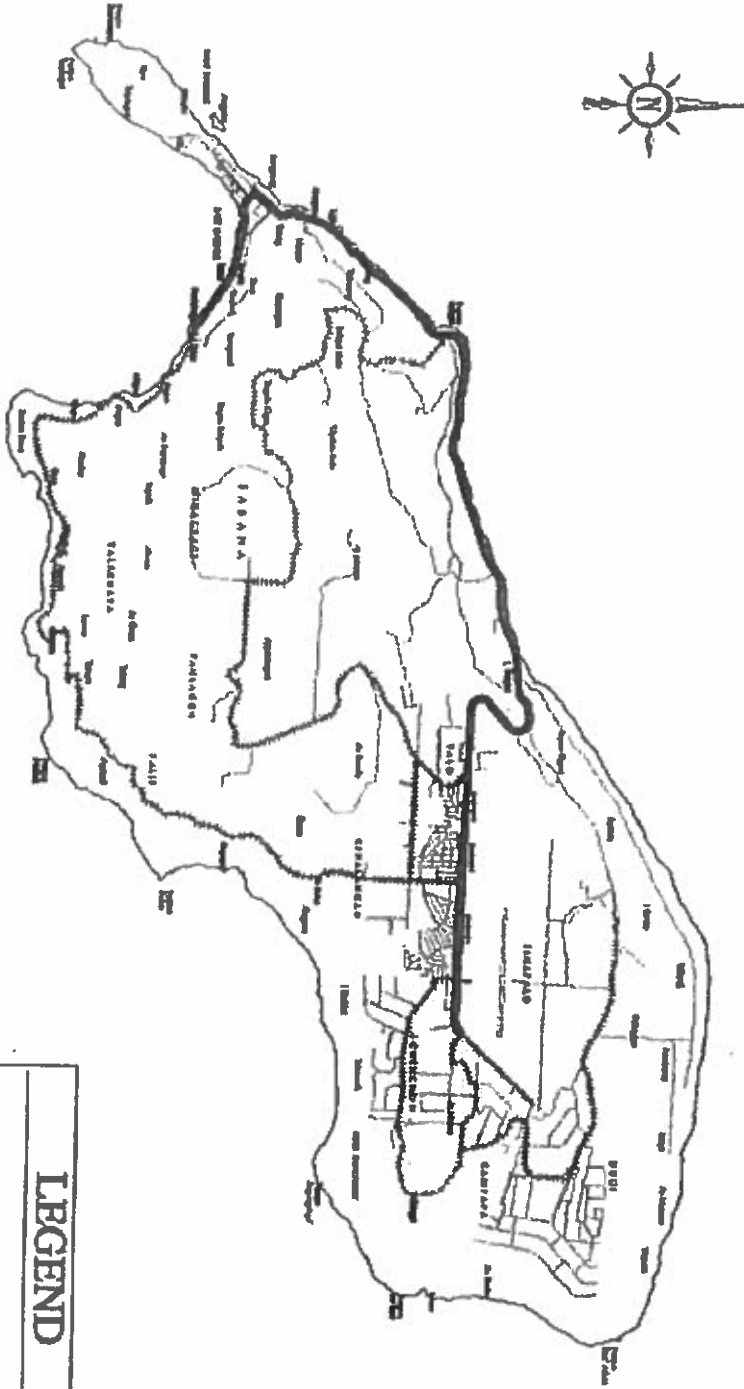
Part 500 – Request for Proposal Requirements

- DPL may issue RFPs at the discretion of the Secretary. At a minimum, RFPs shall require the following:
- (a) A description of the property, including the legal description and physical location in layman's terms making it readily identifiable by interested firms and the general public;
 - (b) Interested firms shall be allowed to view the property and shall be provided general information on property including photographs, land maps, and boundary descriptions;
 - (c) Requirement for Proposals. Interested firms shall:
 - (1) Identify the Applicant, and if the Applicant is not a natural person, the names of the officers, directors, and principal shareholders or members of the proposed lessee, and including all real parties in interest;
 - (2) Identify the names of principals, and attorneys that will be involved in negotiating the lease on behalf of the proposed lessee;
 - (3) Provide a concise statement of the intended use of the property;
 - (4) Provide a detailed description of proposed structures / facilities to be built on the land including architectural renderings and landscaping. If existing improvements will be replaced with new improvements, proposer shall additionally provide plans for removal and disposal of demolished or excavated materials including a timeline of intended progress;
 - 4) Provide a Gantt chart showing construction time line, cost per phase if construction will occur in multiple phases, and total cost of improvements;
 - 5) Provide five-year pro forma financial statements including business gross revenue projections starting in year one of operations including rental income lessee anticipates to receive from subtenants, and the potential BGR of subtenants
 - 6) Provide an estimate of number of jobs required for operations (total full time equivalents) and shall provide recruiting plans
 - (d) Criteria for comparing competing proposals include:
 - (1) Rental income to DPL in absolute dollars;
 - (2) Cost of construction of the development (and anticipated value of improvements);
 - (3) Lessee's credit worthiness and ability to fund the proposed development;
 - (4) Consistency of the proposed development with DPL's land use plan and other applicable land use laws and regulations.
 - (e) In the event two or more proposals are determined to be similarly advantageous, DPL may request more information from respondents for clarification purposes, or conduct in-person interviews to determine the proposal that is most advantageous to DPL and its beneficiaries
 - (f) DPL shall always request a best and final offer on the amount of rent payments and public benefit options before selecting the final proposal.
 - (g) In the event there are more than one interested party in the same property (whether all or portions thereof), priority shall be given to the party that is willing to pay the highest premium above the minimum payment amount and whose proposal is most consistent with the highest and best use of the property.
 - (h) Criteria for award.
 - (1) Highest rental income to DPL
 - (2) Cost of construction

- (3) Consistency of the proposed development with DPL's land use plan
- (4) Lessee's credit worthiness and ability to fund the proposed development
- (5) Negotiated lease terms most favorable to DPL

Rota

Proposed Permit Fees For Signboards on Public Right-of-way

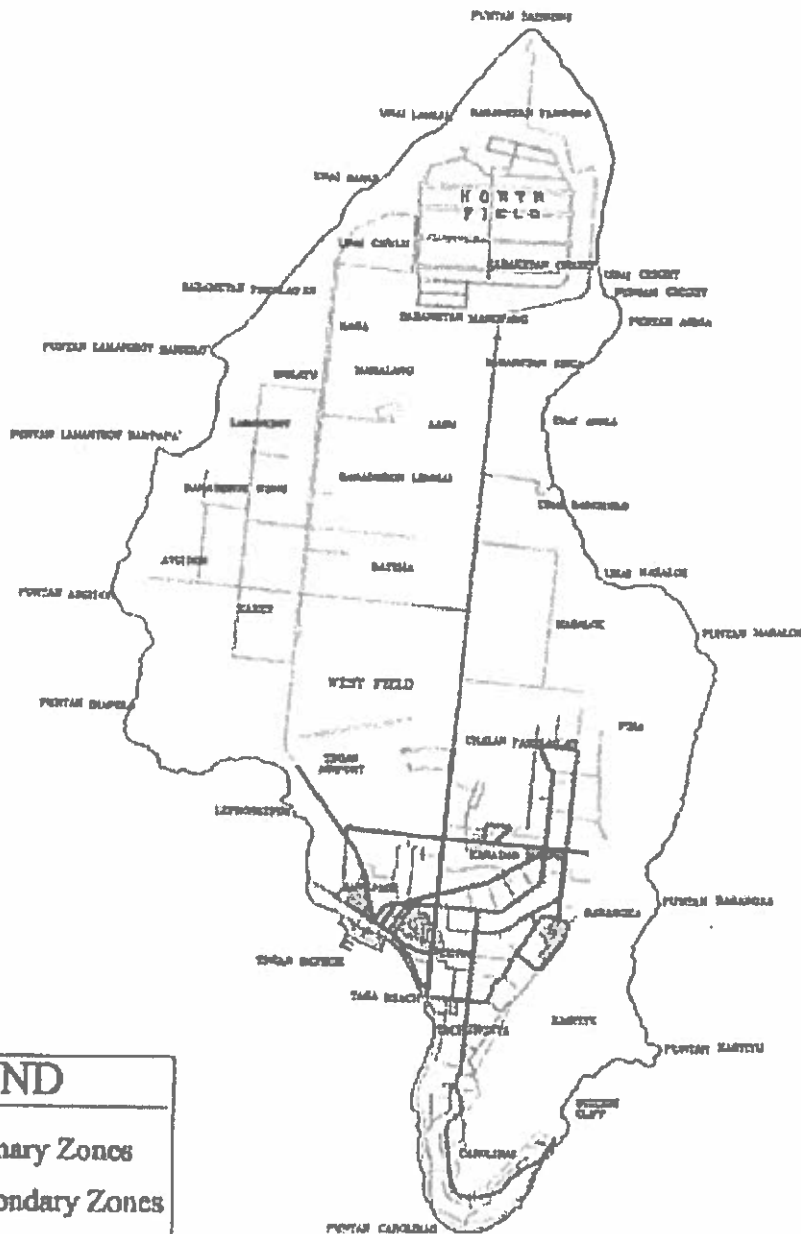


LEGEND

—————	Primary Zones
-----	Secondary Zones
.....	Tertiary Zones

Tinian

Proposed Permit Fees For Signboards on Public Right-of-way



LEGEND	
	Primary Zones
	Secondary Zones
	Tertiary Zones



TINIAN CASINO GAMING CONTROL COMMISSION

Municipality of Tinian and Aguiguan
Commonwealth of the Northern Mariana Islands



Esther Hofschneider Barr
Chairwoman

Jose P. Kiyoshi
Vice Chairman

Lydia F. Barcinas
Member

Patrick H. San Nicolas
Member

Lucia L. Blanco-Maratita, Esq.
Executive Director
TinianGamingED@gmail.com

PUBLIC NOTICE OF CERTIFICATION AND ADOPTION OF REGULATIONS ESTABLISHING AN INVESTIGATIVE FEE DEPOSIT TRUST ACCOUNT

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER AS
PROPOSED REGULATIONS
VOLUME 37, NUMBER 09, PAGES 36936-36942
OF SEPTEMBER 28, 2015

ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS: The Tinian Casino Gaming Control Commission (TCGCC) finds that:

INTENDED ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS: The Tinian Casino Gaming Control Commission HEREBY ADOPTS AS PERMANENT REGULATIONS the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Tinian Casino Gaming Control Commission announced that it intended to adopt them as permanent, and now does so. I also certify by signature below that:

as published, such adopted regulations are a true, complete and correct copy of the Referenced Proposed Regulations, and that they are being adopted without modification or amendment.

PRIOR PUBLICATION: The prior publication was as stated above.

MODIFICATIONS FROM PROPOSED REGULATIONS, IF ANY:
None.

AUTHORITY: The proposed Regulations are promulgated pursuant to the Commission's authority as provided by Part II Section 5(8)c of the Revised Tinian Casino Gaming Control Act of 1989 to establish regulations and the CNMI Administrative Procedures Act.

EFFECTIVE DATE: Pursuant to the Administrative Procedures Act, 1 CMC §9105(b), these adopted Regulations are effective 10 days after compliance with the Administrative Procedures Act, 1 CMC §9102 and §9104(a) or (b), which in this instance, is 10 days after this publication in the Commonwealth Register.

COMMENTS AND AGENCY CONCISE STATEMENT: Pursuant to the Administrative Procedures Act, 1CMC §9104(a)(2), the agency has considered fully all written and oral submissions respecting the proposed regulations. Upon this adoption of the regulations, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption. Please see the following pages for this agency's concise statement, if there are any, in response to filed comments.

ATTORNEY GENERAL APPROVAL: The adopted regulations were approved for promulgation by the Attorney General in the above-cited pages of the Commonwealth Register, pursuant to 1 CMC § 2153(e) (to review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I declare under penalty of perjury that the foregoing is true and correct copy and that this declaration was executed on the 13th day of January 2016, at Tinian, Commonwealth of the Northern Mariana Islands.

Certified and ordered by:

Esther Hofschneider Barr
Chairman

1/13/16
Date

Filed and recorded by:

Esther SN. Nesbitt
Commonwealth Registrar

01-26-16
Date



Commonwealth of the Northern Mariana Islands

OFFICE OF THE GOVERNOR

Bureau of Environmental and Coastal Quality

DEQ: P.O. Box 501304, DCRM: P.O. Box 10007, Saipan, MP 96950-1304

DEQ Tel: (670) 664-8500/01; Fax: (670) 664-8540

DCRM Tel: (670) 664-8300; Fax: (670) 664-8315

www.deq.gov.mp and www.cnm.gov.mp



Eloy S. Inos
Governor

Ralph DLG. Torres
Lt. Governor

Frank M. Rabauliman
Administrator

Frances A. Castro
Director, DCRM

NOTICE OF CERTIFICATION AND ADOPTION OF RULE

ADOPTION OF RULE: ADOPTION OF "RAPID ASSESSMENT METHOD (RAM)" AND "RAM USER'S MANUAL"

ACTION TO ADOPT RULE: The Commonwealth of the Northern Mariana Islands, Division of Coastal Resources Management, HEREBY ADOPTS AS A RULE, the attached "Rapid Assessment Method and User's Manual", pursuant to the procedures of the Administrative Procedure Act (APA), 1 CMC §§ 9102, 9105 and applicable regulations.

AUTHORITY: The Division of Coastal Resources Management, under 2 CMC §§ 1501 et seq., is empowered to plan for and manage any use or activity with potential for causing a direct and significant impact on coastal resources in the Commonwealth and is authorized to adopt rules and regulations regarding those matters over which it has jurisdiction.

PURPOSE AND OBJECTIVE OF RULE: The Rapid Assessment Method (RAM) is prepared by Garcia and Associates for the Bureau of Environmental and Coastal Quality's Division of Coastal Resources Management (DCRM), Commonwealth of the Northern Mariana Islands, to establish uniform procedures necessary for DCRM to assess wetland conditions and monitor wetland impacts over time in order to support permitting and planning decisions. The RAM involves evaluating the general condition of individual wetlands using relatively simple field indicators in order to produce standardized assessments of these resources. It is intended to comply with applicable Commonwealth and Federal law, regulations, policies, and procedures and is not designed to be used to substitute for CNMI law. These policies and procedures are established for the guidance and use of agencies, officers, and/or administrators of the program and those under the authorizing agency's oversight. The emphasis and prime purpose of this manual is to provide a uniform assessment methodology for wetland ecosystems to ensure that the CNMI and public interests are furthered to the highest levels for standards and quality. Understanding both the current location and relative values of all CNMI wetlands is essential to support the Bureau of Environmental and Coastal Quality–Division of Coastal Resources Management's permitting process and comprehensive management objectives. Development and implementation of this CNMI

RAM is intended to facilitate wetlands and mangrove evaluation and, by extension, support ecologically sound permitting, management, and mitigation efforts.

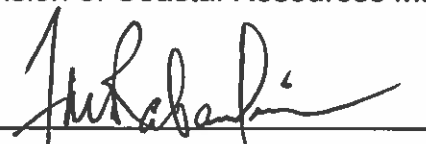
The 2015 Rapid Assessment Method and Manual are based on an amalgamation of field-tested assessment tools as well as the 1990 *Saipan Comprehensive Wetlands Management Plan*, and will provide improved methodology for developing an updated master wetlands map covering all of CNMI. Mapping and ranking of wetlands is essential to meet the management goals of achieving “no net loss” of wetlands and protecting their critical functions. The RAM Manual describes the design approach of this methodology, incorporation of federal classification systems as well as indicator metrics, and details the wetland functions that this manual is designed to assess. It also provides two-tiered data forms and guidance to users as to how these methods can be uniformly applied. The RAM Data Form includes general information, primary and secondary assessments which cover a range of wetland indicator metrics, and a functional assessment which is used to rate the capacity of the wetland to perform hydrologic, water quality, and habitat functions. The Manual is developed to streamline wetland valuation and assessment methodology in CNMI, and to support further development of mapping and comprehensive planning in regards to wetland resources.

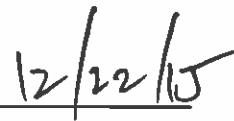
DIRECTIONS FOR FILING AND PUBLICATION: This Proposed Rule shall be published in the Commonwealth Register in the section on newly adopted rules and regulations (1 CMC § 9102(a)). The DCRM Director will take appropriate measures to make this Rule is known to the persons who may be affected by them.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b) and applicable regulations, this adopted Rule is effective 10 days after compliance with 1 CMC §§ 9102, 9105 and publication in the Commonwealth Register.

I, Frank Rabauliman, Administrator of the Bureau of Environmental and Coastal Quality, hereby approve the attached Rule, and further certify that the attached Rule, the Rapid Assessment Methodology and RAM Manual, is a true copy of the Rule as adopted by the BECQ's Division of Coastal Resources Management.

Submitted by:


FRANK M. RABAULIMAN
Administrator, BECQ


Date

Filed and

Recorded by:



Esther S.N. Nesbitt
Commonwealth Register

01.14.2015

Date

Received by:

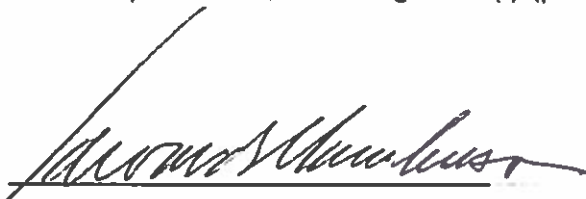


Esther S. Fleming
Special Assistant for Administration

01/13/15

Date

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9102(c), the rule attached hereto has been reviewed and approved as to form and legal sufficiency by the Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).



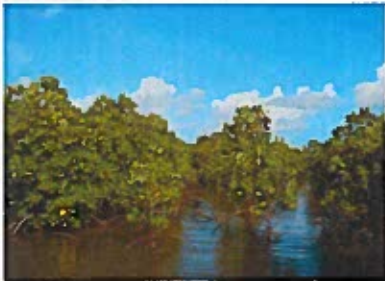
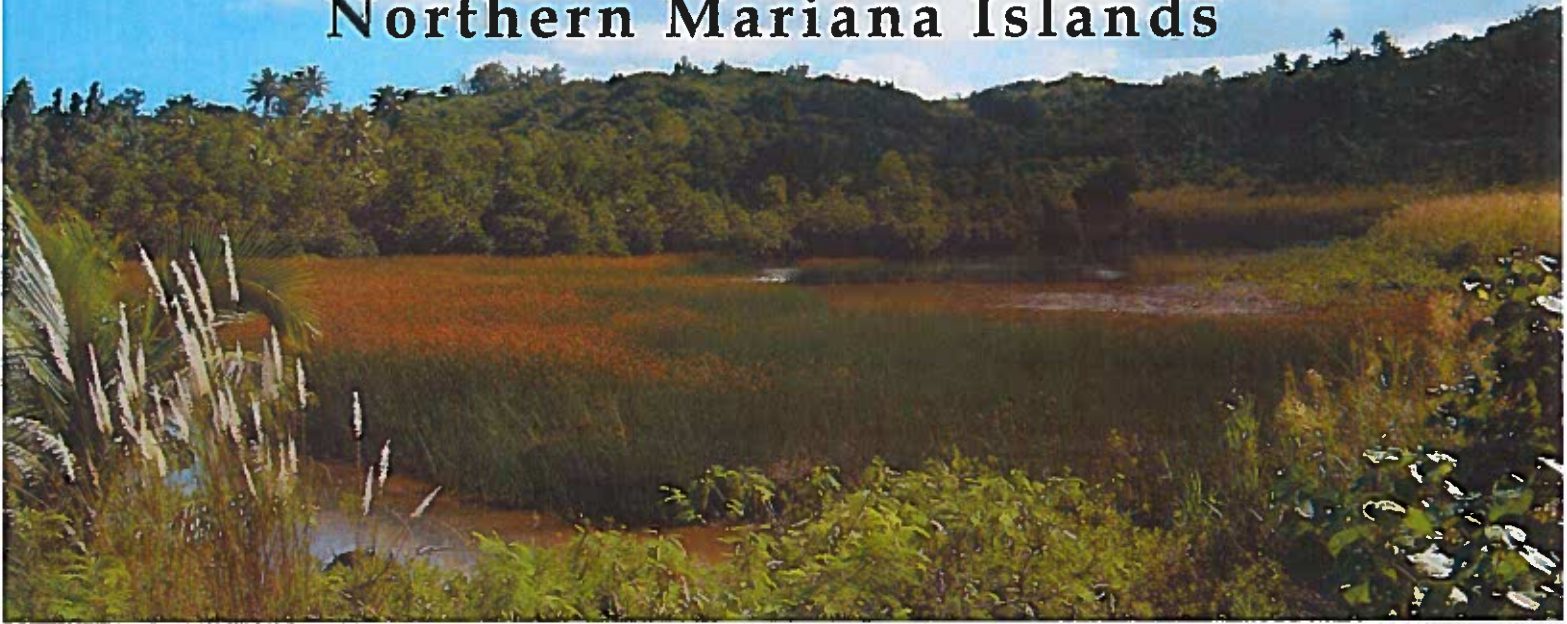
EDWARD MANIBUSAN
Attorney General

1-22-16

Date

Rapid Assessment Method User's Manual

Commonwealth of the Northern Mariana Islands



September 2015



Prepared for:
Commonwealth of the Northern Mariana Islands
Office of the Governor
Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management
P.O. Box 10007, Saipan, MP 96950



Prepared by:
Garcia and Associates
146 Hekili St., Ste. 101
Kailua, Hawai'i 96734

2015 Rapid Assessment Method

Commonwealth of the Northern Mariana Islands

Prepared For:

Commonwealth of the Northern Mariana Islands
Office of the Governor
Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management
P.O. Box 10007, Saipan, MP 96950



Prepared By:

Garcia and Associates
146 Hekili St., Suite 101
Kailua, Hawai'i 96734



GANDA

GANDA Report No. 2333-1

ACKNOWLEDGEMENTS

The authors would like to express their appreciation for the immense support of the Bureau of Environmental and Coastal Quality, Division of Coastal Resources Management (DCRM) during the entire period of developing the wetlands rapid assessment method for the Commonwealth of the Northern Mariana Islands. We would like to acknowledge the following individuals who have provided valuable insights and local expertise. They are Ana Agulto, Manny Camacho, Martin Castro, Erin M. Derrington, Megan Jungiwattanaporn, Mark Stewart, and Dr. Lainie Zarones. We especially thank Erin Derrington of DCRM for her support and guidance from design, field test, to the completion of the project. We also would like to thank Dr. Lanie Zarones for providing excellent photographs of the wetland plants used in the plant guide. Their contributions have greatly improved this document.

Financial assistance was provided by the Coastal Zone Management Act of 1972, as amended, administered by the Office of Ocean and Coastal Resources Management, National Oceanic and Atmospheric Administration.

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

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ABBREVIATIONS

CNMI	Commonwealth of the Northern Mariana Islands
DBH	diameter at breast height
DLNR	Department of Land and Natural Resources
EPA	U.S. Environmental Protection Agency
ERCE	ERC Environmental and Energy Services
ft	feet
GPS	Global Positioning System
HGM	hydrogeomorphic
m	meters
NA	Not applicable
NWI	National Wetland Inventory
OBL	Obligate Wetland Plants
RAM	Rapid Assessment Method
UPL	Obligate Upland Plants
USFWS	U.S. Fish and Wildlife Service
UTM	Universal Transverse Mercator
WAA	Wetland Assessment Area

1.0 INTRODUCTION

This document presents a Rapid Assessment Method (RAM) for field evaluation of wetlands in the Commonwealth of the Northern Mariana Islands (CNMI). The RAM is composed of two parts: (1) a wetland assessment form and (2) a guide explaining the ranking method and assessment criteria with supporting documentation.

1.1 Rapid Assessment Method

A RAM is part of the three-level approach used in wetland monitoring and assessment, as recommended by the U.S. Environmental Protection Agency (EPA 2006). The RAM is Level 2 within this system and is an effective tool for assessing wetland conditions, monitoring wetland impacts over time, and making planning and permitting decisions. A rapid assessment involves evaluating the general condition of individual wetlands using relatively simple field indicators and is often based on the characterization of stressors known to limit wetland functions.

1.2 CNMI RAM - Background

This new CNMI RAM builds on the wetlands assessment criteria originally proposed in the *Saipan Comprehensive Wetlands Management Plan*, completed in 1990 and updated in 1991 (ERCE 1991). One of its primary purposes is to provide an improved methodology for developing an updated master wetlands map covering all of CNMI. A wetlands map for Saipan was created from aerial photographs in the *Saipan Comprehensive Wetlands Management Plan*. Since this time, however, development and construction projects in CNMI have altered existing wetlands and mitigation efforts have created new wetlands. Furthermore, the 1990 wetlands map only covered Saipan. Wetland areas on other CNMI islands remain poorly recorded or not recorded at all. Mapping of wetland areas is especially important on the developing islands of Tinian and Rota and updated maps and assessments are needed on Saipan in order to meet the management goals of achieving “no net loss” of wetlands and protecting their critical functions.

Understanding both the current location and relative values of all CNMI wetlands is essential to support the Bureau of Environmental and Coastal Quality–Division of Coastal Resources Management’s permitting process and comprehensive management objectives. Development and implementation of this CNMI RAM is intended to facilitate wetlands and mangrove evaluation and, by extension, support ecologically sound permitting, management, and mitigation efforts.

1.2.1 Design Approach

The goal of the CNMI RAM is to provide a ranking system that is simple, easy to complete, accurate, and requires minimal training to use. It should provide output data on wetland conditions and functions that are pertinent to regulatory decision making. The CNMI RAM was designed with reference to the advantages and limits of different wetland assessment methods as presented by Fennessy et al. (2004, 2007), Stein et al. (2009a), and Sutula et al. (2006). These reviews identify common pitfalls to be avoided and best practices to be followed. The CNMI RAM was developed in accordance with the following design stipulations:

1. The CNMI RAM will provide index numbers that reflect wetland conditions and functions in selected indicator metrics. This approach ensures that evaluation of different wetland functions can be tracked separately.
2. The CNMI RAM will not use weighting when calculating the overall rating index. Use of weighting is not currently justified due to the lack of knowledge on the relationship between, and relative importance of, wetland indicators. This may change in later versions of the CNMI RAM as the knowledge base improves.
3. The CNMI RAM will not use value-based indicators that are not directly linked to wetland condition and function. This approach aims to exclude indicators that are subject to opportunity and context, thereby increasing inconsistency. A separate analysis for the social and economic value of subject wetlands is recommended.
4. The CNMI RAM classifies wetland condition according to three rating categories based on index scores. After validation and calibration, these categories may be used for permitting and comprehensive resource management planning purposes.
5. Assessment of wetland functionality in hydrology, water quality, and habitat is performed by calculating wetland function indexes using selected indicator metrics that reflect each wetland function.

In order to facilitate ease of use for the CNMI RAM it was determined that a two-tiered assessment was appropriate. The Primary Assessment is designed to be implemented by users who have minimal training in wetland ecology. The Secondary Assessment is designed to be used by wetland ecologists and trained agency staff or consultants who are capable of performing wetland delineation. This approach provides flexibility for CNMI RAM users and allows for the efficient generation of

preliminary wetland condition rating. If necessary, this can be followed by a more elaborate assessment by completing the Secondary Assessment. Completion of the Secondary Assessment involves one additional page on the CNMI RAM Data Form (see Appendix A).

1.2.2 Indicator Metrics

Indicator metrics are the building blocks of the CNMI RAM. Each indicator metric consists of a set of criteria that rank wetland conditions from high to low and give respective scores. The CNMI RAM adopts indicator metrics from various available RAMs that are either very widely used or provide specific advantages for the assessment of CNMI wetlands. Wetland condition indicators and ranking metrics were selected according to the following principles:

1. The indicators should reflect condition types that are associated with wetland functions and that are scientifically defensible.
2. The indicators should not require complicated equipment or extensive time to identify.
3. The ranking criteria should be readily identifiable and unambiguous to users after brief training.

Wetland condition is ranked by indicators that reflect stressors and disturbance, hydrologic function and integrity, and habitat value for supporting biodiversity with emphasis on threatened or endangered species. The CNMI RAM adopts many of these ranking criteria with some modifications.

The *Saipan Comprehensive Wetland Management Plan* (ERCE 1991) proposed ranking criteria for CNMI wetlands which include hydrophytic vegetation dominance, structural diversity, proportion of native to non-native plant species, extent and frequency of disturbance, wetland-dependent wildlife use, presence of endangered species, wildlife corridor, drainage system, open water component, size significance, and degree of isolation. These criteria are consistent with most rapid assessment methodologies.

The Comprehensive Wetland Management Plan recommends a "minimum buffer of 50 feet" for all "preserved/conserved wetlands; however, High Value wetlands will require a much larger buffer (minimum = 100 feet)" (at page 6-4, ERCE 1991). The objective of buffers is to allow for an expanded range of uses while controlling indirect impacts associated with development to sensitive wetlands. The 1991 Plan ranked wetlands as "Class 1, 2, or 3" - this guide attempts to clarify this ranking by classifying wetlands as "high, medium, or low" value.

Wetland functions are assessed using the three categories of wetland functions: hydrologic, water quality, and habitat. Hydrologic functions include water retention, flood control, groundwater recharge, and shoreline stabilization. Water quality functions include sedimentation, absorption, and chemical conversion and degradation of nutrients and pollutants. Food, shelter, and specific breeding conditions for plants and wildlife evidence the habitat function of these systems.

The wetland condition indicator metrics and the associated wetland functions used by the CNMI RAM are summarized in Table 1 below. Each indicator may reflect one or more wetland function. Applicability of indicators for each function category is also given.

Table 1. Applicability of Wetland Function Indicators

Indicator Metrics		Wetland Functions		
		Hydrology	Water Quality	Habitat
1	Hydric Soil	x	x	NA
2	Surface Water	x	NA	x
3	Hydrologic Alteration	x	x	x
4	Water Quality	NA	x	x
5	Saturated Soil	x	x	
6	Native Wetland Plants	x	NA	x
7	Invasive Wetland Plants	NA	NA	x
8	Vegetation Alteration	NA	x	x
9	Wetland Size	x	x	x
10	Average Buffer Width	NA	x	x
11	Water Connectivity	x	NA	x
12	Upland Vegetation	NA	x	x
13	Substrate Disturbance	NA	x	x
14	Vegetation Layers	NA	x	x
15	Invasive Upland Plants	NA	x	x
x= applicable; NA= not applicable				

1.2.3 Wetland Classification

Although it would be convenient and useful to have a universal wetland rating system that applied to all wetland types, this approach has long been recognized as problematic, if not impossible, due to the wide range of wetland characteristics among different wetland types. Alternatively, designing and using a rating system for a specific wetland type produces scientifically valid results. This approach has been recommended in recent rapid assessment method reviews (Fennessy et al. 2004, 2007). Therefore, the first step is to classify the assessed wetlands. Two major wetland and freshwater habitat classification systems are widely used for wetland condition assessment.

The CNMI RAM utilizes both the U.S. Fish and Wildlife Service's (USFWS) National Wetland Inventory (NWI) system (Cowardin et al. 1979) and hydrogeomorphic (HGM) classification system (Brinson 1993; Smith et al. 1995) to characterize wetlands. Due to the scarcity of perennial streams and lakes, most wetlands of CNMI are classified as Palustrine in the NWI classification and Depressional in the HGM classification. The current version of the CNMI RAM does not differentiate between indicator metrics and rating specifications according to wetland types. The use of both wetland classification systems as a reference would increase the applicability of its data to a larger pool of wetland studies that are based on either of the classification system, which can later be used to improve the rapid assessment method.

1.2.3.1 National Wetland Inventory (NWI) Classification

The NWI system classifies wetlands and deepwater habitats using a hierarchy of wetland characteristics. Five types of wetland systems are recognized based on hydrodynamics and the influence of saltwater. These include Marine, Estuarine, Riverine, Lacustrine, and Palustrine systems. The five systems are further divided into subsystems, classes, and subclasses according to tidal influence, substrate, and/or dominant life forms. Modifiers that describe water regime, water chemistry, and soil are also employed. The NWI classification has been adopted by various U.S. federal agencies.

1.2.3.2 Hydrogeomorphic (HGM) Classification

The HGM wetland classification system also has wide acceptance in the wetland science community. HGM was popularized after the publication of two seminal U.S. Army Corps of Engineer technical reports (Brinson 1993, Smith et al. 1995). The HGM classification has three components: (1) geomorphic setting, (2) water source and its transport, and (3) hydrodynamics. Geomorphic setting is the topographic location of the wetland within the surrounding landscape. Water source types include

precipitation, surface or near-surface flow, and groundwater discharge. Hydrodynamics refers to the direction of flow and strength of water movement within the wetland. HGM assumes that wetland functions and ecological significance are predominantly determined by local geomorphic and hydrodynamic settings. HGM therefore provides a model that links wetland classification with wetland function and value. Many recently developed wetland rapid assessment methods reference the HGM model as a basis for using indicators to estimate wetland function (Fennessy et al. 2007; Sutula et al. 2006).

2.0 CNMI WETLANDS RAM DEVELOPMENT AND FIELD TESTING

Intensive consultation with local experts and prospective end users was an important part of the development process for this RAM. The consultation effort was conducted primarily through cooperative field tests of the initial draft RAM. This produced valuable feedback on the structure and content of the RAM and resulted in a more streamlined and user friendly methodology. The main objectives of the field tests were to:

1. assess the applicability of the indicator metrics;
2. obtain site specific information to adjust ranking specifications for the indicators;
3. identify issues that the intended users may encounter during field assessment;
4. gather input from local area experts; and
5. verify the overall validity and sensitivity of the RAM.

2.1 Field Testing Methods

An initial draft version of the CNMI RAM was field tested between August 31, 2015 and September 4, 2015 on the island of Saipan. The field test included conducting a series of rapid assessments at 13 wetlands selected for their variability in characteristics and conditions. Local area experts and potential users of the CNMI RAM were active participants in the assessments to provide input and help troubleshoot any problems encountered with the proposed method. Personnel involved in the field testing including DCRM staff in planning, permitting, and enforcement sections, wildlife biologists and wetland specialists from Division of Fish and Wildlife, and a consultant experienced in delineating wetlands in CNMI.

The location, HGM wetland class, and dominant vegetation for the 13 assessed wetlands is summarized in Table 2.

Table 2. Wetlands Assessed During CNMI RAM Field Testing

Name	Coordinates (UTM 55P)	HGM Wetland Class	Dominant Vegetation
Bird Island	372153 m E 1686948 m N	Depressional	kangkun
Landfill*	373087 m E 1688693 m N	Depressional	California grass
Plumeria North	367877 m E 1686055 m N	Depressional	pago, karisu
Handson	365843 m E 1684354 m N	Depressional	karisu
Micro	365611 m E 1684412 m N	Depressional	Pago, karisu
MIHA*	362822 m E 1682138 m N	Depressional	pond apple, bulrush, marsh cyperus, torpedo grass
Chalan Laolao (CLL)	362111 m E 1678044 m N	Depressional	karisu
Costco Mitigation Site (CMS)**	361906 m E 1677565 m N	Depressional	pago, karisu
Route 31 South	362067 m E 1676626 m N	Depressional	pago, karisu
Lake Susupe West (LSW)	361438 m E 1675658 m N	Depressional	pago, bulrush, langayao
Kingfisher Golf Course *(KGC)	369184 m E 1683299 m N	Depressional	California grass, kangkun
Lower Base Drive (LBD)	364569 m E 1683662 m N	Tidal Fringe	mangrove
American Memorial Park* (AMP)	362366 m E 1682684 m N	Tidal Fringe	mangrove, karisu, water hyacinth
*Constructed wetlands			
** Mitigation site with water impoundment			

2.2 Issues Identified and Corrective Actions

During the first stage of field testing, comments and feedback were solicited from the DCRM staff and local area expert participants. Feedback revealed a number of issues that had not been identified during development of the draft RAM. Major issues and comments had to do with the applicability of some indicators to the CNMI, the amount of wetland ecology training necessary to properly evaluate some indicator metrics, language ambiguities in the ranking specifications, overly complicated ranking methods for some indicators, and the overall length of the data form. Most critically, field testing revealed that some of the indicators required a level of technical knowledge not appropriate to the target users. User feedback highlighted the importance of striking a balance between ease of use and comprehensiveness for the RAM. The draft CNMI RAM enabled comprehensive data capture but fell short in its applicability and ease of use.

Based on this initial feedback, a major revision was made to the draft CNMI RAM during the fieldwork. Specific significant revisions are as follows:

1. **Structure:** To address the issue that some of the indicators requires substantial knowledge in wetland ecology to assess correctly, the CNMI RAM was re-structured with a two-tier approach. The revised CNMI RAM has a Primary Assessment which requires minimal expertise to perform. If a higher level of information is required, a more technical Secondary Assessment can be completed by a trained wetland ecologist and/or agency staff trained in the RAM and wetland delineation techniques. To further simplify the documents, technical jargon was replaced with plain language as much as possible and operational definitions and supporting materials were included where appropriate and available.
2. **Indicators:** Indicator metrics that required either too much background knowledge or too much field effort for a rapid assessment were replaced with more applicable indicators and a simplified ranking system. Examples of indicators that were abandoned include the identification of organic soil and counting numbers of native plant species in the WAA.
3. **Ranking Specifications:** Results from the field test were used to adjust the ranking specifications for certain indicators. Ranking specifications that were either not applicable or inadequate were adjusted. For example, the ranking specifications for wetland size were reduced after it was discovered that the majority of wetlands

found in CNMI are smaller in size compared to the continental United States.

4. **Scoring:** An Average RAM Score was included as an alternative way to classify wetland conditions when there is significant missing data. It was found that some indicators may not be adequately assessed due to lack of access or limited visibility. This would effectively result in an incomplete assessment and misleading Total RAM Score. The Average RAM Score, however, uses a simple average of indicator metric scores to classify the wetlands, allowing completion of the assessment despite missing data.

2.3 Assessment Results

Assessment results for 10 of the 13 test wetlands are summarized in Tables 3a and 3b. The test subjects included eight depressional wetlands and two tidal fringe wetlands. Both Primary and Secondary assessment were completed. Six of the wetlands were determined to be in 'medium' condition and four wetlands were in 'high' condition.

Average RAM Scores ranged from 2.00 to 3.40 with a mean of 2.83 and standard deviation of 0.47. The 10 wetlands have a mean Average Primary Assessment Score of 2.88, and a mean Average Secondary Assessment Score of 2.77. The correlation coefficient between the Primary Assessment Scores and Average Secondary Assessment Scores is 0.87, showing a strong correlation between the Primary Assessment and Secondary Assessment scores. This indicates that the quicker, less intensive Primary Assessment produces scores largely in agreement with the more intensive Secondary Assessment.

2.4 Discussion

Fielded testing was conducted for the Draft CNMI RAM in order to gain feedback from potential users and area experts. This feedback was used to revise the Draft CNMI RAM and make necessary corrections. The updated CNMI RAM was then used to assess ten wetlands and gauge its general applicability, validity, and sensitivity. Although the scores from the ten assessed wetlands were higher than expected, there is no reason to believe that the sampled wetlands have been misrepresented in terms of their condition rating. At present there is no outstanding evidence to justify further modification of the CNMI RAM. It is, however, highly recommended that further testing be conducted on small sized wetlands and those that are significantly impacted. It is also important to, at some point, conduct in-depth investigation of representative wetlands to obtain level three data. This high-level data is necessary to objectively verify whether CNMI RAM condition scores are accurate and reflective of wetland functions performed.

Table 3a. CNMI RAM Field Test Results for Five WAAs

Indicator Metrics		Bird Island	Landfill *	KGC*	Handson	Miha*
1	Hydric Soil	1	1	4	4	1
2	Surface Water	3	3	4	2	2
3	Hydrologic Alteration	4	1	1	3	2
4	Water Quality	4	2	3	3	3
5	Saturated Soil	4	1	1	4	4
6	Native Wetland Plants	1	1	3	3	3
7	Invasive Wetland Plants	1	4	1	1	1
8	Vegetation Alteration	4	4	3	3	4
Primary Assessment Score		22	17	20	23	20
Average Primary Assessment Score		2.75	2.13	2.5	2.88	2.5
<i>Primary Assessment Ranking</i>		<i>Medium</i>	<i>Medium</i>	<i>Medium</i>	<i>Medium</i>	<i>Medium</i>
9	Wetland Size	1	2	4	4	3
10	Average Buffer Width	4	4	4	3	1
11	Water Connectivity	1	1	1	2	1
12	Upland Vegetation	3	2	1	3	1
13	Substrate Disturbance	4	1	4	4	3
14	Vegetation Layers	2	1	2	3	4
15	Invasive Upland Plants	2	2	2	2	2
Secondary Assessment Score		17	13	18	21	15
Average Secondary Assessment Score		2.43	1.86	2.57	3.00	2.14
Total CNMI RAM Score		39	30	38	44	35
Average CNMI RAM Score		2.60	2.00	2.53	2.93	2.33
<i>Overall CNMI RAM Ranking</i>		<i>Medium</i>	<i>Medium</i>	<i>Medium</i>	<i>Medium</i>	<i>Medium</i>
*Constructed wetland						

Table 3b. CNMI RAM Field Test Results for Additional Five WAAs

Indicator Metrics		CLL	CMS**	LSW	LBD	AMP*
1	Hydric Soil	4	4	4	4	4
2	Surface Water	2	2	4	2	2
3	Hydrologic Alteration	3	2	3	2	1
4	Water Quality	3	3	3	3	2
5	Saturated Soil	4	4	4	4	4
6	Native Wetland Plants	3	4	4	3	4
7	Invasive Wetland Plants	4	4	1	4	1
8	Vegetation Alteration	4	4	3	4	4
Primary Assessment Score		27	27	26	26	22
Average Primary Assessment Score		3.38	3.38	3.25	3.25	2.75
Primary Assessment Ranking		High	High	High	High	Medium
9	Wetland Size	4	4	4	4	2
10	Average Buffer Width	3	4	3	3	4
11	Water Connectivity	3	2	4	3	3
12	Upland Vegetation	3	2	3	4	1
13	Substrate Disturbance	4	4	4	4	3
14	Vegetation Layers	2	3	4	3	3
15	Invasive Upland Plants	2	2	3	3	3
Secondary Assessment Score		21	21	25	24	19
Average Secondary Assessment Score		3.00	3.00	3.57	3.43	2.71
Total CNMI RAM Score		48	48	51	50	41
Average CNMI RAM Score		3.20	3.20	3.40	3.33	2.73
Overall CNMI RAM Ranking		High	High	High	High	Medium
*Constructed wetland						
** mitigation site with water impoundment						

3.0 PROCEDURES AND PROTOCOLS FOR IMPLEMENTING THE CNMI RAM

This section describes the four-step procedure required to complete the CNMI RAM. Initial work consists of defining the assessment area and performing a pre-field assessment of maps and technical literature. This is followed by collection of field data, scoring of the data, and performing quality control checks on the results. The data form and step-by-step guidelines to complete the data form are provided in Appendix A and Appendix B respectively.

3.1 Determination of Assessment Intensity

The first step in planning an assessment is to determine its intensity level. It will either be a less rigorous Primary Assessment or a more intensive Secondary Assessment. Importantly, the Primary Assessment can be used as a stand-alone approach or, alternatively, as the first step of a two-step assessment process. As discussed above, Primary Assessment uses eight simple indicators to assess wetland condition by assigning scores ranging from 1 to 4. The eight indicators were selected for their clarity and ease of use for assessors with minimal training in wetland ecology. The Secondary Assessment expands on the Primary Assessment and includes seven additional indicators. These additional indicators require a higher level of knowledge and training to interpret and score correctly. The Secondary Assessment should be conducted by assessors that have been trained in this assessment technique by an expert with the ability to perform wetland delineation, at a minimum.

3.2 Pre-Field Assessment

Once the intensity level has been determined, pre-field background research should begin. This desktop assessment involves obtaining all maps and technical literature relevant to the project area and identifying the formal Wetland Assessment Area (WAA). The assessor should attempt to locate any available information about the subject wetland and any other pertinent information that may aid in understanding the ecology and land use history of the WAA. Data that can be gathered at this stage include background information of the WAA (Wetland assessment area ID, project name, landownership, location, HGM wetland class, NWI wetland class, and coordinates), the first two metrics of the primary assessment (hydric soil and surface water), and the first three metrics of the secondary assessment (wetland size, average buffer width, and water connectivity). Based on the desktop assessment, a provisional score is made for the landscape setting metrics prior to field assessment. These data should be verified during the field assessment.

3.2.1 Defining the WAA

A critical step in the pre-field assessment is defining the boundary of the WAA. The WAA is typically identified by abrupt changes in the hydrology of the subject wetland due to natural or artificial features that are capable of altering the source, direction, velocity, and volume of water flow. Local hydrodynamics may be affected by vegetation, topography, or man-made features. Aerial imagery and topographic maps are useful references for locating these features.

All boundaries derived from desktop assessments should be verified during field investigation. If the WAA boundary is not identifiable during the desktop assessment, it should be determined in the field. The following rules should be adhered to when defining the WAA boundary.

1. Interconnected wetlands that have a high degree of hydrologic interaction should be included in the same WAA, regardless of the vegetation community.
2. Separate WAA boundaries should be defined for interconnected wetlands whenever hydrologic changes are abrupt.
3. Man-made structures that are capable of altering local hydrology are suitable WAA boundaries.
4. Features that are not capable of altering hydrology (e.g., wire fences or trails) should not be used to define WAA boundaries.
5. Subdivide wetlands larger than 2 acres, if necessary, to capture variation in wetland conditions.

3.2.2 Classifying the WAA

Provisional wetland classification based on both the NWI and HGM systems is also performed during the desktop assessment. A flow chart is used to classify the WAA into major HGM classes. Mapping data from the USFWS' National Wetland Inventory should be reviewed to determine the wetland classification of WAA if available, however, the NWI assessment should not be considered comprehensive, especially for small or isolated wetlands. The determination should be verified during field assessment.

3.3 Field Assessment

Permission to access the WAA should be requested early in the fieldwork planning process. Prior to fieldwork, the assessment team should ensure that all equipment and materials needed for the investigation are available. These include items such as maps

and data forms printed on all-weather paper, a digital camera, a drain shovel, and a GPS receiver or similar geospatial data collection device.

Upon arriving, the lead assessor should verify the WAA boundaries. If necessary, the WAA boundary should be modified to accurately represent field conditions; the use of a GPS unit to ground-truth boundaries and features is encouraged. An overview reconnaissance survey of the WAA is recommended to identify the range of ecological variation within the WAA. Special attention should be paid to hydrodynamic characteristics including, but not limit to, water source, flow direction, flow restriction, and hydrologic alteration. Only after these steps are completed should the assessor begin collecting data and filling out the data form.

3.3.1 Data Collection

Data collection starts with entering basic information including date of assessment and assessors' contact information. The assessor should then record location information and conduct photo documentation of the WAA and take waypoints to ground-truth geospatial data.

Wetland classification and landscape setting metrics are provisionally entered during desktop assessment. The field assessment should verify the accuracy of data derived from maps and aerial photos. Any inconsistencies should be noted even when metric scores remain unchanged.

Instructions and guidelines for each indicator metric are provided in Appendix B. Assessors should always refer to the instructions and guidelines whenever in doubt. Notes should be taken to justify the ranking when necessary.

3.4 Scoring and Interpretation

After all categories are ranked and scored, the scores for each are subtotaled. The subtotal scores are then summed to generate the overall CNMI RAM score. No weighting or additional calculation of the scores is required.

The CNMI RAM scores range from 15 to 60 when all the metrics were used. Scores are comparable within the same wetland and higher scores indicate better overall wetland conditions. It is, however, inappropriate to compare scores between different wetland types. The wetlands are then classified into one of the three wetland conditions, high, medium or low based on the total score.

In the case that some of the indicators are either not applicable to the wetlands being classified or are too difficult to assess due to adverse field conditions or other constraints, an "Average CNMI RAM Score" is calculated in order to classify the

WAA. The Average CNMI RAM Score is the sum of the scores of every applicable indicator divided by the total number of indicators used. The wetland condition class is then selected based on the Average CNMI RAM Score.

3.5 Functional Assessment

Functional assessment uses the scores of selected indicator metrics to calculate the *Wetland Function Index* for the three main wetland functions (hydrology, water quality, and habitat) of the WAA. The *Wetland Function Index* is derived from the average score of selected indicator metrics that can reflect the functionality of the wetland in terms of providing hydrologic (e.g., flow control, and groundwater recharge), water quality (e.g., sedimentation and biochemical processes), and habitat (e.g., feeding, breeding, or shelter) functions. For example, increased wetland size is expected to positively correlate with improved wetlands hydrologic, water quality, and habitat functionality. Wetland size is therefore included in the calculation of the *Wetland Function Index* for all three functions. In addition to the CNMI RAM scores, *Wetland Function Index* indicates the wetland's capacity in performing specific wetland function.

3.6 Quality Control

CNMI RAM quality control procedures are simple and should always be performed to ensure accuracy and consistency of assessment results. Quality can be assured by a thorough review of CNMI RAM data and scores. This should be performed before results are accepted. Ideally the reviewer should not be a member of the wetlands assessment team, but should be someone who is familiar with wetlands assessment generally and the CNMI RAM specifically. This independent assessor should review the assessment data and scores and make certain that:

1. No data are missing and all data are correctly recorded and scored according to guidelines.
2. The scores in the worksheet match the field data form.

Additionally, the reviewer should check the WAA boundary and its supporting rationale to ensure that it is correctly defined.

4.0 STAFF TRAINING

Training for DCRM staff was performed on September 4, 2015. The purpose of the training was to familiarize the staff with the assessment method and provide them with first-hand experience in collecting assessment data in the field. The training also

provided an opportunity to receive user feedback on the applicability and performance of the RAM from a broader audience.

DCRM staff training was facilitated by a representative from the Department of Lands and Natural Resources (Figure 1). Two wetlands representing the most prevalent CNMI wetland types (Depressional and Tidal Fringe) were selected for the field training. The first wetland visited was Chalan Laulau (CLL), a depressional wetland that is in good condition. The second wetland was located in American Memorial Park (AMP) and represented a constructed tidal fringe wetland that has been degraded by invasive aquatic plants and has water quality issues.

Training involved an explanation of the CNMI RAM, demonstration of the procedures and protocols for completing both the primary and secondary assessments, and practice completing the primary assessments. At the end of the training, staff members were asked to independently complete the data forms for the Primary Assessment and rank wetland conditions based on total and average scores. The results showed broad agreement in ratings (medium) with minimal discrepancy (less than 2 points in primary assessment scores) between the staff members. This consistency in results between a broad range of users after only a brief training is an encouraging outcome and demonstrates the utility of the methodology.



Figure 1. Participants of the CNMI RAM training at American Memorial Park.

5.0 RECOMMENDATIONS

Implementation of the CNMI RAM will support DCRM's mission to protect coastal resources by providing consistent, scientifically defensible, and cost efficient evaluations of wetland conditions. The CNMI RAM provides users with an analytical tool that is unbiased and transparent. This will promote sound decision making in planning, permitting, and enforcement, as well as facilitate consultation with outside parties.

To ensure the consistency and quality of rapid wetland assessments, it is advisable that users of the CNMI RAM be provided with periodic training. Such training is known to significantly reduce observer-to-observer variability (Herlihy et al. 2009). Training will help to improve repeatability between users. Training modules should be developed to ensure content consistency and to reduce long-term costs. An internal certification process based on training completion may help to encourage participation and uniform application of this methodology.

5.1 Wetlands Inventory Update

One pressing need for the management of wetlands in CNMI is updating the incomplete and outdated wetland inventory. Importantly, the *Saipan Comprehensive Wetland Management Plan's* (ERCE 1991:D1–D8) wetlands list does not include information on other CNMI islands. The USFWS's NWI does include the four larger southern islands of CNMI, but provides little data on wetlands other than the location, size, and NWI classification. The wetland boundaries of the NWI were derived from old aerial photos with limited resolution and accuracy.

Updating the wetland inventory will be a major step forward for the management of CNMI's wetlands. During the inventory process, an up-to-date baseline of wetland conditions can be established using the CNMI RAM, which would require minimal investment. Most effort will be expended on ground-truthing the information derived from current aerial imagery. The wetland inventory baseline data will facilitate long-term monitoring of changes. It will also greatly increase DCRM's ability to establish and periodically readjust management priorities.

5.2 Further Testing and Adjustment

Although the CNMI RAM was field tested during development, it would benefit from testing on a larger scale and with a greater intensity. Such testing would serve to objectively validate the method and highlight problem areas. Appropriate modifications can then be made.

Implementing the CNMI RAM in a broad range of wetland types and conditions will also provide important feedback. To date, the CNMI RAM has only been tested on depressional and tidal fringe wetlands—the most prevalent type of wetland in CNMI. Although the CNMI RAM is designed to be applicable to other types of wetlands, such as riverine wetlands, these applications have not been field tested at the time of publication of this guide.

Ultimately, validation and calibration of the CNMI RAM will involve comparing assessment results derived from the RAM's customized wetland indicators with directly-measured data on wetland function. This comparison will effectively test how well the CNMI RAM results reflect the actual functional capacity of the wetlands. The conceptual framework and method for performing this type of validation are outlined in Smith et al. (1995) and Stein et al. (2009b). Essentially, correlation analysis is used to test how well the indicator metrics, the CNMI RAM scores, and the functional indexes reflect the actual measured functional capacity of the wetlands. A high correlation between the CNMI RAM results and the wetlands' measured functional capacity validates the assessment method. If there is a poor correlation, indicator metrics and their rating criteria can be adjusted and then retested. As a last resort, indicator metrics can also simply be removed when adjustments are not successful. In either case, a long-term testing and validation program will provide feedback necessary to continually update and improve the CNMI RAM. Periodic reassessment and updates are recommended.

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GLOSSARY

Buffer	Buffers are vegetated zones located between natural resources and adjacent areas subject to human alteration. In wetland ecology, a buffer may be referred to as a vegetated filter strip that removes sediments and other waterborne pollutants from surface runoff.
Clay	Fine grained soil that consist of at the minimal of 40% of particles that are smaller than 0.002 mm in diameter.
Disturbance	A temporary change in environmental conditions that causes a pronounced change in an ecosystem.
Depressional	A HGM wetland class. Depressional wetlands are located within topographical lows (depression) that usually do not have outflowing surface drainage except during flooding and heavy rainfall events.
Flats	A HGM wetland class. Flat wetlands are located on topographic flat and has precipitation as the dominant water source. Generally formed by impermeable substrate that limit vertical water movement on low gradient area. Flats differ from depressional wetlands by the lack of groundwater connection.
HGM Wetland Class	Accepted wetland classification types within the Hydrogeomorphic Wetland Classification System that are reflective of the geologic location and setting of a wetland. Classes include: Depressional, Estuarine, Flats, Lacustrine, Riverine, and Slope.
Hydrologic Alteration	Any change in hydrology that significantly alters soil chemistry and plant and animal communities including the deposition of fill for development, draining for development, dredging and channeling for navigation; development; and flood control, diking and damming, diversion of flow to and/or from wetlands, addition of impervious surfaces that increase water and pollutant runoff into wetlands, et cetera.

Hydrogeomorphic/HGM	A classification system developed for the functional assessment of wetlands based on hydrographic and geologic principles rather than other characteristics such as vegetation to define wetlands.
Hydroperiod	Period of time during which a wetland is covered by water.
Impoundment	The result of a dam creating a body of water.
Lacustrine Fringe	A HGM wetland class that occurs around the edges of a lake that is formed by impoundment.
Landscape Setting	The relationship between a wetland and the surrounding landscape scale environments, such as topography, land use, watershed condition, and vegetation.
Open Water	An area of surface water in a wetland that is not covered by vegetation or other man-made structure. For the purposes of the CNMI RAM, open water should be equal or larger than 100 square feet or for small wetlands at least 50% of the total area of WAA to be considered.
Organic Soil	Soils that predominantly consist of organic matter. Organic soils are generally formed under saturated, anaerobic conditions.
Palustrine	An inland wetland that lacks flowing water, contains ocean-derived salts in concentrations of less than 0.5%, and is non-tidal.
Riverine	Riverine wetlands are characterized by having the dominant water sources from surface water flow or occasional over-bank flow from a channel.
Saturated Soil	A condition when water fills the space between soil particles and the soil can no longer absorb water.
Sediments	Naturally occurring materials broken down through weathering and erosion, and is subsequently transported and deposited by wind, water, or ice, and/or by the force of gravity acting on the particles.
Slope	A HGM wetland class. Slope wetlands occur on slight to steeply sloping land and are associated with the

	discharge of groundwater to ground surface or at sites with saturated overflow with no channel formation.
Stratum	A continuous layer of vegetation. For the purpose of CNMI RAM a stratum must cover 5% or more of the WAA.
Stressor	A chemical or biological agent, environmental condition, external stimulus, physical alteration, or an event that can cause decline in wetland function.
Substrate Disturbance	Natural and man-made alteration to the natural subsurface soils underlying or adjacent to a wetland. Examples include erosion, dredging, excavation, filling, grading, and farming.
Tidal Fringe	A HGM wetland class. Tidal fringe wetland is characterized by having the main water source influenced by sea level changes.
Wetlands	A land area that is permanently or seasonally saturated with water so that it forms characteristics of a distinct ecosystem. For the purpose of CNMI RAM wetland is identified by having any of the three wetland indicators (hydrology, hydric soil, and hydric vegetation) as defined by the U.S. Army Corps of Engineers.
Wetland Assessment Area (WAA)	A wetland area identified for formal assessment defined by abrupt changes in the hydrology due to natural or artificial features that are capable of altering the source, direction, velocity, and volume of water flow.

APPENDIX A: CNMI RAM DATA FORM

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

CNMI Wetlands Rapid Assessment Data Form

General Information			
Wetland Assessment Area ID: _____			
Project Name: _____			
Land Ownership: _____			
Location (Island, Village): _____			
HGM Wetland Class: _____ NWI Wetland Class: _____			
Coordinates of the Four Corners of the WAA (WGS84, UTM 55N)			
North: _____ mN, _____ mE; East : _____ mN, _____ mE			
South: _____ mN, _____ mE; West: _____ mN, _____ mE			
Date of Field Assessment _____			
Is the climatic/hydrologic condition typical for the time of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No (explain): _____			
Assessor 1. (name, affiliation, phone, email)			
Assessor 2.			
Stressor and Disturbance	Notes		
<input type="checkbox"/> landscape wide disturbance <input type="checkbox"/> localized disturbance <input type="checkbox"/> water pollution <input type="checkbox"/> excessive sediments <input type="checkbox"/> hydrologic alteration <input type="checkbox"/> invasive plants <input type="checkbox"/> invasive animals <input type="checkbox"/> other (specify)			
Photo ID	Direction	Description	Coordinates

CNMI Wetlands Rapid Assessment Data Form

Primary Assessment	Score
1. Does the WAA overlap the known distribution of hydric soils? (pre-field, use hydric soil map or Google Earth) <input type="checkbox"/> Yes (4 points) : <input type="checkbox"/> No (1 point)	
2. Is surface water present in the WAA? (pre-field) <input type="checkbox"/> Surface water is visible from satellite image year round (4 points) <input type="checkbox"/> Surface water is visible from satellite images seasonally (3 points) <input type="checkbox"/> Surface water is not visible from satellite image but observed during field investigation (2 points) <input type="checkbox"/> Surface water was not found during field investigation (1 point)	
3. Is there any man-made structure that affects water flow of the WAA? (pre-field) <input type="checkbox"/> No evidence of hydrologic alteration caused by man-made structure (4 points) <input type="checkbox"/> Man-made structure causes minor change (<20%) of water flow (3 points) <input type="checkbox"/> Man-made structure causes significant change (20–50%) of water flow (2 points) <input type="checkbox"/> Man-made structure causes more than 50% change of waster flow (1 point)	
4. Is there any evidence of impacted water quality? <input type="checkbox"/> No evidence of point-source or nonpoint source discharge that may affect water quality (4 points) <input type="checkbox"/> Evidence of impacted water quality is likely (e.g., road runoff) (3 points) <input type="checkbox"/> Evidence of impacted water quality is noticeable (e.g. excessive algae and sediment) (2 points) <input type="checkbox"/> Evidence of impacted water quality is severely (e.g., spill, odd odors) (1 point)	
5. How deep is the saturated soil? (sample where topography begin to transition into upland) <input type="checkbox"/> Soil is saturated within 6 inches below the surface (4 points) <input type="checkbox"/> Soil is saturated at 6.1 to 12 inches below the surface (3 points Jul-Nov, 4 points Dec-Jun) <input type="checkbox"/> Soil is saturated at 12.1 to 16 inches below the surface (2 points Jul-Nov, 3 points Dec-Jun) <input type="checkbox"/> Soil is not saturated within 16 inches below the surface (1 point)	
6. How many of the following wetland plants occur in the WAA? (a minimum of 10 square ft coverage) <input type="checkbox"/> 3 or more (4 points) <input type="checkbox"/> 2 (3 points) <input type="checkbox"/> 1 (2 points) <input type="checkbox"/> 0 (1 point) Tree: <input type="checkbox"/> mangle machu (<i>Brugiera gymnorhiza</i>); <input type="checkbox"/> pako (<i>Hibiscus tiliaceus</i>); Reed: <input type="checkbox"/> karisu (<i>Phragmites karka</i>); Sedge: <input type="checkbox"/> bulrush (<i>Schoenoplectus subulatus</i>); <input type="checkbox"/> marsh cyperus (<i>Cyperus javanicus</i>) Fern: <input type="checkbox"/> langayao (<i>Acrostichum aureum</i>); <input type="checkbox"/> swamp shield-fern (<i>Cyclosorus interruptus</i>)	
7. Do any of the following invasive plants occur in the WAA? <input type="checkbox"/> Yes (1 points); <input type="checkbox"/> No (4 points) <input type="checkbox"/> pond apple (<i>Annona glabra</i>) <input type="checkbox"/> water hyacinth (<i>Eichhornia crassipes</i>) <input type="checkbox"/> kangkun (<i>Ipomoea aquatica</i>)	
8. Is there evidence of vegetation disturbance by intentional removal of biomass during the last ten years? <input type="checkbox"/> No evidence of vegetation disturbance (4 points) <input type="checkbox"/> Evidence of minor or localized vegetation disturbance (e.g., cutting firewood and cultivation) (3 points) <input type="checkbox"/> Evidence of significant or widespread vegetation disturbance (e.g., grazing) (2 points) <input type="checkbox"/> Vegetation was completely removed during the last ten years (1 point)	
Classifying based on Primary RAM Score (when all indicators were scored) <input type="checkbox"/> 24–32 points (High) <input type="checkbox"/> 16–23 points (Medium) <input type="checkbox"/> 8–15 points (Low) or Classifying based on Average Primary RAM Score (when ≤ 3 indicators were not scored) <input type="checkbox"/> 3–4 points (High) <input type="checkbox"/> 2–2.99 points (Medium) <input type="checkbox"/> 1–1.99 points (Low) Primary RAM score = Sum of all scored indicators of the primary assessment Average Primary RAM Score = Primary RAM score / No. of scored indicators	Primary RAM Score: _____

CNMI Wetlands Rapid Assessment Data Form

Secondary Assessment	Score
<p>9. What is the size of the entire wetland? (pre-field, not limited to the size of the WAA) <input type="checkbox"/> > 2.5 acres (4 points); <input type="checkbox"/> 1.1–2.5 acres (3 points); <input type="checkbox"/> 0.5–1 acres (2 points); <input type="checkbox"/> <0.5 acres (1 point)</p>	
<p>10. What is the average width of upland vegetation (buffer) around the WAA? (pre-field) <input type="checkbox"/> > 200 ft (4 points); <input type="checkbox"/> 50–200 ft (3 points); <input type="checkbox"/> 25–49 ft (2 points); <input type="checkbox"/> < 25 ft (1 point) N _____ + E _____ + S _____ + W _____ = _____ / _____ = _____</p>	
<p>11. Does the wetland connect to adjacent wetlands or aquatic habitat? (pre-field) <input type="checkbox"/> Readily connected through permanent flow (4 points) <input type="checkbox"/> Connected through restricted or seasonal flow (3 points) <input type="checkbox"/> Connected through groundwater indicated by proximity to wetlands or aquatic habitats (2 points) <input type="checkbox"/> Not connected (1 point)</p>	
<p>12. What is the upland vegetation surrounding the WAA? <input type="checkbox"/> Majority of the buffer is covered by forest (4 points) <input type="checkbox"/> Majority of the buffer is covered by scrub-shrub community (3 points) <input type="checkbox"/> Majority of the buffer is covered by herbaceous community (2 points) <input type="checkbox"/> Majority of the buffer is only sparsely vegetated (1 point)</p>	
<p>13. Is there evidence of substrate disturbance in the WAA? <input type="checkbox"/> No evidence of substrate disturbance within the last 10 years (4 points) <input type="checkbox"/> Evidence of soil disturbance in <20% of the WAA (3 points) <input type="checkbox"/> Evidence of soil disturbance in 20%–50% of the WAA (2 points) <input type="checkbox"/> Evidence of soil disturbance in >50% of the WAA (1 point)</p>	
<p>14. How many of the following vegetation layers (strata) occur in the WAA? (minimum of 5% coverage) <input type="checkbox"/> 4 or more (4 points) <input type="checkbox"/> 3 (3 points) <input type="checkbox"/> 2 (2 points) <input type="checkbox"/> 1 or unvegetated (1 point) <input type="checkbox"/> Tree (>3 inches DBH) <input type="checkbox"/> Shrub (>1 meter) <input type="checkbox"/> Herb (<1 meter) <input type="checkbox"/> Floating</p>	
<p>15. How many of the following invasive species occur within 20 ft of the wetland boundary? <input type="checkbox"/> 0 (4 points) <input type="checkbox"/> 1–2 (3 points) <input type="checkbox"/> 3–4 (2 points) <input type="checkbox"/> 5 or more (1 point) Tree: <input type="checkbox"/> orchid tree (<i>Bauhinia monandra</i>); <input type="checkbox"/> tangan tangan (<i>Leuceana leucocephala</i>); <input type="checkbox"/> African tulip (<i>Spathodea campanulata</i>); <input type="checkbox"/> Java plum (<i>Syzigium cumini</i>) Vine: <input type="checkbox"/> coral vine (<i>Antigonon leptopus</i>); <input type="checkbox"/> ivy gourd (<i>Coccinia grandis</i>); <input type="checkbox"/> blue morning-glory (<i>Ipomoea indica</i>); <input type="checkbox"/> mile a minute (<i>Mikania scandens</i>); <input type="checkbox"/> velvet bean (<i>Mucuna pruriens</i>); <input type="checkbox"/> alalag (<i>Operculina ventricosa</i>); Shrub: <input type="checkbox"/> lantana (<i>Lantana camara</i>); <input type="checkbox"/> giant sensitive plant (<i>Mimosa diplotricha</i>) Herb: <input type="checkbox"/> beggarticks (<i>Bidens pilosa</i>); <input type="checkbox"/> Siam weed (<i>Chromolaena odorata</i>) Other (not previously reported on form): _____</p>	
<p>Classifying based on Total RAM Score (when all indicator were scored) <input type="checkbox"/> 45–60 points (High); <input type="checkbox"/> 30–44 points (Medium); <input type="checkbox"/> 15–29 points (Low)</p> <p>or Classifying based on Average RAM Score (when ≤ 3 indicator were not scored) <input type="checkbox"/> 3–4 points (High); <input type="checkbox"/> 2–2.99 points (Medium); <input type="checkbox"/> 1–1.99 points (Low)</p> <p>Secondary RAM Score = Sum of all scored indicators of the secondary assessment Total RAM Score = Primary RAM Score + Secondary RAM Score Average RAM Score = Total RAM score / No. of scored indicators</p>	<p>Secondary RAM Score: _____</p> <p>Primary RAM Score: _____</p> <p>Total RAM Score: _____</p>

CNMI Wetlands Rapid Assessment Data Form

Wetland Function Index Worksheet				
Indicator Metrics		Hydrology	Water Quality	Habitat
1	Hydric Soil			NA
2	Surface Water		NA	
3	Hydrologic Alteration			
4	Water Quality	NA		
5	Saturated Soil			NA
6	Native Wetland Plants		NA	
7	Invasive Wetland Plants	NA	NA	
8	Vegetation Alteration	NA		
9	Wetland Size			
10	Average Buffer Width	NA		
11	Water Connectivity		NA	
12	Upland Vegetation	NA		
12	Substrate Disturbance	NA		
14	Vegetation Layers	NA		
15	Invasive Upland Plants	NA		
subtotal		_____	_____	_____
Number of scored indicators		_____	_____	_____
Wetland Function Index = subtotal/No. of scored indicators		I _{HD} = _____	I _{WQ} = _____	I _{HB} = _____
Wetland Function 3-4 = High 2-2.99 = Moderate 1-1.99 = Low		Hydrology ___ High ___ Moderate ___ Low	Water Quality ___ High ___ Moderate ___ Low	Habitat ___ High ___ Moderate ___ Low

**APPENDIX B: GUIDELINES FOR COMPLETING THE CNMI RAM DATA
FORM**

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

Guidelines for Completing the CNMI RAM Data Form

The following sections provide guidance for completing the CNMI RAM data form (Appendix A). The data form is divided into four major sections. Section I contains a field for general administrative and tracking information as well as a broad characterization of the subject WAA in terms of HGM and NWI classification schemes and stressor identification. It also includes a field for tracking photographic documentation. Most of the information in Section I should be acquired during the desktop research phase.

Section II (Primary Assessment) and Section III (Secondary Assessment) cover various types of wetland characteristics that have been selected to rank the subject WAA. These include indicator metrics based on landscape setting, hydrology, substrate, and vegetation. Each metric contains a number of subsections covering variables of importance to the assessment. All of the fifteen individual metrics are to be ranked and scored according to the instructions below and the specification tables provided on the data form. When all of the metrics are scored, the sum total of the scores constitutes the overall score for the WAA.

Section IV (Functional Assessment) use scores from selected indicator metrics to obtain functional indexes that are used to rate the capacity of the wetland to perform hydrologic, water quality, and habitat functions.

SECTION I. GENERAL INFORMATION

Wetland Assessment Area ID

- Assign a unique identification number ID to the WAA under investigation. Consult the CNMI Division of Coastal Resource Management for naming conventions and numbering systems prior to entering the field.

Project Name

- Enter the name of the project that has stimulated the assessment, if any.

Land Ownership

- Enter the name and address of landowner.

Location

- Enter the island name as well as the nearest village and/or any local place name.

HGM Wetland Class

- Use the HGM classification flow chart in B-3 (Figure 1) to determine the HGM wetland class of the WAA.

NWI Wetland Class

- Use the NWI website (USFWS 2015) or the NWI's *Wetland and Deepwater Habitat Classification* chart in B-4 (Figure 2) to obtain the WAA's NWI class designation.

Coordinates

- Enter UTM coordinates for the boundaries of the WAA in each of the four cardinal directions. Recreational grade GPS is acceptable. Note the geospatial reference system if UTM coordinates are not used.

Date of Field Assessment

- Enter the date or dates on which the field assessment was performed.

Assessor Information

- Enter the name, phone number, email address, and affiliation of each assessor on the team.

Stressor and Disturbance

- Identify any evidence of stress or disturbance occurring in the WAA. Note the origin of the stress (i.e., the stressor) or disturbance and make notes on the location and extent of its influence.
 - *Landscape wide disturbance:* Record evidence of large-scale disturbance that is occurring or have occurred in the WAA (e.g., logging, farming, fire, golf-course)
 - *Localized disturbance:* Record evidence of small-scale disturbance that is occurring or have occurred in the WAA (e.g., trails, construction, vehicle travel)
 - *Water pollution:* Record evidence of point-source and non-point source pollutants that may affect the wetland. Include water sources outside of the WAA.
 - *Excessive sediments:* Record evidence and sources of any above normal sedimentation.
 - *Hydrologic alteration:* Record evidence of hydrologic alteration such as dams, ditches, or engineered stream banks.
 - *Invasive plants:* Identify and record invasive plants in the WAA.
 - *Invasive animals:* Identify and record presence of invasive species observed in the WAA.
 - *Other:* Specify any other stressors or disturbance that may negatively affect wetland function or condition.

Photo-documentation

Overview photos of the WAA should be taken and coordinates of photodocumentation points recorded. If possible, photos should capture the entire WAA. Information for each photo includes a consecutive photo ID number, cardinal direction, description, and UTM coordinates (recreational grade GPS is sufficient). The UTM coordinate can be used later to plot the photo location on a USGS quadrangle map or georectified aerial photo. Use of geospatial referencing of features and boundaries of the WAA is encouraged.

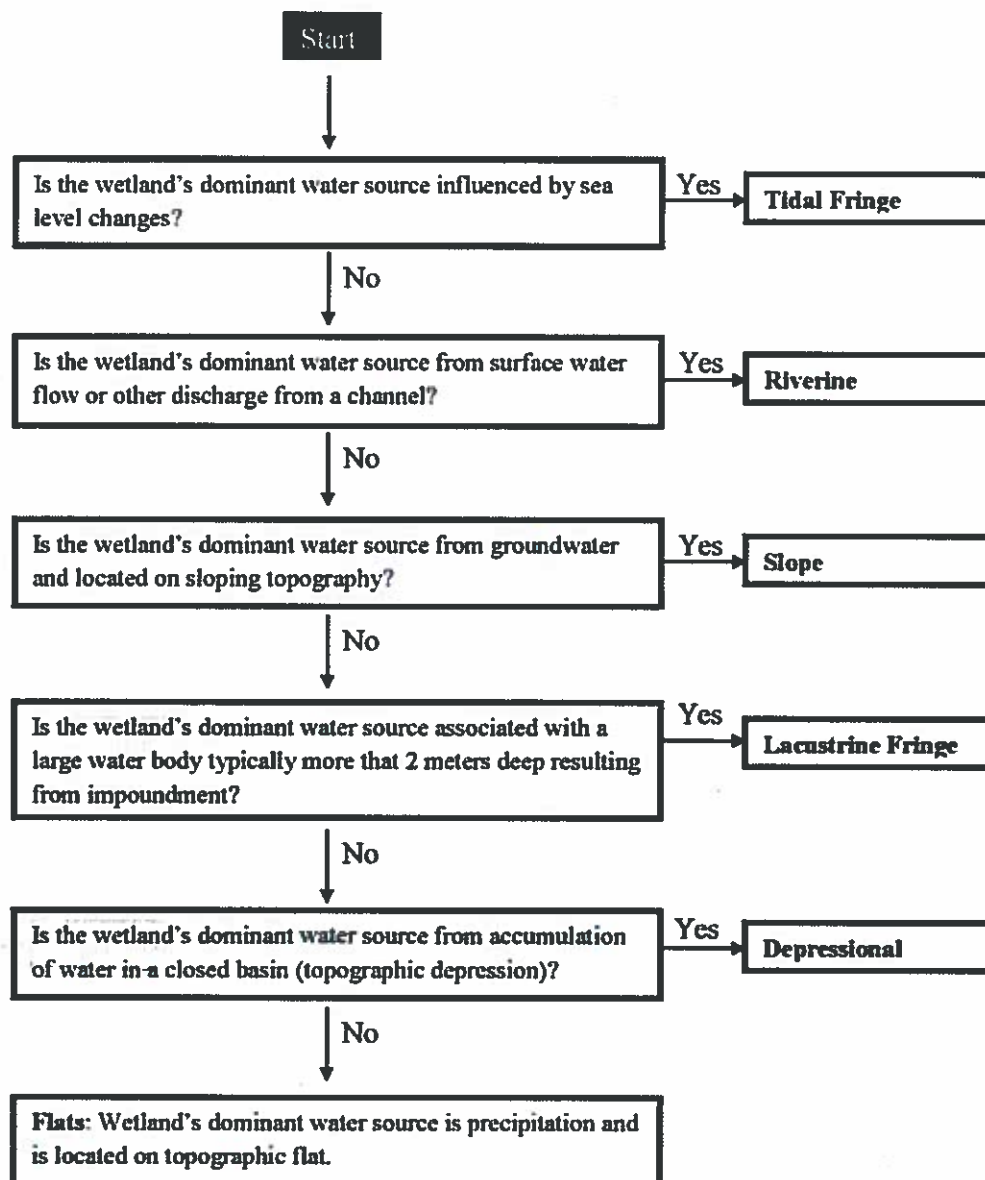


Figure 1. Flow chart for HGM classification (modified from USACE 2010).

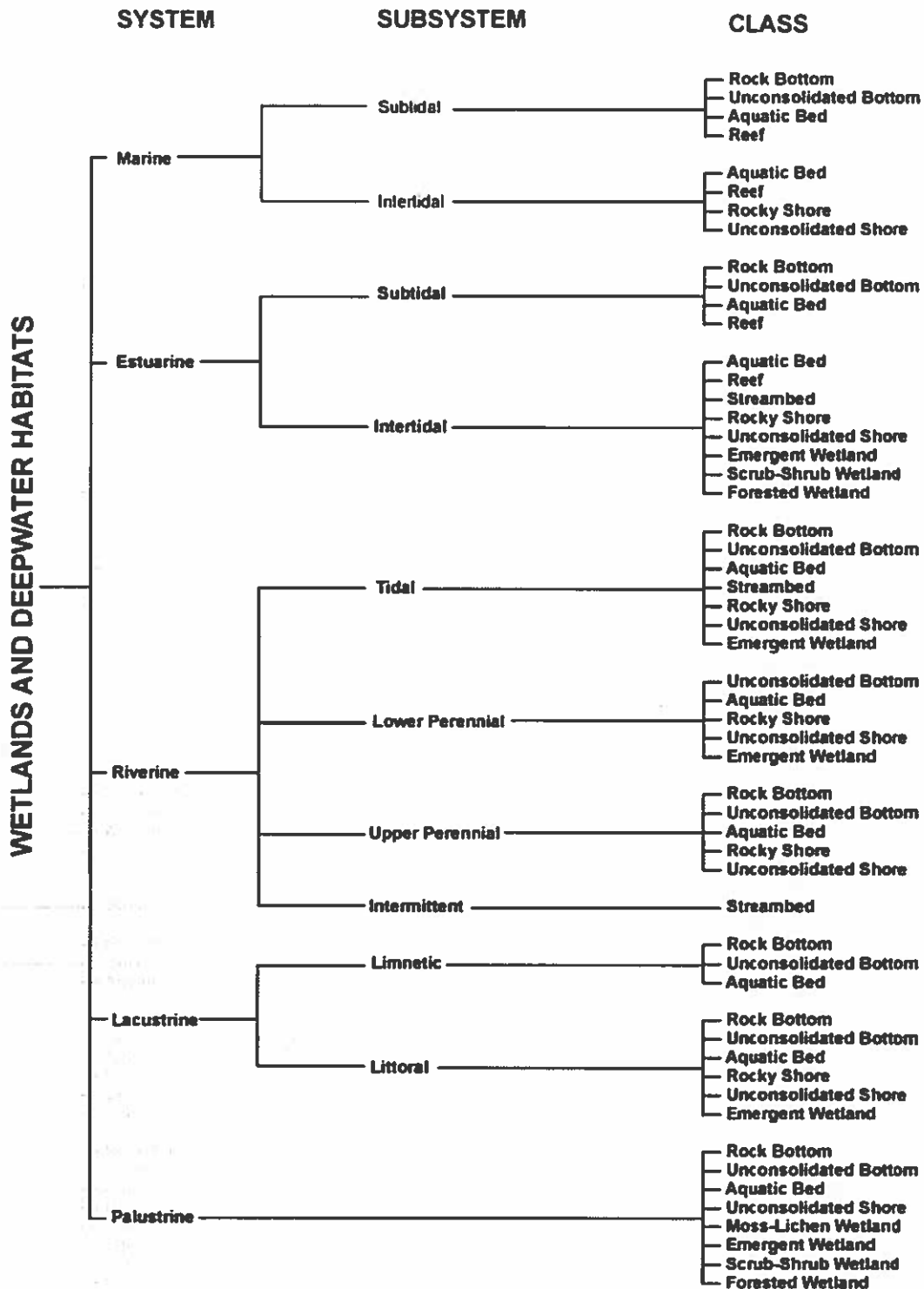


Figure 2. Classification hierarchy of National Wetland Inventory wetland and deepwater habitat classification system (from Cowardin et al. 1979).

SECTION II. PRIMARY ASSESSMENT

1. Hydric Soil

Does the WAA overlap known distribution of hydric soils?

Yes (4 points) ; No (1 point)

This indicator evaluates whether the WAA extends onto known hydric soils. The hydric soil map reflects areas where wetland are likely to be naturally occurring. Wetlands that do not overlap the known hydric soil distribution were likely created later in history or do not have the necessary wetland conditions to form hydric soils.

Reference soil maps that show the distribution of hydric soils (Appendix C). Locate the WAA on the map and determine if the WAA overlaps the distribution of hydric soil and score accordingly. If the soil maps have insufficient resolution, use Google Earth with the hydric soils layer or Web Soil Survey (<http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>) to make the determination. The Soil map units that contain hydric soils include Mesei variant mucks (Map Symbol 41), Chacha Clay, drained, 0 to 5 percent slopes (Map Symbol 9), Inarajan clay, 0-25 percent slopes (Map Symbol 25), Kagman clay 0 to 5 percent slopes (Map Symbol 26), Kagman clay 5 to 15 percent slopes (Map Symbol 27), Laolao clay 5 to 15 percent slopes (Map Symbol 31), and Saipan clay 0 to 5 percent slopes (Map Symbol 43).

2. Surface Water

Is surface water present in the WAA?

- Surface water is visible from satellite image year round (4 points)
- Surface water is seasonally visible from satellite images (3 points)
- Surface water is not visible from satellite image but observed during field investigation (2 points)
- Surface water was not found during field investigation (1 point)

This indicator evaluates the presence and persistence of surface water in a wetland. Surface water provides habitat for certain important aquatic wildlife species. For example, the federally listed Mariana common moorhen prefers wetlands with open water (Ritter and Savidge 1999). For the purposes of the CNMI RAM, surface water should be 100 square feet or more to be considered.

Surface water is ranked into four classes according to total percent coverage of open water within the WAA. Time sequenced aerial images from Google Earth is used to determine if the surface water is permanent (appears throughout the year) or seasonal (appears only part of the year). If the surface water is not visible from aerial images, it usually indicates that the surface water is either smaller in size or covered by vegetation. If surface water is not visible from aerial images, it should be identified during field investigation. Select from the four specifications and enter the score accordingly.

3. Hydrologic Alteration

Is there any man-made structure that affects water flow of the WAA?

- No evidence of hydrologic alteration caused by man-made structure (4 points)
- Man-made structure causes minor change (<20%) of water flow (3 points)
- Man-made structure causes significant change (20-50 %) of water flow (2 points)
- Man-made structure causes more than 50% change of water flow (1 point)

Hydrologic Alteration evaluates the extent of alteration to natural wetland hydrology by man-made structures. Hydrologic alteration associated with man-made structure may include drainage, dredging, stream channelization, ditching, levees, deposition of fill material, stream diversion, ground water withdrawal, and impoundment. Hydrologic alteration is expected to affect hydrodynamic, hydrologic stability, and overall wetland functions. The CNMI RAM assumes that wetlands with less hydrologic alteration are in better condition.

When making observations of hydrological alternation, the assessor should consider any hydrological alterations that may affect the WAA. For example diversion outside of the WAA boundary can still affect the hydrology of the WAA, and thus should be recorded and its impacts evaluated. Notes should be taken on the location, type, and effect of the hydrologic alternation, as well as the extent of its impact.

Select the appropriate ranking using the four specifications. Hydrologic alteration is ranked into four classes according to presence and extent of hydrologic alteration. Consider the effect of the man-made structure on volume of water flow when making the determination. Minor change is defined as causing less than 20 % of change in volume of water flow. Significant change is defined as causing between 20-50% changes in volume of water flow. Higher point reflects less alteration of hydrology in the WAA and hence a better wetland condition. The corresponding score will be the value for this wetland characteristic.

4. Water Quality

Is there any evidence of impacted water quality?

- No evidence of point-source or nonpoint source discharge that may affect water quality (4 points)
- Evidence of impacted water quality is likely (e.g., runoff from road, fertilizer from farm) (3 points)
- Evidence of impacted water quality is noticeable (e.g., excessive algae and sediment) (2 points)
- Evidence of severely impacted water quality (e.g., spill, odd odors) (1 point)

The Water Quality metric assesses the quality of the WAA's water and, by extension, its sources. A poor quality water source can be a major stressor to wetlands. The CNMI RAM assumes that higher quality water sources indicate less stress and disturbance on the wetland and a correspondingly higher capacity to perform wetland function and services.

Water quality is ranked into four classes according to the level of impact observed. After evaluating water quality indicators in the field, the assessor should select from the specifications provided

5. Saturated Soil

How deep is the saturated soil? (sample where topography begins to transition into upland)

- Soil is saturated within 6 inches below the surface (4 points)
- Soil is saturated at 6.1–12 inches below the surface (3 points Jul–Nov, 4 points Dec–Jun)
- Soil is saturated at 12.1–16 inches below the surface (2 points Jul–Nov, 3 points Dec–Jun)
- Soil is not saturated within 16 inches below the surface (1 point)

This indicator assesses how deep saturated soil is found near the wetland boundary. Soil is saturated when water fills the space between soil particles. Due to surface tension, saturation is usually encountered just above the water table.

Locate a sampling point near the edge of the WAA where the topography starts to transition into upland. Remove any organic litter from the soil surface, then use a narrow “ditch shovel” to dig a pit 16 inches deep or to the top of the water table. Saturation can be identified by the squeeze test. Take a handful of soil and squeeze. If water drips from the ball, the soil is saturated. Perform the squeeze test at 6 inches, 12 inches, and 16 inches, or until saturated soil is encountered. Select the depth where the saturated soil is first found and enter the score accordingly. Higher scores are assigned for the assessments conducted during dry season for the 6.1–12 inches and 12.1–16 inches selections.

6. Native Wetland Plants

How many of the following native wetland plants occur in the WAA? (minimum 10 square ft coverage)

- 3 or more (4 points) 2 (3 points) 1 (2 points) 0 (1 point)

Tree: mangle machu (*Brugiera gymnorrhiza*); pago (*Hibiscus tiliaceus*);

Reed: karisu (*Phragmites karka*);

Sedge: bulrush (*Schoenoplectus subulatus*); marsh cyperus (*Cyperus javanicus*)

Fern: langayao (*Acrostichum aureum*); swamp shield-fern (*Cyclosorus interruptus*)

This indicator assesses the diversity of native wetland plants in the wetland. These species are the major components of native wetlands. A higher number of native species indicates a greater native habitat diversity within the WAA. Highly disturbed or recently created wetlands may lack these species.

Survey the WAA and determine if any of the listed native species occupy at a minimum of 10 square ft. Count the number of species observed and enter the respective score. See Plant Guide in Appendix D for visual references to support plant identification.

7. Invasive Plants

Does any of the following invasive plants occur in the WAA?

- Yes (1 points); No (4 points)
 pond apple (*Annona glabra*); water hyacinth (*Eichhornia crassipes*);
 kangkun (*Ipomoea aquatica*)

This indicator evaluates whether the wetland has been invaded by any of the three invasive plants listed above. These species are aggressive invaders that can significantly affect wetland condition. The CNMI RAM assumes that wetlands invaded by any of these species are in a low condition.

Survey the WAA to determine if any of the listed species are present and occupy at a minimum of 10 square ft. Score 1 if any of the species are observed. Score 4 if none of the species are observed. See Plant Guide in Appendix D for visual references to support plant identification.

8. Vegetation Disturbance

Is there evidence of vegetation disturbance by intentional removal of biomass during the last ten years?

- No evidence of vegetation disturbance (4 points)
 Evidence of minor or localized vegetation disturbance (e.g., cutting firewood and cultivation) (3 points)
 Evidence of significant or widespread vegetation disturbance (e.g., grazing) (2 points)
 Vegetation was completely removed during the last ten years (1 point)

This indicator evaluates the extent of intentional biomass removal within the last ten years. Vegetation disturbance can be localized and minor, such as brush cutting, or widespread and significant, such as grazing or cultivation of crops in a significant portion (>25%) of the WAA. If the wetland was created within the less ten years, only vegetation disturbance occurring after its creation should be considered.

Identify any evidence of recent intentional vegetation. Determine the source and extent of vegetation disturbance. Aerial images and site history may be reviewed if large scale disturbance is suspected. Select between the four options and enter the score accordingly.

Scoring and Classifying the Primary Assessment

Classifying based on Primary RAM Score (when all indicators were scored)

___ 24–32 points (High) ___ 16–23 points (Medium) ___ 8–15 points (Low)

or Classifying based on Average Primary RAM Score (when ≤ 3 indicators were not scored)

___ 3–4 points (High) ___ 2–2.99 points (Medium) ___ 1–1.99 points (Low)

Primary RAM score = Sum of all scored indicators of the primary assessment

Average Primary RAM Score = Primary RAM score / No. of scored indicators

The *Primary RAM Score* for the WAA is calculated by totaling all of the indicator scores for items 1 through 8. After the *Primary Assessment Score* is calculated, use the score to rank the wetland condition into one of the three classes. A total score of 27–36 indicates a wetland in high condition. A total score of 18–26 indicates a wetland in moderate condition. A total score of 9–17 indicates a wetland in low/poor condition.

When up to three indicators cannot be scored, an *Average Primary RAM Score* should be calculated as an alternative method for condition determination. Divide the total score by the number of indicator metrics used and round to two decimal places to obtain the average score. An average score of 3–4 indicates a wetland in high condition. An average score of 2–2.99 indicates a wetland in moderate condition. An average score of 1–1.99 indicates a wetland in low/poor condition.

If more than three indicators cannot be scored, the assessment is considered unreliable due to insufficient data. The assessor should consider conducting a more intensive Secondary Assessment investigation in order to complete the assessment.

SECTION III. SECONDARY ASSESSMENT

9. Wetland Size

What is the size of the wetland? (Size of the entire wetland if WAA only cover part of the wetland)

___ > 2.5 acres (4 points); ___ 1.1–2.5 acres (3 points); ___ 0.5–1 acres (2 points); ___ < 0.5 acres (1 point)

Size is an important characteristic of a wetland. Generally speaking, a wetland's capacity to perform beneficial functions increases as wetland size increases. A wetland's tolerance to stress and disturbance also improves as wetland size increases. The CNMI RAM therefore scores large wetlands higher than smaller wetlands.

Wetland size is ranked into four size classes ranging from high (>2.5 acres) to low (<0.5 acres). The size class specifications employ broad ranges and the assessor should be able to estimate the ranking visually. Ideally, wetland size should be estimated during the desktop assessment phase and confirmed during field investigation.

To determine wetland size, the wetland boundary should be delineated using recent aerial images and GIS software. Adjust the wetland boundary, if necessary, during field assessment and then calculate the area of the wetland. If multiple WAAs were identified within a large wetland, use the area of the entire, combined wetland. Select among the size classes and score accordingly.

10. Average Buffer Width

What is the average width of upland vegetation (buffer) around the WAA? (GIS/Google Earth)

> 200 ft (4 points); 51–200 ft (3 points); 25–50 ft (2 points); < 25 ft (1 point)

N _____ + E _____ + S _____ + W _____ = _____ / 4* = _____

*Assuming no open water boundaries. Divide only by number of terrestrially buffered sides present.

Upland vegetation surrounding a wetland (i.e., its buffer) functions to moderate anthropogenic stressors and provides the habitat necessary to sustain biodiversity. Cultivated vegetation, such as farmland and lawns that may release fertilizers, pesticides, and sediments to the wetland, is not considered buffer. Average buffer width evaluates the extent of the buffer surrounding a wetland. The CNMI RAM assumes that wetlands with wider buffers are less susceptible to stressors caused by development and associated human activities and are therefore in higher condition.

To calculate average buffer width, start by identifying the corner of the wetland in each cardinal direction. Measure the distance from the corner in the same cardinal direction (i.e., measure toward north from the north corner) for up to 400 ft until the line intersects a developed area or cultivated vegetation. Enter the distance for each cardinal direction and calculate the average buffer width. If one or more of the corners is bordered by open water, do not include the distance in calculation. Enter “open water” and divide only by the number of terrestrially buffered sides. Once the average buffer width is determined, select the appropriate ranking using the four specifications and score accordingly.

11. Water Connectivity

Does the wetland connect to adjacent wetlands or aquatic habitat? (pre-field)

- Readily connected through permanent flow (4 points)
- Connected through restricted or seasonal flow (3 points)
- Connected through groundwater indicated by proximity to wetlands or aquatic habitats (2 points)
- Not connected (1 point)

This indicator assesses the connectivity between the WAA and nearby wetlands and aquatic habitats (e.g., streams, ponds, lakes) through surface water connection. The CNMI RAM assumes that wetlands with higher surface water connectivity perform wetland functions better, such as sustaining biodiversity.

Surface water connectivity is ranked into four classes according to observed evidence of surface water connection between the WAA and its surrounding aquatic habitat. After evaluating surface water connectivity, the assessor should select from the specifications and score accordingly.

12. Upland (Buffer) Vegetation

What is the upland vegetation surrounding the WAA?

- Majority of the buffer is covered by native forest (4 points)
- Majority of the buffer is covered by non-native forest (3 points)
- Majority of the buffer is covered by scrub-shrub community (2 points)
- Majority of the buffer is covered by herbaceous community (1 point)

This indicator assesses the quality of the buffer in terms of its capacity to moderate stress and disturbance to the wetland. The maturity and structural complexity of vegetation comprising the buffer is expected to influence this capacity. The CNMI RAM assumes that wetlands buffered by native plant communities in later successional stages and with higher structural complexity are in better condition.

Buffer condition is ranked into four classes according to the vegetation type observed in the majority of the WAA. After evaluating the upland vegetation surrounding the WAA, the assessor should select from the four options and score accordingly.

13. Substrate Disturbance

Is there evidence of substrate disturbance in the WAA?

- No evidence of substrate disturbance within the last 10 years (4 points)
- Evidence of soil disturbance in <20% of the WAA (3 points)
- Evidence of soil disturbance in 20%–50% of the WAA (2 points)
- Evidence of soil disturbance in >50% of the WAA (1 point)

This indicator assesses the extent of natural and artificial disturbance to the substrate of the WAA. Substrate disturbance can impact wetland functions by affecting water quality, biochemical processes, and habitat value. Substrate disturbance is identified by exposed soils or atypical local topography. Examples of substrate disturbance include erosion, dredging, excavation, filling, grading, and farming. The CNMI RAM assumes that a WAA with less substrate disturbance is in better condition.

Substrate disturbance is ranked into four classes according to percent coverage of observed substrate disturbance in the WAA, including both natural and man-made disturbance. After identifying evidence of substrate disturbance and estimating its percent coverage (Figure 3), the assessor should select from the specifications and score accordingly.

14. Stratum Richness

How many of the following vegetation layers (strata) occur in the WAA? (minimum of 5% coverage)
__ 4 (4 points); __ 3 (3 points); __ 2 (2 points); __ 1 or unvegetated (1 points)
__ Tree (>3 inches DBH); __ Sapling/Shrub (≥1 meter); __ Herb (<1 meter); __ Floating Mat

This indicator assesses the complexity of biotic structures created by layers of vegetation (stratum). Undisturbed wetlands tend to maintain stratum diversity and high wetland function. The CNMI RAM assumes that greater stratum diversity indicates better wetland condition. For the purposes of the CNMI RAM, a stratum is a continuous vegetative layer that has a minimum of 5% coverage of the WAA. The CNMI RAM's definition of strata follows USACE's *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Hawaii and the Pacific Islands (Version 2.0)* (USACE 2012):

Tree stratum: Woody plants 3 inches (7.6 cm) or more in diameter at breast height (DBH), regardless of height.

Sapling/shrub stratum: Woody plants with less than 3 inch DBH and greater than or equal to 3.28 feet (1 m) tall.

Herb stratum: All herbaceous (non-woody) plants, including herbaceous vines, regardless of size, and woody plants less than 3.28 feet tall.

Floating mats are continuous vegetation layers consisting of aquatic plants floating on the water surface.

Observed the WAA and note the types of strata present. Select among the four specifications and score accordingly.

15. Invasive Upland Plants

How many of the following invasive species are found within 20 ft of the wetland boundary?

__ 0 (4 points) __ 1–2 (3 points) __ 3–4 (2 points) __ 5 or more (1 points)

Tree: __ orchid tree (*Bauhinia monandra*); __ tangan tangan (*Leuceana leucocephala*);

__ African tulip (*Spathodea campanulata*); __ Java plum (*Syzigium cumini*)

Vine: __ coral vine (*Antigonon leptopus*); __ ivy gourd (*Coccinia grandis*);

__ blue morning glory (*Ipomoea indica*); __ mile a minute (*Mikania scandens*);

__ velvet bean (*Mucuna pruriens*); __ alalag (*Operculina ventricosa*);

Shrub: __ lantana (*Lantana camara*); __ giant sensitive plant (*Mimosa diplotricha*)

Herb: __ beggarticks (*Bidens alba* / *B. pilosa*); __ Siam weed (*Chromolaena odorata*)

Other (not previously reported on form): _____

This indicator assesses the prevalence of invasive plants near the WAA boundary. The CNMI RAM assumes that invasive plants indicate disturbance and lower ecological integrity. The CNMI RAM invasive plant list only includes species that are considered high priority.

Determine which invasive plants occur within 20 ft of the wetland boundary by inspecting the tree, vine, shrub, and herb vegetation layers. The invasive plant should have minimum of 5 % coverage to be considered. Count the number of checked species and select from the four specifications to obtain the score. See Plant Guide in Appendix D for visual references to support plant identification.

Scoring and Classifying the Secondary Assessment – The Overall WAA Score

Classifying based on Total RAM Score (when all indicators were scored)

___ 45–60 points (High); ___ 30–44 points (Medium); ___ 15–29 points (Low)

or Classifying based on Average RAM Score (when ≤ 3 indicators were not scored)

___ 3–4 points (High); ___ 2–2.99 points (Medium); ___ 1–1.99 points (Low)

Secondary RAM Score = Sum of all scored indicators of the secondary assessment

Total RAM Score = Primary RAM Score + Secondary RAM Score

Average RAM Score = Total RAM score / No. of scored indicators

The Total Score for the WAA is calculated by totaling all of the individual scores from both Primary and Secondary Assessments. When all indicator metrics are scored the *Total CNMI RAM Score* is calculated, use the score to rank the wetland condition into one of the three classes. A total score of 45–60 indicates a wetland in high condition. A total score of 30–44 indicates a wetland in medium condition. A total score of 15–29 indicates a wetland in low/poor condition.

When up to three indicators cannot be scored, for whatever reason, an *Average CNMI RAM Score* should be calculated. Divide the total score (Primary plus Secondary Assessments) by the number of indicator metrics used and round to two decimal places to obtain the average score. An average score of 3–4 indicates a wetland in high condition. An average score of 2–2.99 indicates a wetland in medium condition. An average score of 1–1.99 indicates a wetland in low/poor condition. If more than three of the indicators cannot be scored, the assessor should consider more intensive investigation in order to score the missing indicators.

SECTION IV. FUNCTIONAL ASSESSMENT

The Wetland Functional Index Worksheet is used to calculate the *Wetland Function Index*. Begin by entering each indicator metric score into the appropriate blank cell. As explained in the introduction to this section, some of the indicator metrics are not useful for evaluating certain wetland functions. No score is entered for these metrics. They are denoted with an “NA” in the table below.

After all of the scores are entered, the subtotal for each function is calculated and entered in the subtotal line. The subtotal is then divided by the number of metrics that were used to obtain the subtotal. The result is the *Wetland Function Index*. The index has a 1 to 4 range.

Finally, use the same table to rank the wetland's ability to perform services in each of the three major functional categories. A score of 3–4 indicates a high functioning wetland. A score of 2–2.99 indicates a moderately functioning wetland. A score of 1–1.99 indicates a poorly functioning wetland.

Wetland Function Index Worksheet				
Indicator Metrics		Hydrology	Water Quality	Habitat
1	Hydric Soil			NA
2	Surface Water		NA	
3	Hydrologic Alteration			
4	Water Quality	NA		
5	Saturated Soil			NA
6	Native Wetland Plants		NA	
7	Invasive Wetland Plants	NA	NA	
8	Vegetation Alteration	NA		
9	Wetland Size			
10	Average Buffer Width	NA		
11	Water Connectivity		NA	
12	Upland Vegetation	NA		
12	Substrate Disturbance	NA		
14	Vegetation Layers	NA		
15	Invasive Upland Plants	NA		
Subtotal		_____	_____	_____
Number of metrics used		_____	_____	_____
Wetland Function Index		I_{HD} = _____	I_{WQ} = _____	I_{HB} = _____
		Hydrology	Water Quality	Habitat
3–4 = High		___ High	___ High	___ High
2–2.99 = Moderate		___ Moderate	___ Moderate	___ Moderate
1–1.99 = Low		___ Low	___ Low	___ Low

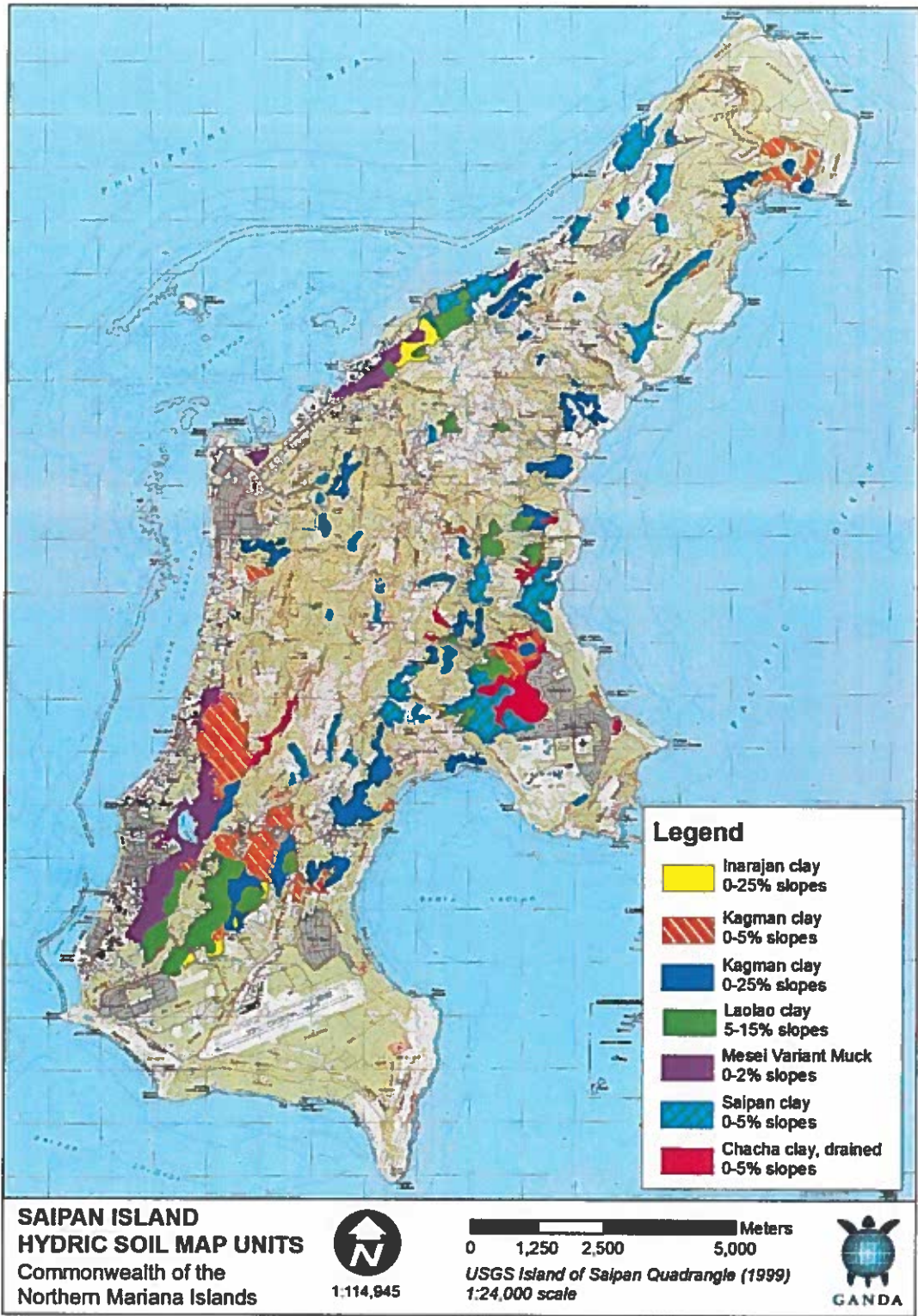
APPENDIX C: HYDRIC SOIL MAPS

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

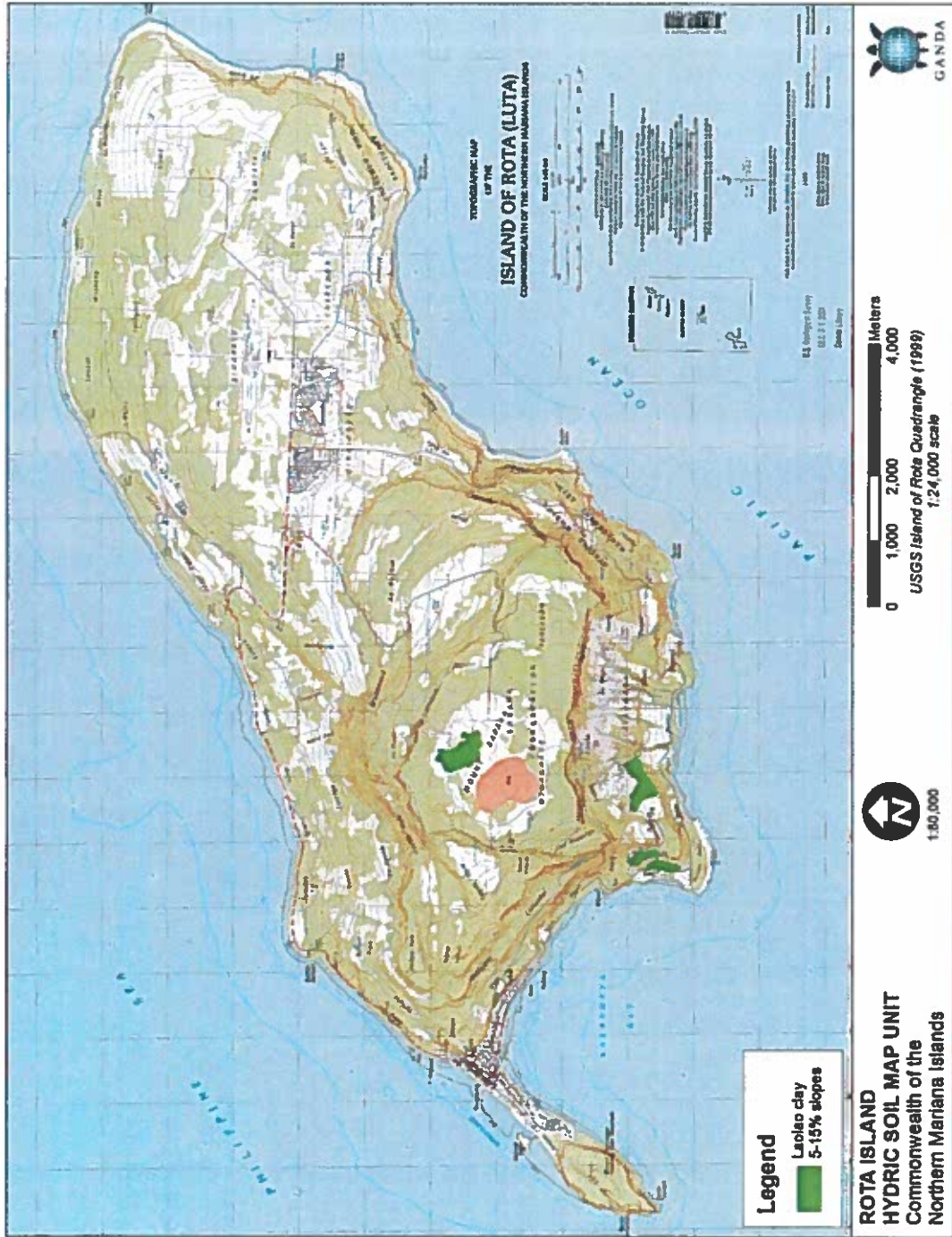
Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management







APPENDIX D: PLANT GUIDE

Wetlands Rapid Assessment Method
Commonwealth of the Northern Mariana Islands

Bureau of Environmental and Coastal Quality
Division of Coastal Resources Management

PART I. NATIVE WETLAND PLANTS



Bruguiera

gymnorhiza

Chamorro Name (CN):

mangle macho

English Name (EN):

large-leaved mangrove

Family: Rhizophoraceae

Habit: tree

A mangrove tree up to 25 m tall; leaves elliptic, leathery 9–20 cm long x 4–9 cm wide; flowers red, 3.0–4.5 cm across; young seedlings develop on mother tree, reaching 15–25 cm x 1.5–2.0 cm before falling.



Hibiscus tiliaceus

CN: *pago*

EN: sea hibiscus

Family: Malvaceae

Habit: tree

A small tree up to 15 m tall, often with tangled branches that form dense thickets; leaves heart-shaped 10–20 cm across; flowers yellow; five petals with maroon color at base; grows along streams, at mangrove margin, and in lowland swamps.



Phragmites karka

CN: *karisu*

EN: tall reed

Family: Poaceae

Habit: reed

A large reed up to 5 m tall; stems up to 2 cm in diameter; leaves 40–70 cm x 2–4 cm; inflorescences finely branched, 30–70 cm long; grows in freshwater or brackish water marshes. Insert shows close-up of the mature inflorescence and seeds.



Schoenoplectus subulatus

EN: bulrush

Family: Cyperaceae

Habit: sedge

A rush-like sedge with round stem 60–150 cm tall; leaves obscure, reduced to sheath at base of stems; inflorescence forms near the tip of the stem; spikelets rusty brown, 1.0–1.5 cm long, many on each stem; often found in brackish water marsh.



Cyperus javanicus
CM: *chachukchuk*
EN: marsh cyperus
Family: Cyperaceae
Habit: sedge

A perennial sedge 40–100 cm tall; stems three-angled, leaves gray-green with rough serrate margin; inflorescences branching, up to 15 cm; spikelets 0.5–1.2 cm x 0.2–0.3 cm, having 6–12 scales each; often found in coastal marshes exposed to salt or brackish water.



Acrostichum aureum
CN: *langayao*
EN: mangrove fern
Family: Pteridaceae
Habit: fern

A robust fern usually about 1.0–1.5 m tall; leaves pinnate, leathery; leaflets 12–35 cm x 2.5–3.0 cm, Spore-bearing leaflets golden brown in lower surfaces; found in coastal marshes, margins of mangrove swamp, and river mouths.



Cyclosorus interruptus
EN: swamp shield-fern
Family: Thelypteridaceae
Habit: fern

A fern with creeping rhizome; leaves stiff, erect, up to 1m long, pinnate with 20–50 pairs of leaflets (pinnae); leaflet average 12 cm x 1.2 cm, with round teeth; often found in previously disturbed freshwater marshes.

PART II. INVASIVE WETLAND PLANTS



Annona glabra

EN: pond apple

Family: Annonaceae

Habit: tree

A small tree up to 12 m tall; leaves ovate to oblong 8–15 cm x 4–6 cm; flowers solitary with three cream-white petals 1.5–2.5 cm long; fruits oblong to spherical 7–15 cm x 9 cm, often with >100 seeds; invades freshwater wetlands and mangrove swamp.



Eichhornia crassipes

CN: lirion saduk

EN: water hyacinth

Family: Pontederiaceae

Habit: herb

A floating herb up to 60 cm tall; leaves oval with inflated petioles; flowers light purple, born on an erect spike, the upper most petal with a yellow blotch; often found in slow moving steams and ponds; tendency to rapidly multiply and block waterways.



Ipomoea aquatica

CN: *kangkun*

EN: water spinach

Family: Convolvulaceae

Habit: herb

A creeping or floating herb with long, hollow stem; leaves arrow to heart-shaped 4–10 cm x 1.0–4.5 cm; flowers purple, funnel-shaped; often found in roadside ditches and cultivated wetlands.

PART III. INVASIVE UPLAND PLANTS



Bauhinia monandra

CN: *tronkon orket*

EN: orchid tree

Family: Fabaceae

Habit: tree

A small tree up to 7.5 m tall; leaves 7–20 cm x 7–20 cm, split into two lobes; flowers pale pink, with five petals, each 4.0–5.5 cm x 2–3 cm; seed pod elongated and flattened 15–22 cm x 2–3 cm; often found in forest edge or disturbed forests.



Leuceana

leucocephala

CN: *tangan tangan*

EN: white leadtree

Family: Fabaceae

Habit: tree

A small tree up to 18 m tall; leaves finely dissected with small leaflet 0.8–1.6 cm x 0.1–0.2 cm; flowers numerous, in globose heads with diameter of 2–5 cm; seed pods brown, 14–26 cm x 1.5–2.0 cm; widespread on previously disturbed areas.



Spathodea

campanulata

CN: *tronkon rosa*

EN: African tulip tree

Family: Bignoniaceae

Habit: tree

A large tree up to 25 m tall; leaves pinnate with 3–19 leaflets, hairy on lower surface; flowers scarlet orange 8.5–9.0 cm x 4.5–5.0 cm; capsules 17–25 cm x 3.5–7.0 cm; invades abandoned fields, disturbed forests, and forest margins; prefers wetter places.



Syzigium cumini

CN: *duhat*

EN: Java plum

Family: Myrtaceae

Habit: tree

A tree up to 20 m tall; leaves opposite arranged, 7–9 cm x 2.5–11.0 cm with smooth margins; flowers white with four petals and numerous stamens; berries dark purple to black, 1.2–3.0 cm x 1.3–3.0 cm, edible; often found along waterways and disturbed forest.



Antigonon leptopus
CN: *flores kádena*
EN: coral vine
Family: Polygonaceae
Habit: vine

A perennial vine that often climbs over trees; leaves ovate to ovate hastate, 2–13 cm x 2–9 cm, with conspicuous veins; flowers bright pink to white; often found in disturbed areas and forest margins.



Coccinia grandis
CN: *pipinon maka*
EN: ivy gourd
Family: Cucurbitaceae
Habit: vine

A perennial vine; leaves ivy-shaped 3–10 cm x 4–10 cm; flowers white, unisexual, 3.0–4.5 cm long; fruits ovoid to ellipsoid, 2.5–6.0 cm x 1.5–3.5 cm, bright red when mature; found in disturbed areas; dense growth can smother vegetation.



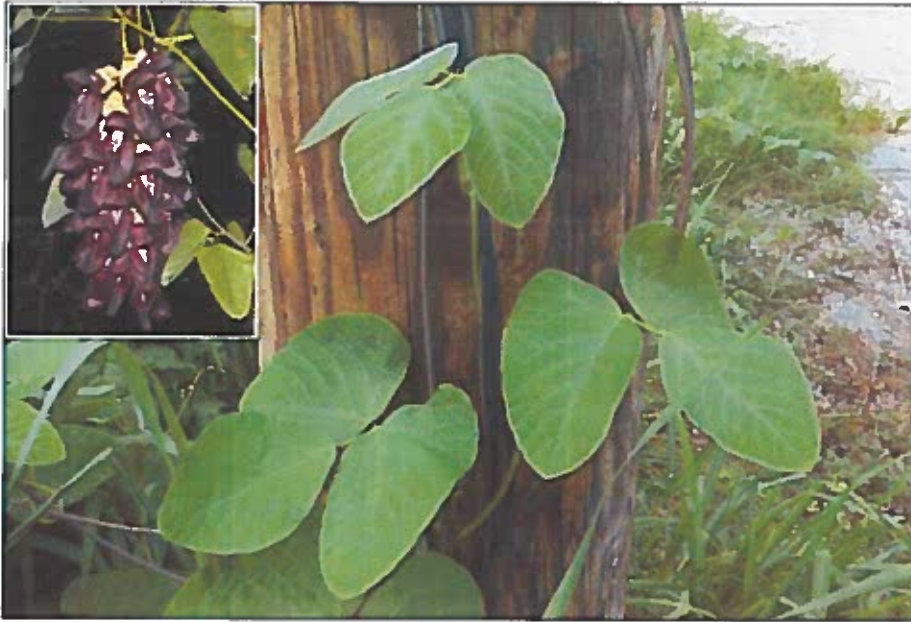
Ipomoea indica
CN: *fufgu, asa-gao*
EN: blue morning-glory
Family: Convolvulaceae
Habit: vine

A herbaceous vine, often more than 5m long; leaves broadly ovate, heart-shaped to 3-lobed, 5-9 cm long; flowers blue or purple, rarely white, funnel-shaped, 5-7 cm long, 6-8 cm in diameter; capsules brown, 1-4 seeds each; often found in coastal sites, moist forests and disturbed places.



Mikania scandens
CN: *flores mala'et*
EN: mile a minute
Family: Asteraceae
Habit: vine

A perennial vine; stems slightly four angled; leaves opposite, triangular to heart-shaped, 4-12 cm x 2-7 cm; flowers pink to white in small heads 0.5-0.7 cm long; small seeds dispersed by wind; found in forests, thickets, and wetlands with limited flooding.



Mucuna pruriens

CN: *akangkang dangkulu*

EN: velvet bean

Family: Fabaceae

Habit: vine

An annual vine, hairy throughout; stems with dense long fine hairs; leaves papery, up to 45 cm long, with dense short hairs on upper surface; flowers deep purple, 3.0–4.5 cm long; seed pods 9 cm x 1–2 cm; found in grasslands, bushland, riverine forest and forest edges.



Operculina ventricosa

CN: *alalag*

EN: paper rose

Family: Convolvulaceae

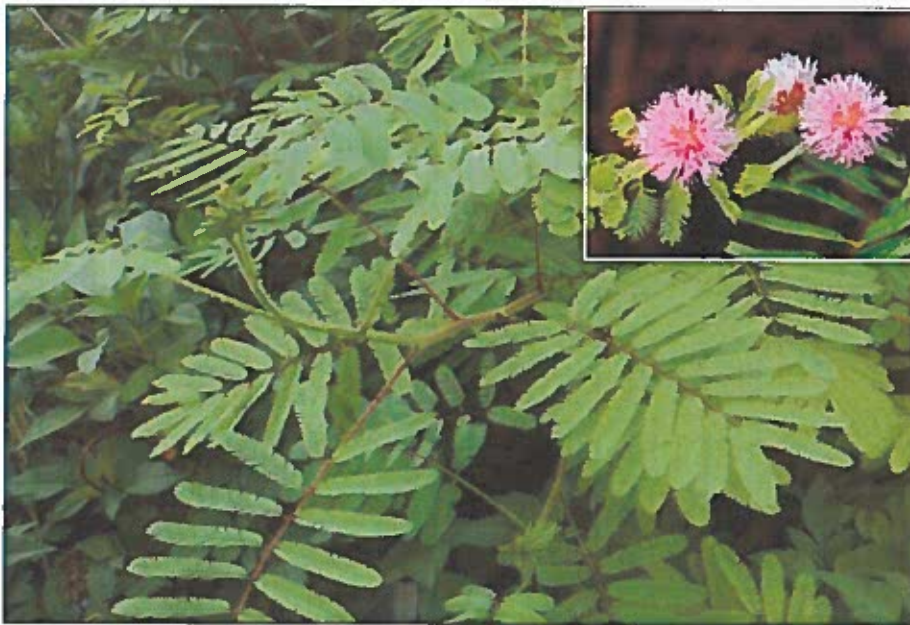
Habit: vine

A twining vine; leaves heart-shaped, up to 30 cm across; flowers white, funnel-shaped, ca. 5 cm long; capsule with four smooth black seeds; found in disturbed places, climbing in thickets and covering the ground in mats.



Lantana camara
EN: lantana
Family: Verbenaceae
Habit: Shrub

A shrub with branching, prickly stems; leaves ovate, 4–8 cm x 2.0–5.5 cm; flowers on head-like spikes, change color with age; fruits dark purple, 0.5–0.6 cm thick, slightly juicy; founds in thickets, plantations, on the edges of forest, and along roadsides.



Mimosa diplotricha
EN: giant sensitive plant
Family: Fabaceae
Habit: shrub

A prickly shrub up to 2 m tall, often forms a dense thicket; stems angled, with recurved spines up to 0.6 cm long; leaves finely divided with small leaflets 0.6–1.2 cm x 0.2 cm; flowers in pale-pink heads, ca. 1.2 cm in diameter; seed pods spiny, 0.1–3.5 cm long; often found in pastures, plantations, and roadsides.



Bidens pilosa

CN: *inifu meplu*

EN: beggarticks

Family: Asteraceae

Habit: herb

An annual herb 0.3–1.8 m tall; leaves 2.5–13.5 cm long with 3–5 leaflets each; flowers in heads, petal-like ray flowers white, 0–7 per head; seeds black, ca. 1 cm long, with 2- or 3-barbed awns at the tip that stick to fur and fabric; often found in pastures, plantations, and along roadsides.



Chromolaena odorata

CN: *masigsig*

EN: Siam weed

Family: Asteraceae

Habit: herb

A bushy herb or subshrub with long rambling branches; leaves three nerved, coarsely toothed, 5–12 cm x 3–6 cm; flowers in clusters, pale purple to dull off-white; often found in clearings and forest edges; forms dense thickets in disturbed areas.



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

EXECUTIVE ORDER NO. 2016-001

SUBJECT: DECLARATION OF A STATE OF SIGNIFICANT EMERGENCY

AUTHORITY: I, RALPH DLG. TORRES, pursuant to the authority vested in me as Governor of the Commonwealth of the Northern Mariana Islands by Article III, § 10 of the Commonwealth Constitution and P.L. 18-4, § 104 of the Homeland Security and Emergency Management Act of 2013, do hereby declare a State of Significant Emergency for the Commonwealth of the Northern Mariana Islands due to the imminent threat of the inability of the Commonwealth Utilities Corporation (“CUC”) to provide critical power generation, water, and wastewater services to the CNMI and considering the harm such condition would pose to the community, environment, and critical infrastructure of the Commonwealth of the Northern Mariana Islands.

WHEREAS, CUC IS THE SOLE ELECTRICITY SUPPLIER to the Government of the CNMI, including all public safety activities, the schools, and the only hospital. CUC also supplies electricity to most of the CNMI’s businesses and homes. While some businesses and agencies own backup generators, they are not generally organized to use the backups as permanent power sources and the diesel oil purchased to run these generators is substantially more expensive than that used for CUC power.

WHEREAS, WITHOUT CUC ELECTRICITY:

- (1) Most CNMI economic activity would come to a halt, much refrigeration and air conditioning would end, and the airports and ports would be forced to rely on emergency generation on the limited, expensive oil supply for it;
- (2) The CNMI’s health and safety would immediately be at risk because traffic signals and street lighting would cease to function; emergency, fire, police facilities and their communications systems, and the hospital and island clinics would have to rely on limited fuel supplies for emergency generation and then cease functioning; and much refrigeration of food and medicines would end, as would air conditioning for the elderly and sick;

- (3) The public schools and the Northern Marianas College would close. Other educational institutions would close as their backup fuel supplies for emergency generators were exhausted; and
- (4) Water and sewage treatment would soon end. One of CUC's largest electric customers is the combined CUC Water and Wastewater Divisions. CUC is the sole supplier of electricity for these systems. CUC's water system relies on electricity to maintain the system pressure needed to prevent the backflow of pathogens, to chlorinate, and to pump, store, and distribute water supplies. CUC's wastewater system requires electricity to collect, pump, process, treat, and discharge sewage. The lack of electricity could result in sewage overflow, contaminating land and water.

WHEREAS, THERE EXISTS A FINANCIAL CRISIS:

- (1) CUC is owed over \$20 million by the public school system ("PSS") and the Commonwealth Healthcare Corporation ("CHC") and is owed over millions more by other users;
- (2) Although the commonwealth economy has recently improved, the improvement is only marginal and the economy and the government's finances are still fragile. This government strains to meet its obligations.
- (3) CUC often only has days' worth of purchased diesel fuel to power its system because it lacks the funds to buy oil from its sole, cash-only supplier. CUC has no credit or other means to buy fuel than the revenue it collects from its customers;

WHEREAS, THERE EXISTS A TECHNICAL WORKER CRISIS:

- (1) CUC faces a manpower crisis. Skilled worker and a responsive support system are key to the success of the operation, particularly for preventative maintenance. At present, CNMI law at 3 CMC §§ 4531 and 4532 prohibits CUC from hiring any more non-U.S. technical workers;
- (2) CUC bears a substantial obligation to deliver highly technical work on time to the satisfaction of the U.S. District Court and the U.S. Environmental Protection Agency ("EPA"), pursuant to two sets of consent, or "Stipulated Orders." Failure to meet the requirements of the federal court orders could subject CUC and the CNMI to substantial fines and charges and, in the extreme, to a federal takeover of their finances;
- (3) CUC requires employees with specialized training. There are many non-U.S. citizens whom CUC needs to retain on technical and professional contracts. Without these positions filled, CUC operations would be severely compromised;

- (4) The legislature, through P.L. 17-1 (Mar. 22, 2010), has limited CUC's ability to hire technical staff, eliminating prior statutory permission to hire up to nineteen foreign workers and reinstating a moratorium on the government's hiring of foreign nationals, even if needed for highly technical positions for which no local or mainland citizens are available. The CUC Act, as subsequently reenacted by P.L. 16-17 (Oct. 1, 2008), provides that CUC shall hire such persons as are necessary for operations, *except as otherwise limited by other law.* 4 CMC § 8123(h);
- (5) There are not enough U.S. citizen or U.S. resident technical specialists at CUC to perform the power generation work, particularly specialists with experience in the type of engines that CUC uses. U.S. citizens with the necessary skills are not readily available in the CNMI and it is costly to recruit from the United States. CUC believes that the vast majority of skill sets, considering its cash restrictions, must come from non-U.S. personnel. CUC has tried to hire diesel mechanics in the CNMI, but has been unsuccessful in finding enough qualified candidate;
- (6) The impact of an inadequate workforce is substantial. First, there would be a direct deterioration of service to existing customers. There would be brownouts or area blackouts with the above-mentioned loss of service. Second, the power plants would again degrade, producing more of these outages. Third, if CUC fails to meet federal court deadlines for the Stipulated Orders, the Court could appoint a federal receiver and its consulting team with all expenses charged to CUC customers.
- (7) CUC's renewal of contracts and hiring of foreign expert workers is necessary to sustain the integrity of CUC's systems. Thus, continued relief from the legislative prohibition on hiring foreign national workers is necessary to ensure the delivery of uninterrupted power services to the people of the Commonwealth. The legislature is urged to address this matter by way of amending local law to allow CUC to continue employing the services of foreign workers for such technical positions difficult to fill and to provide for a reasonable transition period.

WHEREAS, BY THIS DECLARATION OF A STATE OF SIGNIFICANT EMERGENCY, I intend to enable CUC to continue to provide necessary services to the people of the Commonwealth. This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses, and all other CNMI residents and visitors.

NOW, THEREFORE, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and P.L. 18-4 § 104(c), to take all necessary measures to address the threats facing the Commonwealth of the Northern Mariana Islands.

It is hereby **ORDERED** that:

This Declaration of a State of Significant Emergency shall take effect immediately and all memoranda, directives, and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of the Executive Order unless I, prior to the end of the thirty (30)-day period, terminate the declaration of a state of significant emergency. P.L. 18-4, § 104(g)

Under authority of this Declaration and the goal of mitigating or ameliorating the above described crises, I immediately direct the following:

DIRECTIVE: Insofar as it applies to CUC, 3 CMC § 4531 is hereby suspended. As a result of the suspension of 3 CMC § 4531, CUC shall have the full power and authority to retain staff which may include employees other than citizens and permanent residents of the United States.

The above described Directive is in no way meant as the limits of my actions or authority under this Declaration. Accordingly, I reserve the right under this Declaration to issue any and all directives necessary to prevent, mitigate or ameliorate the adverse effects of the emergency.

SIGNED AND PROMULGATED on this 16th day of January, 2016.



RALPH DLG TORRES
Governor