

*I MINA'TRENTA NA LIHESLATURAN GUAHAN*  
2010 (SECOND) Regular Session

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422-30  
Bill No.      (COR)

Introduced by:

Committee on Rules, Natural Resources,  
Federal, Foreign, and Micronesian Affairs  
By request of *I Maga'lahaen*  
*Guahan* in accordance with the  
Organic Act of Guam

**AN ACT TO AMEND CHAPTER 75 OF TITLE 21, GUAM CODE ANNOTATED RELATIVE TO AUTHORIZING THE CHAMORRO LAND TRUST COMMISSION TO ENTER INTO COMMERCIAL LEASES; TO PROVIDE FOR THE RULES AND REGULATIONS ON COMMERCIAL LEASES; AND, TO PROVIDE FOR THE PAUL BORDALLO RULES AND REGULATIONS FOR THE CHAMORRO LAND TRUST COMMISSION TO BE SUBJECT TO THE ADMINISTRATIVE ADJUDICATION LAW.**

1           **BE ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:**

2           **Section 1.** Legislative Intent.

3   It is the intent of the Legislature that the Chamorro Land Trust Act and  
4   accompanying Rules and Regulations clearly provide for the commercial leasing of  
5   certain classes of Chamorro Homelands for commercial purposes. It is, further, the  
6   intent of the Legislature to affirmatively clarify the applicability of 5 GCA Chapter  
7   9, by providing in Section 32 of this Act that the Rules and Regulations shall be so  
8   subject, and may be amended accordingly.

9           **Section 2.** A new subsection (g) is added to 21 GCA § 75101 to read:

10   “(g) The term *agricultural* means relating to agriculture, which is the growing,

1 care and use of plants and animals, including acts and things related thereto, and  
2 also includes grazing, stock raising, ornamental production, and aquaculture.”

3 **Section 3.** A new subsection (h) is added to 21 GCA § 75101 to read:

4 “(h) The term *lease* means a contract granting a possessory interest in land for a set  
5 term. For purposes of this Chapter, the grantor of the lease is the *Commission* and  
6 the holder of the lease is the *lessee*.”

7 **Section 4.** A new subsection (i) is added to 21 GCA § 75101 to read:

8 “(i) The term *easement*, for purposes of this Chapter, means an express grant by  
9 the Commission to a person, persons, the public generally, or to the government of  
10 Guam, of a nonpossessory right to use land for a specified purpose for a set term,  
11 unless otherwise expressly made perpetual. In granting an easement, the  
12 Commission shall continue to have the right of full possession and enjoyment  
13 subject only to the limitation that it cannot interfere with the right of special use  
14 created in the easement holder. In no event shall any action or inaction by the  
15 Commission be construed as granting or resulting in an implied easement or  
16 easement by necessity.”

17 **Section 5.** A new subsection (j) is added to 21 GCA § 75101 to read:

18 “(j) The term *license* means a privilege of the holder of the license, i.e., the  
19 *licensee*, to go onto the land of another, i.e. the *licensor*, for a specific purpose. A  
20 license is not an interest in land and gives the licensee no exclusive right to occupy

1 or possess the land. For purposes of this Chapter, the licensor is the  
2 Commission.”

3 **Section 6.** Subsection (e) of 21 GCA § 75103 is repealed and reenacted to  
4 read:

5 “(e) The Commission is authorized to: (1) develop a master land use plan for its  
6 lands, subject to periodic modifications to reflect changing conditions in the  
7 property and surrounding areas; (2) establish development districts, as provided  
8 pursuant to the provisions of Chapter 69 and Chapter 61, if applicable, of this Title  
9 21 Guam Code Annotated; (3) establish housing enterprise zones for native  
10 Chamorros; (4) establish agricultural subdivisions; or, (5) any combination of the  
11 preceding; and (6) designate and plan subdivisions in accordance with the  
12 provisions of Chapter 62 and Chapter 61, if applicable, of this Title 21 Guam Code  
13 Annotated, on available lands, in, adjacent to, or near any village. Such  
14 subdivision lots shall be leased in accordance with § 75105 or 75107, as  
15 appropriate.”

16 **Section 7.** A new subsection (g) is added to 21 GCA § 75103 to read:

17 “(g) The Commission shall create an annual budget subject to the amount of funds  
18 contained in accounts of the Commission. The Commission shall have sole  
19 discretion to determine the use of funds in its accounts.”

20 **Section 8.** Subsection (b) of 21 GCA § 75105 is amended to read:

1 “(b) Any available land as may not be immediately needed for the purposes of this  
2 Chapter and designated by the Commission as premium or high value commercial  
3 land, may be returned to the department for management at the discretion of the  
4 Commission. Any Chamorro homelands so returned may be disposed of under a  
5 general lease only. Each such lease, whether or not stipulated therein, shall be  
6 deemed made subject to the right and duty of the department to, upon ninety (90)  
7 days notice to the lessee, terminate the lease and return the lands to the  
8 Commission whenever the Commission gives notice that the lands are required by  
9 it for the purposes of this Chapter. ~~However, no lease shall be made for a term to~~  
10 ~~exceed twenty five (25%) years. All income arising out of any lease or license~~  
11 ~~entered into under this subsection shall be credited to and deposited in the~~  
12 ~~Chamorro Home Loan Fund. The acceptable parameters of the terms and~~  
13 ~~conditions of the lease shall be established by the Commission. The Commission~~  
14 ~~reserves the right to insure that the specified parameters of the terms and~~  
15 ~~conditions were met prior to the final execution of the lease or any renewal thereof~~  
16 ~~by the department. Any lease made under this subsection shall comply with the~~  
17 ~~conditions of subsection (d) below. All income arising out of any lease entered~~  
18 ~~into under this subsection shall be credited to and deposited into an account(s) of~~  
19 ~~the Commission, as specified by the Commission. Upon the expiration of the~~  
20 ~~lease, all improvements and administrative control of the tract or tracts leased shall~~

1 revert to the Commission. Title to land released to the department shall remain  
2 with the government of Guam, unless and until returned to the Commission, and  
3 shall not be sold, except as provided in subsection (c)."

4 **Section 9.** Subsection (c) of 21 GCA § 75105 is amended to read:

5 “(c) The department may sell to any contiguous landowner any fractional lot  
6 placed under its management which was created by the adoption of the standard  
7 block system. All income arising out of such sale entered into under this  
8 subsection shall be credited to and deposited into an account(s) of the Commission,  
9 as specified by the Commission.”

10 **Section 10.** Subsection (d) of 21 GCA § 75105 is repealed and reenacted to  
11 read:

12 ~~“(d) In the management of any retained available lands not required for leasing~~  
13 ~~under § 75107, the Commission”~~

14 “(d) In the management of any retained available lands not required for leasing  
15 under § 75107, the Commission, after giving the public notice of the properties  
16 considered for designation as for commercial use and opportunity to comment at a  
17 meeting of the Commission, may designate certain properties as for commercial  
18 use which may be disposed of through a commercial lease to the general public,  
19 selected pursuant to the procurement law, 5 GCA Chapter 5. Such leases may be  
20 made by the department, as set forth in subsection (b) above, or by the

1 Commission, as stated herein. The Commission may lease the lands to the general  
2 public at terms and rates further provided for in § 75108.2 and in accordance with  
3 the procedures set forth in the rules and regulations of the Commission. Any  
4 adjustment in lease rate shall not result in a decrease of rent. All income arising  
5 out of any lease entered into under this subsection shall be credited to and  
6 deposited into an account(s) of the Commission, as specified by the Commission.”

7 **Section 11.** A new subsection (h) is added to 21 GCA § 75105 to read:

8 “(h) The Commission is authorized to grant leases to churches, hospitals, schools,  
9 post offices, nonprofit organizations, and other improvements for public purposes.

10 The annual lease rate for such leases shall be no less than ten percent (10%) of  
11 thirty-five (35%) of the fair market value of the land. No lease entered under this  
12 subsection shall be for land designated by the Commission as premium value  
13 commercial land.”

14 **Section 12.** A new subsection (i) is added to 21 GCA § 75105 to read:

15 “(i) The Commission is authorized to grant easements as follows:

16 (1) The Commission may grant easements for utility right of way purposes,  
17 such as telephone lines, electric power and light lines, gas mains, and the like. The  
18 Commission may also grant easements for roads or access.

19 (2) All easements shall be for terms of no more than twenty-one (21) years  
20 and the annual rate for such easements shall be no less than ten percent (10%) of

1 thirty-five percent (35%) of the fair market value of the property.”

2 **Section 13.** A new § 75105.1 is added to 21 GCA to read:

3 “§ 75105.1. Commercial Leases. (a) For the purpose of generating income to fund  
4 Commission programs and operations, the Commission is authorized to enter into  
5 leases to members of the general public, as provided in § 75105(d), for the  
6 following categories of land designated by the Commission for commercial use:

7 (1) Premium Value Commercial Land: not more than fifty (50) acres  
8 for premium value land, which includes property of extremely high commercial  
9 value or unique demand that has the potential for generating revenues to support  
10 the mandated Commission programs, and generate significant positive economic  
11 impact for the island. Examples include but are not limited to Ypao Point, land  
12 adjacent to military installations or any lands desired to be leased by the military or  
13 federal government (except post offices), properties in Tumon Bay, certain  
14 properties with ocean frontage, and others identified through the master land use  
15 plan developed by the Commission or as otherwise designated by the Commission.  
16 The maximum aggregate term of any commercial lease of premium value  
17 commercial land, including renewals, shall not exceed ninety-nine (99) years,  
18 except as may be otherwise provided for in this Chapter or the rules and  
19 regulations of the Commission.

20 (2) High Value Commercial Land: not more than twenty (20) acres for

1 high value commercial land. Examples include but are not limited to property of  
2 commercial potential due to location (e.g., zoned as industrial), possession of key  
3 infrastructure (e.g., frontage on main roads or structures) or due to possession of  
4 important or unique identified resources (e.g., mineral, historical, natural resource,  
5 recreational, scenic potential), lands possessing other aspects or location that make  
6 commercial use a higher value use than residential or agricultural use, and others  
7 identified through the master land use plan developed by the Commission or as  
8 otherwise designated by the Commission. The maximum aggregate term of any  
9 commercial lease of high value commercial land, including renewals, shall not  
10 exceed fifty (50) years, except as may be otherwise provided for in this Chapter or  
11 the rules and regulations of the Commission.

12 (b) In addition to the conditions set forth in § 75108.2, the Commission shall  
13 set the lease rates and terms for such commercial leases in the rules and regulations  
14 of the Commission.”

15 **Section 14.** Subsection (a) of 21 GCA § 75107 is amended to read:

16 ~~“(a) The Commission is authorized to lease to native Chamorros the right to the~~  
17 ~~use and occupancy of a tract or tracts of Chamorro homelands within the following~~  
18 ~~acreage limits per each lessee: (1) not less than one quarter (0.25) acre, *nor more*~~  
19 ~~*than one half (0.50) acre for subsistence agricultural or aquaculture farming; (2)*~~  
20 ~~*not less than one half (0.50) acre, nor more than twenty (20) acres for commercial*~~



1 agricultural or aquaculture use; ~~(3) not less than one (1) acre, nor more than twenty~~  
2 ~~(20) acres for grazing use; (4) not more than one (1) acre for any class of land to be~~  
3 ~~used as a residential lot.”~~

4 “(a) The Commission is authorized to lease to native Chamorros the right to the  
5 use and occupancy of a tract or tracts of Chamorro homelands within the following  
6 acreage limits per each lessee and, except for leases for residential use, at rates set  
7 forth in the rules and regulations of the Commission: (1) not less than one-quarter  
8 (1/4) acre nor more than ~~one half (0.50)~~ one (1) acre for subsistence agricultural  
9 use ~~or aquaculture farming~~; (2) not less than ~~one half (0.50)~~ one (1) acre nor more  
10 than ~~twenty (20)~~ three (3) acres for ~~commercial agricultural or aquaculture use~~  
11 agricultural use which is both subsistence and commercial; (3) not less than ~~one~~  
12 ~~(1)~~ three (3) acres nor more than ~~twenty (20)~~ ten (10) acres for grazing commercial  
13 agricultural use; (4) ~~not more than one (1) acre for any class of land to be used as a~~  
14 ~~residential lot~~ not more than one-half (1/2) acre within a predominantly residential  
15 area for small business use, including but not limited to theaters, garages, service  
16 stations, markets, stores, and other mercantile establishments (all of which shall be  
17 owned by native Chamorros or by organizations or corporations solely owned and  
18 controlled by native Chamorros); (5) a tract or tracts, or a portion thereof, the size  
19 and location of which shall be determined by the Commission, for commercial or  
20 other business purposes, as further provided for in accordance with the procedures

1 set forth in the rules and regulations of the Commission; and (6) not more than  
2 one-half (1/2) acre of any class of land for residential use.”

3 **Section 15.** Subsection (d) of 21 GCA § 75107 is amended to read:

4 ~~“(d) Upon direction by statute from the Legislature, the Commission shall release~~  
5 ~~to the department any unleased available land designated for a public purpose.~~  
6 ~~Such land will no longer be considered to be Chamorro Homelands.”~~

7 “(d) Upon direction by statute from the Legislature, the Commission shall release  
8 to the department any unleased available land designated by the Commission for a  
9 public purpose. Such land will no longer be considered to be Chamorro  
10 Homelands. The government of Guam shall pay the Commission compensation as  
11 agreed by the Commission of no more than the fair market value of the land, upon  
12 release of the land to the department, and any such compensation shall be  
13 deposited into an account(s) of the Commission, as specified by the Commission.  
14 Title to any land or portion thereof not utilized for public purpose within three (3)  
15 years of such transfer shall revert to the Commission. At no time shall the  
16 Commission be required to pay any compensation, including rent, on lands  
17 previously transferred to the department.”

18 **Section 16.** A new subsection (e) is added to 21 GCA § 75107 to read:

19 “(e) Designation of tract(s) for commercial lease. In the management of Chamorro  
20 homelands not required for leasing for residential or agricultural purposes, the

1 Commission is expressly authorized to lease Chamorro homelands designated as  
2 high value commercial land, as described in § 75105.1(a)(1), to a qualified native  
3 Chamorro, or an organization or corporation solely owned and controlled by native  
4 Chamorros, for commercial, industrial, or other business purposes for the purpose  
5 of generating income to fund Commission programs and operations, as provided  
6 for pursuant to this Chapter and the Paul Bordallo Rules and Regulations for the  
7 Chamorro Land Trust Commission. Such lessee shall be selected pursuant to the  
8 procurement law, 5 GCA Chapter 5, and must be licensed to conduct business in  
9 Guam.

10 (1) The designation of a tract or tracts to be made available for disposal  
11 under residential or agricultural leases shall take precedence over the designation  
12 of a tract or tracts for disposal under commercial leases, except where it can be  
13 clearly determined by the Commission that the best use of a tract or tracts is not to  
14 be found in residential or agricultural applications.

15 (2) The Commission shall, in a continuing process and through a master land  
16 use plan developed and maintained by the Commission, identify and categorize  
17 commercial grade properties to be made available and disposed of by lease.”

18 **Section 17.** Subsection (a) of § 75108 of 21 GCA Chapter 75 is amended to  
19 read:

20 “(a) The original lessee shall be a native Chamorro, not less than eighteen (18)

1 years of age. ~~In case two lessees either original or in succession marry, they shall~~  
2 ~~choose the lease to be retained, and the remaining lease shall be transferred or~~  
3 ~~canceled in accordance with the provisions of the succeeding sections.”~~

4 **Section 18.** Subsection (b) of 21 GCA § 75108 is repealed and reenacted to  
5 read:

6 ~~“The lessee shall pay a rental of One Dollar (\$1.00) a year for the tract and the~~  
7 ~~lease shall be for a term of ninety-nine (99) years.”~~

8 “(b) Leases made pursuant to § 75107(a) shall be at the following rental rates and  
9 terms:

10 (1) The lessee of a residential lease shall pay an annual rent of One Dollar  
11 (\$1.00) for the tract and the lease shall be for a term of ninety-nine (99) years.

12 (2) An agricultural lease shall be for an initial term of forty (40) years with  
13 an option to renew for an additional forty (40) years and shall be at rates as  
14 follows:

15 (i) The lessee of a subsistence agricultural lease shall pay an annual  
16 rent of One Hundred Dollars (\$100.00).

17 (ii) The lessee of an agricultural lease having a commercial nature  
18 (i.e., leases entered pursuant to § 75107(a)(2) or (3)) shall pay an annual rent of  
19 One Hundred Dollars (\$100.00) per acre.

20 (3) A lease for small business use shall be for an initial term of ten (10)

1 years with no more than four (4) options to renew at ten (10) years in each case, for  
2 a maximum aggregate term of fifty (50) years, and shall be at a rental rate of no  
3 less than Three Hundred Dollars (\$300.00) per month.

4 (4) The Commission shall set the rental rates for commercial leases in the  
5 rules and regulations of the Commission.”

6 **Section 19.** Subsection (c)(i) of 21 GCA § 75108 is amended to read:

7 “(i) The lessee of agricultural lands shall plant and maintain *not less than* five (5),  
8 ten (10), fifteen (15) and twenty (20) trees per acre of land leased ~~and lessee of~~  
9 ~~grazing lands shall plant and maintain *not less than* two (2), three (3), four (4), and~~  
10 ~~five (5) trees per acre of land leased~~ during the first, second, third, and fourth  
11 years, respectively, after the date of the lease. Such trees shall be of types and uses  
12 recommended ~~approved~~ by the Department of Agriculture ~~and at locations~~  
13 ~~specified by the Department of Agriculture’s agent.~~ Such planting and  
14 maintenance shall be by or under the immediate control and direction of the lessee.  
15 ~~Such trees shall be furnished by the Department of Agriculture free of charge.”~~

16 **Section 20.** Subsection (c)(ii) of 21 GCA § 75108 is repealed and reenacted  
17 to read:

18 “(ii) The lessee of agricultural lands may engage in livestock and/or aquaculture  
19 production after receiving written approval from the Commission based on a  
20 review of production and waste management plans, relevant Guam law and permit

1 requirements. Such production should utilize species and production methods  
2 approved by the appropriate agencies in approved sites. Such livestock and  
3 aquaculture farming and maintenance shall be by or under the immediate control  
4 and direction of the lessee and is subject to local and federal permit requirements  
5 and regulations. Lessee shall provide copies and updates of the required permits  
6 for the Commission files. The Chamorro Land Trust Commission may refer  
7 applicants to the appropriate agencies including, but not limited to: the United  
8 States Army Corps of Engineers, the Department of Public Works, the Department  
9 of Land Management, the Department of Public Health, the Guam Environmental  
10 Protection Agency, the Bureau of Planning and Statistics, the Department of  
11 Agriculture, the Department of Parks and Recreation, the Department of Revenue  
12 and Taxation, the Guam Power Authority, the Guam Waterworks Authority and  
13 the University of Guam, College of Natural and Applied Sciences, for resources  
14 such as permitting, planning assistance, industry information and financial  
15 assistance. Regarding industry development, technical assistance, training and  
16 resources, the University of Guam, College of Natural and Applied Sciences is the  
17 lead agency for aquaculture, and the Department of Agriculture is the lead agency  
18 for livestock. Such species suitable for aquaculture may be furnished by the  
19 University of Guam Hatchery (Guam Aquaculture Development and Training  
20 Center - GADTC) for a nominal fee, as available. Such species suitable for

1 livestock production may be furnished by the Guam Department of Agriculture  
2 Dededo Breeding Station for a nominal fee, as available.”

3 **Section 21.** Subsections (e) of 21 GCA § 75108 is hereby repealed.

4 **Section 22.** Subsections (g) of 21 GCA § 75108 is hereby repealed.

5 **Section 23.** Subsections (f) and (h) of 21 GCA § 75108 are re-lettered as  
6 subsections (e) and (f) respectively, of 21 GCA § 75108.

7 Section 24 A new subsection (g) of 21 GCA § 75108 is added to read:

8 “(g) No lease shall be transferable or assignable without the Commission’s prior  
9 approval, except as otherwise provided in this Act or in the rules and regulations  
10 for the Commission or applicable law. With the approval of the Commission, the  
11 assignment and transfer of a lease or any unit thereof may be made to a qualified  
12 native Chamorro, or, in the case of a small business or commercial lease, a  
13 qualified native Chamorro or an organization or corporation solely owned and  
14 controlled by native Chamorros, if:

15 (1) For residential or agricultural leases, the leasehold contains the personal  
16 residence of the lessee and the assignment or transfer is to a native Chamorro who  
17 is the lessee’s husband, wife, child, widow or widower of the brother or sister,  
18 niece, or nephew;

19 (2) Subject to the prior approval of the Commission, in the case of  
20 commercial or small business leases, the lessee put in substantial building and/or

1 other improvements;

2 (3) The lessee becomes mentally or physically disabled and it is the opinion  
3 of the Commission that, due to such disability, the lessee is unable to perform the  
4 lease conditions; provided, however, that the opportunity to assume the obligation  
5 on behalf of the disabled lessee shall first be offered to the legal guardian or trustee  
6 of the interests of the disabled lessee, so long as the disabled lessee continues to  
7 reside on the property in the case of residential or agricultural leases, or, second,  
8 for want of a legal guardian or trustee willing and qualified to assume the  
9 obligation on behalf of the disabled lessee, to a native Chamorro, or an  
10 organization or corporation solely owned and controlled by native Chamorro;

11 (4) Extreme economic hardship is demonstrated to the satisfaction of the  
12 Commission; provided, however, that the assignment shall be to a native  
13 Chamorro, or an organization or corporation solely owned and controlled by  
14 native Chamorros;

15 (5) For small business or commercial leases, the transferee or assignee is the  
16 buyer of the business or of substantial assets of the business of the original lessee;  
17 provided further that prior to the approval of any transfer or assignment of lease,  
18 the Commission shall have the right to review and approve the consideration paid  
19 by the transferee or assignee and, if necessary, revise the rent of the demised  
20 premises based upon the consideration paid by the assignee; and provided that the



1 rent shall not be revised downward and that the successor of the lessee shall be a  
2 native Chamorro, or an organization or corporation solely owned and controlled by  
3 native Chamorros;

4 (6) The Commission determines that the assignee or transferee is willing and  
5 able to assume all the financial, performance, and other obligations of the original  
6 lessee.”

7 **Section 24.** A new subsection (h) is added to 21 GCA § 75108 to read:

8 “(h) No lessee shall be granted or allowed to maintain two or more residential  
9 leases or to establish two or more residences or residential type dwellings or  
10 structures upon lands acquired under separate leases regardless of the class or type  
11 of lease under which the demised properties were originally disposed of by the  
12 Commission. In the event two lessees either original or in succession marry or  
13 otherwise cohabitate in a common household, then, the lessees shall be required to  
14 relinquish all but one of the residential leases or any agricultural lease upon which  
15 a second residence is situated, provided, further, that the lessees may opt to assign  
16 or transfer the leases to be relinquished to a direct lineal descendant of the lessee  
17 (i.e., child, grandchild, great grandchild, and so forth) who is a native Chamorro  
18 and who has reached the age of majority.

19 (1) In the event the demised tract to be relinquished was acquired for  
20 agricultural purposes and, additionally, is of sufficient size and situated so that it

1 may lawfully be subdivided into separate residential and agricultural tracts, then,  
2 the Commission may, at its discretion, subdivide the tract and allow the original  
3 lessee to retain the new agricultural tract under a new lease, while the Commission  
4 retains for disposition the new subdivided tract containing the residence. No such  
5 subdivision may occur more than once every fifty (50) years.

6 (2) Except as otherwise provided for in this subsection (j), the  
7 Commission shall rescind the lease(s) to the demised tract(s) to be relinquished and  
8 may offer the subject tract(s) as provided for pursuant to this Act and applicable  
9 rules and regulations.”

10 **Section 25.** A new subsection (i) is added to 21 GCA § 75108 to read:

11 “(i) For small business or commercial leases, in no event shall a lessee offer, make  
12 available, sell or transfer any premium, preferred, common or any other class or  
13 type of stock, nor shall a lessee offer, make available, sell or transfer any other  
14 form or type of interest, controlling or otherwise, in any commercial enterprise of  
15 any type built upon lands obtained through a commercial lease from the  
16 Commission without first obtaining the Commission’s prior written approval. No  
17 interest or ownership of any type, means or device, in the business shall be  
18 transferred to an individual who does not qualify as a native Chamorro, as defined  
19 in this Chapter. The term ‘interest’ shall additionally include, but not be limited to,  
20 any agreement or obligation between the lessee and the investor(s), which is not

1 approved by the Commission, which guarantees or fixes returns upon the  
2 investment, guarantees or authorizes salaries to investor(s) or designee(s) of the  
3 investor(s), or any like agreement or condition which gives the investor(s) any  
4 form of control in the business of the lessee in exchange for investment capital or  
5 resources. Any circumvention or attempt to circumvent the intent of this  
6 prohibition, which is to insure that the lands available for commercial lease are in  
7 fact utilized for the exclusive benefit of the qualified native Chamorro lessee, shall  
8 be grounds for the revocation of the lease, without any liability on the part of the  
9 Commission.”

10 **Section 26.** A new § 75108.2 is added to 21 GCA Chapter 75, to read:

11 “§ 75108.2. Lease restrictions and fees; General public and Native Chamorro. (a)  
12 Except as otherwise provided for in this Act or in the rules and regulations of the  
13 Commission, the following restrictions shall apply:

14 (1) Options for renewal are prohibited.

15 (2) No lease of any class, other than a residential, agricultural or  
16 premium value commercial leasehold, shall be for an aggregate term longer than  
17 fifty (50) years.

18 (3) Where applicable, the lessee shall provide the Commission  
19 notice of its intent to exercise an option to renew no later than nine (9) months  
20 prior to expiration of the term;

1           (4) No lease or additional lease or renewal thereof shall be made to  
2 any person or entity, including an organization or corporation, who is in arrears in  
3 the payment of taxes due to the government of Guam, taxes due on taxable  
4 improvements on property leased from the Commission, rents due the  
5 Commission, or other obligations or debts due and unpaid to the Commission.

6           (5) At all times, the leased land shall be used according to the stated  
7 and approved purposes of the original lease, unless the Commission gives its prior  
8 written approval. No criminal activity shall occur on any leased lands of the  
9 Commission. Any such criminal activity on the leasehold which is committed,  
10 encouraged, facilitated or condoned by the lessee shall constitute a violation of the  
11 lease and the Commission may, at its sole discretion, initiate revocation  
12 proceedings.

13           (6) The lessee shall not sublet the whole or any part of the demised  
14 premises except without first obtaining the prior written approval of the  
15 Commission, and that prior to any approval, the Commission shall have the right to  
16 review and, if necessary, revise the rent of the demised premises based upon the  
17 rental rate charged to the sublessee. The rent shall not be revised downward. As to  
18 commercial leases, it shall not be considered an assignment, sublease or transfer of  
19 a lease where income is derived from room or unit rentals which are consistent  
20 with the stated and approved purposes of the original lease, e.g., hotels, motels,

1 apartment buildings, office space, etc.

2 (7) The lease shall be for a specific use or uses and shall not include  
3 waste lands, ecologically sensitive areas, or hazardous waste sites, etc., unless it is  
4 impractical to provide otherwise.

5 (8) Mineral and other mining rights shall be reserved to the  
6 Commission unless the Commission specifically disposes of such rights to a lessee  
7 for compensation, and surface and ground water shall be reserved to the Territory  
8 unless otherwise provided for pursuant to applicable law, rules and/or regulations.

9 (9) The use of Chamorro homelands, including submerged lands, for  
10 purposes of establishing a sunbathing, swimming or boating pier shall be  
11 prohibited unless specifically provided for in the lease or the Commission gives  
12 prior written approval of such use; provided further that the Commission may  
13 require the lessee to provide for general public access where the establishment of  
14 such facilities may be determined to impede historic public access or use.

15 (10) The failure of a commercial lessee to commence with the project  
16 and/or purposes for which any commercial lease was entered into within two (2)  
17 years from commencement of the term of the lease shall be sufficient cause for the  
18 Commission, at its sole discretion, to revoke the lease without any liability  
19 whatsoever on the part of the Commission to the lessee or his or her creditors, if  
20 any, except to the extent the Commission may have previously agreed to pursuant

1 to the terms of the lease or provisions of this Chapter and applicable rules and  
2 regulations.

3 (11) The lessee shall not have the authority in any manner to transfer  
4 to, or mortgage, pledge, or otherwise hold for the benefit of, any other person or  
5 group of persons or organizations of any kind, his interest in the tract. Such  
6 interest shall not be subject to attachment, levy, or sale upon court process.

7 (12) The lessee shall pay all taxes assessed upon the tract and  
8 improvements thereon.

9 (13) The lessee shall perform all conditions in the lease not in conflict  
10 with any provisions of this Chapter or in the Rules and Regulations of the  
11 Commission.

12 (b) No lease shall be transferable or assignable without the Commission's  
13 prior approval, except as otherwise provided in this Act or in the rules and  
14 regulations of the Commission or applicable law. With the approval of the  
15 Commission, the assignment and transfer of a lease or any unit thereof may be  
16 made if:

17 (1) Extreme economic hardship is demonstrated to the satisfaction of  
18 the Commission;

19 (2) For small business or commercial leases, the transferee or assignee  
20 is the buyer of the business or of substantial assets of the business of the original

1 lessee; provided further that prior to the approval of any transfer or assignment of  
2 lease, the Commission shall have the right to review and approve the consideration  
3 paid by the transferee or assignee and, if necessary, revise the rent of the demised  
4 premises based upon the consideration paid by the assignee; and provided that the  
5 rent shall not be revised downward and that the transferee or assignee meets the  
6 qualifications required of the original lessee;

7 (3) The Commission determines that the assignee or transferee is willing and  
8 able to assume all the financial, performance, and other obligations of the original  
9 lessee.

10 (c) The Commission shall be authorized to establish a processing fee  
11 schedule for all classes of leases, easements, and other encumbrances which may  
12 be issued by the Commission. The fee schedule may include, but shall not be  
13 limited to, costs related to the processing of lease applications and awards such as  
14 attorney fees, surveys, appraisals and other like costs incurred by the Commission  
15 or required of the applicant for related purposes. The payment of application,  
16 processing, award and other applicable fees for residential leases and subsistence  
17 agricultural leases, as authorized and provided for in this Section, may be made in  
18 no more than twenty-four (24) monthly installments at no less than three percent  
19 (3%) interest per annum.

20 The promulgation or amendment of any fee schedule authorized pursuant to

1 this Section shall be pursuant to 5 GCA Chapter 9 (Administrative Adjudication  
2 Law), and copies thereof shall be available for review at the office of the  
3 Commission and shall be provided to all applicants.”

4 **Section 27.** The title of 21 GCA § 75109 is amended to read:

5 “~~§ 75109. Successors to Lessees.~~”

6 “§ 75109. Successors to Lessees of Residential or Agricultural Leases.”

7 **Section 28.** Subsection (a) of 21 GCA § 75109 is amended to read:

8 “(a) Upon the death of the lessee, his interest in the tract or tracts and the  
9 improvements thereon, including growing crops (either on the tract or in any  
10 collective contract or program to which the lessee is a party by virtue of his interest  
11 in the tract or tracts), shall vest in the relatives of the decedent as provided in this  
12 paragraph. From the following relatives of the lessee--husband and wife, children,  
13 widows or widowers of the brothers and sisters, or nieces and nephews--the lessee  
14 shall designate the person or persons to whom he directs his interest in the tract or  
15 tracts to vest upon his death. Such person or persons must be qualified to be a  
16 lessee of Chamorro homelands; provided, that such person or persons need not be  
17 at least eighteen (18) years of age. Such designation must be in writing, must be  
18 specified at the time of execution of such lease with a right in such lessee in similar  
19 manner to change such beneficiary at anytime and shall be filed with the  
20 Commission and approved by the Commission in order to be effective to vest such



1 interests in the successor or successors so named.

2 In the absence of such a designation as approved by the Commission, the  
3 Commission shall select from the relatives of the lessee in the order named above  
4 as limited by the foregoing paragraph one or more persons who are qualified to be  
5 lessees of Chamorro homelands except as hereinabove provided, as the successor  
6 or successors of the lessee's interest in the tract or tracts, and upon the death of the  
7 lessee, his interest shall vest in the person or persons so selected. The Commission  
8 may select such a successor or successors after the death of the lessee, and the  
9 rights to the use and occupancy of the tract or tracts may be made effective as of  
10 the date of the death of such lessee.

11 If the lessee chooses not to designate a beneficiary, but instead chooses the  
12 value of his interest to be paid to his legal representative upon death, as described  
13 below, then the lessee may so specify in a writing filed with the Commission and  
14 the legal representative shall be so paid.

15 In the case of the death of a lessee leaving no such relative qualified to be a  
16 lessee of Chamorro homelands or choosing to have the value of his interest paid to  
17 his legal representative upon death, the land subject to the lease shall resume its  
18 status as unleased Chamorro homelands and the Commission is authorized to lease  
19 such land to a native Chamorro or Chamorros as provided in this Chapter.

20 Upon the death of a lessee leaving no such relative qualified to be a lessee of

1 Chamorro homelands or choosing to have the value of his interest paid to his legal  
2 representative upon death, or the cancellation of a lease by the Commission, or the  
3 surrender of a lease by the lessee, the Commission shall appraise the value of all  
4 such improvements and growing crops and shall pay to the legal representative of  
5 the deceased lessee, or to the previous lessee, as the case may be, the value thereof,  
6 less any indebtedness to the Commission, or for taxes, or for any indebtedness the  
7 payment of which has been assured by the Commission, from the deceased lessee  
8 or the previous lessee. Such payment shall be made out of the loan fund and shall  
9 be considered an advance therefrom reimbursable out of payments made by the  
10 successor or successors to the tract involved. Such appraisal shall be made by  
11 three appraisers, one of which shall be named by the Commission, one by the  
12 previous lessee or the legal representative of the deceased lessee, as the case may  
13 be, and the third shall be selected by the two appraisers hereinbefore mentioned.”

14 **Section 29.** 21 GCA § 75110 is amended to read:

15 “§ 75110. Cancellation of Leases.

16 Whenever the Commission has reason to believe that any condition  
17 enumerated in §§ 75108 or 75108.2 or any provision of § 75109 of this Chapter or  
18 in the Rules and Regulations of the Commission or contained in the lease has been  
19 violated, the Commission shall give due notice and afford opportunity for a hearing  
20 to the lessee of the tract in respect to which the alleged violation relates or to the

1 successor of the lessee's interest therein, as the case demands. If upon such  
2 hearing the Commission finds that the lessee or successor has violated any  
3 condition in respect to the leasing of such tract, the Commission may declare his  
4 interest in the tract and all improvements thereon to be forfeited and the lease in  
5 respect thereto canceled and shall thereupon order the tract to be vacated within a  
6 reasonable time. The right to the use and occupancy of the Chamorro homelands  
7 contained in such tract shall thereupon re-vest in the Commission and the  
8 Commission may take possession of the tract and the improvements thereon."

9 **Section 30.** Sub-Section (i)(3) of 21 GCA § 75112 is amended to read:

10 "(3) Deposit and Earmarking of Funds Collected. All taxes on improvements or  
11 payments in lieu of taxes identified in Items 1 and 2 of Subsection (i) of this  
12 Section shall be deposited ~~in the Chamorro Loan Guarantee Fund, and is~~  
13 ~~earmarked to carry out the purposes set forth pursuant to this Chapter.~~ into an  
14 account(s) of the Commission, as specified by the Commission."

15 **Section 31.** The Paul Bordallo Rules and Regulations for the Chamorro  
16 Land Trust Commission, as amended and/or provided for in the EXHIBIT A to this  
17 Act, are hereby approved and adopted.

18 **Section 32.** Notwithstanding any other provision of law, the Paul Bordallo  
19 Rules and Regulations for the Chamorro Land Trust Commission shall, in its  
20 entirety, be subject to the Administrative Adjudication Law (5 GCA Chapter 9),

1 pursuant to which any adoption, repeal, rescission or amendment shall be  
2 conducted.

3 **Section 33.** 21 GCA § 60112 is amended to read:

4 “§ 60112. Legislative Approval Required.

5 Notwithstanding any other provisions of law, government-owned real  
6 property *shall not* be sold, leased, sub-leased, exchanged *or* otherwise transferred  
7 without the prior approval of *I Liheslatura* (the Legislature) by duly enacted  
8 legislation, which specifically authorizes a particular sale, lease, exchange *or*  
9 transfer and includes the real property description of the government-owned real  
10 property with particularity. This Section *shall not* apply to Land Use Permits, *or*  
11 ~~residential~~ leases or other transfers by the *Chamorro* Land Trust Commission  
12 pursuant to its rules and regulations, but *shall* apply to any transfer to the federal  
13 government *or* any agent of the federal government of land owned in the name of  
14 the government of Guam, including, but *not limited to*, its autonomous agencies,  
15 public corporations, the *Chamorro* Land Trust Commission and the Ancestral  
16 Lands Commission.”

17 **Section 34.** 21 GCA § 60114(a) is amended to read:

18 “(a) Notwithstanding any provision of law, rule or regulation to the contrary, the  
19 government of Guam is authorized to lease government-owned property for a term  
20 not exceeding fifty (50) years for commercial purposes; provided, however, that

1 the disposal of any lease for any tract or tracts of lands reserved to the Chamorro  
2 Land Trust Commission pursuant to P.L. 22-18 and specifically transferred to the  
3 Department pursuant to 21 GCA § 75105(b) shall be subject to the provisions of 21  
4 GCA § 75105(b).”

5 **Section 35.** A new subsection (f) is added to 21 GCA § 60114 to read:

6 “(f) This section shall not apply to leases made pursuant to 21 GCA § 75105(b).”

7 **Section 36.** A new § 60114.1. is added to 21 GCA Chapter 60 to read:

8 “§ 60114.1. Transfer of lands to Chamorro Land Trust Commission. (a)  
9 Notwithstanding any other provision of law, rule, regulation or Executive Order,  
10 no lands shall be disposed of under any category or class of lease by the  
11 Department of Land Management pursuant to 21 GCA § 60114 until such time as  
12 the Department of Land Management has completed the process of  
13 administratively transferring to the Chamorro Land Trust Commission all lands  
14 reserved to the Chamorro Land Trust Commission pursuant to P.L. 22-18, Chapter  
15 75 of 21 GCA, or any other provision of law, provided, however, that this Section  
16 shall not apply to the disposal of lands specifically reserved and authorized for  
17 such purposes pursuant to law. This prohibition shall not apply to leases made by  
18 the Department of Land Management pursuant to 21 GCA § 75105(b).”

19 (b) The Department of Land Management shall, not later than March 31,  
20 2011, complete the process of administratively transferring all lands reserved to the

- 1 Chamorro Land Trust Commission pursuant to P.L. 22-18, Chapter 75 of 21 GCA,
- 2 or any other provision of law.”

EXHIBIT A TO SECTION 31 OF BILL NO. \_\_\_\_\_.

Amendments and Provisions to the Paul Bordallo

Rules and Regulations for the Chamorro Land Trust Commission

1 **4. Definitions**

2 As used in these rules and regulations:

3 ...

4 (b) *Agricultural Tract* means Chamorro homelands with an area of not less than  
5 one-quarter (1/4) acre, nor more than ~~twenty (20)~~ten (10) acres.

6 (1) *Subsistence Agriculture* means the ~~production of crops for home~~  
7 ~~consumption~~ growing, care and use of plants and animals, including acts and  
8 things related thereto, for home consumption on an agricultural tract with an area  
9 of not less than one-quarter (1/4) acre, nor more than ~~one half (0.50)~~one (1) acre.

10 (2) *Commercial Agriculture* means the ~~production of crops~~ growing, care  
11 and use of plants and animals, including acts and things related thereto, for  
12 commercial sale on an agricultural tract with an area of not less than ~~one half~~  
13 ~~(0.5)~~one (1) acre, for subsistence and commercial use, or three (3) acres, for solely  
14 commercial use, nor more than ten (10) acres.

15 (c) *Agricultural use* means the use of Chamorro homeland and improvements for  
16 ~~farming purposes~~ the growing, care and use of plants and animals, including acts

17 and things related thereto, and also including grazing, stock raising, ornamental  
18 production, and aquaculture.

19 ...

20 (i) *Residential Tract* means Chamorro homeland with an area of not less than ~~ten~~  
21 ~~thousand (10,000)~~ five thousand (5,000) square feet nor more than one-half (1/2)  
22 acre, or such other area which may be specified by zoning, subdivision, or  
23 environmental policies.

24 **6.1 Residential tract leases; awards.**

25 ...

26 (c) Lot size for a residential tract lease to be awarded shall be not less than  
27 ~~10,000~~5,000 square feet with public sewer connection available nor less than one-  
28 half (1/2) acre with no public sewer connection available, but in neither case shall  
29 be more than ~~one (1)~~one-half (1/2) acre; or lot size for a residential lease shall be  
30 specified by zoning, subdivision, environmental, or administrative policies, but in  
31 no circumstance may the area exceed one-half (1/2) acre.

32 ~~**6.5 Agricultural tract leases.**~~

33 ...

34 ~~(e) The lessee shall plant and maintain not less than five, ten, fifteen, and twenty~~  
35 ~~trees per acre of land leased during the first, second, third, and fourth years,~~  
36 ~~respectively, after the date of the lease. Such trees shall be of types approved, and~~



37 ~~provided free of charge, by the Department of Agriculture and at locations~~  
38 ~~specified by the Department of Agriculture's agent. Such planting and~~  
39 ~~maintenance shall be by or under the immediate control and direction of the lessee.~~

40 **6.5 Agricultural tract leases.**

41 ...

42 (c) The lessee shall plant and maintain not less than five, ten, fifteen, and twenty  
43 trees per acre of land leased during the first, second, third, and fourth years,  
44 respectively, after the date of the lease. Such trees shall be of types ~~approved, and~~  
45 ~~provided free of charge, and uses recommended~~ by the Department of Agriculture  
46 ~~and at locations specified by the Department of Agriculture's agent.~~ Such  
47 planting and maintenance shall be by or under the immediate control and direction  
48 of the lessee.

49 **6.6 Residence permitted on agricultural lot.**

50 (a) Residences shall be permitted upon agricultural tracts. Only one residence will  
51 be permitted per lessee on Chamorro homelands, subject to the following  
52 conditions:

53 ...

54 (3) Conformance to all territorial zoning and building requirements and  
55 submission of copies of all required permits to the Commission.

56 ....

57 **6.7 Livestock and crops.**

58 ...

59 (b) Lessees may raise animals on a commercial basis on their agricultural leasehold  
60 only after the following conditions are met:

61 ...

62 (3) Conformance to all territorial zoning and health laws and rules and  
63 submission of copies of all required permits to the Commission; and

64 ....

65 ~~**6.9 Commercial Leases [Reserved]**~~

66 ~~No commercial leases shall be entered into by the Chamorro Land Trust~~  
67 ~~Commission until Rules and Regulations covering the same have been adopted~~  
68 ~~pursuant to the Administrative Adjudication law.~~

69 **6.9 Commercial Leases.** A lease(s) of a tract or tracts of Chamorro Homelands  
70 determined to be commercially suitable and specifically declared by the  
71 Commission to be available for lease, pursuant to 21 GCA § 75107(e), and these  
72 Rules, shall be disposed of pursuant to the procurement law, 5 GCA Chapter 5, to a  
73 Native Chamorro, or an organization or corporation solely owned and controlled  
74 by Native Chamorros.

75 6.9.1 Commercial leases of land categorized by the Commission as high value  
76 commercial land shall be entered at terms and rates as follows:

77 (a) The initial term of the lease shall be twenty (20) years. The Commission  
78 may grant options to renew for an additional ten (10) years in each case and the  
79 maximum aggregate term shall not exceed fifty (50) years.

80 (b) The minimum annual rental rate shall be ten percent (10%) of fifty  
81 percent (50%) of the fair market value and may be paid in monthly installments, at  
82 the Commission's discretion

### 83 **7.2 Industrial or commercial activities.**

84 (a) No industrial or commercial activities shall be allowed on Chamorro homeland  
85 leaseholds except those which are authorized by the Act, the Rules and Regulations  
86 of the Commission, or as otherwise approved by the Commission, but in no event  
87 shall such activity occur which was not previously approved by the Commission.

88 (b) No leasehold or portion thereof shall be used for commercial activities of such  
89 a nature as to constitute a nuisance. ~~Commercial activities shall not include selling~~  
90 ~~of agricultural products raised upon the premises.~~

### 91 **11. Leases to General Public**

92 Commercial leases of land categorized by the Commission as either premium or  
93 high value commercial land, and leased pursuant to 21 GCA § 75105(b) or (d),  
94 shall be entered at terms and rates as follows:

95 (a) Premium Value Commercial Land: The initial term of the lease shall be  
96 forty-nine (49) years. The Commission may grant options to renew for an

97 additional ten (10) years in each case and the maximum aggregate term shall not  
98 exceed ninety-nine (99) years.

99 (b) High Value Commercial Land: The initial term of the lease shall be  
100 twenty (20) years. The Commission may grant options to renew for an additional  
101 ten (10) years in each case and the maximum aggregate term shall not exceed fifty  
102 (50) years.

103 (c) The minimum annual rental rate for leases of premium or high value  
104 commercial land shall be ten percent (10%) of seventy-five percent (75%) of the  
105 fair market value and may be paid in monthly installments, at the Commission's  
106 discretion

107 **12. Provisions for Commercial Leases to native Chamorros and General**  
108 **Public**

109 12.1. General Provisions. (a) In addition to the requirements contained in the  
110 requests for proposals or invitations for bids, proposals or bids for leases made  
111 pursuant to the procurement process shall be in writing and shall state the  
112 applicant's name, address and telephone number, organizational or corporate  
113 structure (if any), financial viability, the proposed use of the land and the services  
114 or facilities to be provided, and the proposed rental rate.

115 (b) If the Commission approves the issuance of a lease, then the  
116 Administrative Director of the Commission, or his or her designee, may negotiate

117 and consummate the terms and conditions of that lease, provided, however, that  
118 final approval shall be made by the Commission and executed by Chairman of the  
119 Commission. The Commission shall determine such terms and conditions of a  
120 lease as it deems prudent, reasonable, and proper and in accordance with 21 GCA  
121 Chapter 75, applicable law, rules and regulations.

122 (c) Except as otherwise provided in subsection (d), the lessee awarded the  
123 lease under procurement shall pay all costs incurred by the Commission for  
124 processing of the lease, including, but not limited to, attorney fees and costs of  
125 procurement, advertisement, survey and appraisal. The lessee, upon award, shall  
126 remit to the Commission a non-refundable deposit in the amount of one thousand  
127 dollars (\$1000.00). The lessee shall pay upon execution of the lease, the balance of  
128 the costs incurred by the Commission in excess of the deposit.

129 (d) All or specific processing costs, except the non-refundable deposit  
130 described in subsection (c), may be waived by the Commission, at its sole  
131 discretion, when the Commission initiates the action for lease awards and  
132 determines that the lease benefits Native Chamorros or the Commission. Costs to  
133 be waived shall be included in the initial announcement of availability for  
134 commercial lease.

135 (e) As referenced in Rule 6.9.1(b), the fair market value of land shall be  
136 established by appraisal as follows:

137 (i) In establishing fair market value for purposes of initiating the  
138 procurement process, the Commission shall enter into a contract for appraisal or  
139 make its own appraisal. The lessee awarded under procurement shall pay the cost  
140 of all appraisals. Where a staff member of the Commission performs the required  
141 appraisal the lessee shall pay to the Commission a sum which is reasonably  
142 comparable to the current rate for similar appraisals contracted for in the private  
143 sector, less twenty-five percent (25%).

144 (ii) In establishing fair market value for purposes of rent adjustments,  
145 the appraisal shall be made by three (3) appraisers, one of which shall be selected  
146 by the Commission, one by the lessee, and one shall be selected by the two  
147 appraisers hereinbefore mentioned. The fair market value shall be the average of  
148 the three (3) appraisals. However, if there is a greater than twenty percent (20%)  
149 variance between the highest and lowest appraisals, then the Commission may  
150 disregard the results and reinitiate the appraisal process.

151 (f) If surveys of the area proposed for lease are required by the Commission,  
152 the survey shall be performed at the cost of the lessee awarded under procurement.  
153 If the Commission is requested to provide the survey, the lessee shall pay all costs  
154 incurred by the Commission thereon. The Commission may require an additional  
155 deposit in the amount of the estimated cost for such survey as determined by the  
156 Commission.

157 12.2 Lease, Disposition. (a) Notice of any proposed disposition or property by  
158 lease shall be made pursuant to the notice requirements in the procurement law, 5  
159 GCA Chapter 5.

160 12.3 Request for Designation of Land for Commercial Lease. A prospective lessee  
161 may request the Commission to consider designating a specific tract or tracts of  
162 land as being for commercial lease and disposal through the procurement process.  
163 The Commission shall duly consider the request, provided, however, that the  
164 ultimate determination whether to designate land for commercial use pursuant to §  
165 75105(d) shall be at the discretion of the Commission, and as further provided for  
166 pursuant to applicable law and these Rules. Upon designation of a tract or tracts of  
167 land as being for commercial use through a lease, the Commission may commence  
168 the process of disposition pursuant to the procurement law.

169 12.4 Esthetics, Environmental compatibility and Statutory Compliance. The  
170 Commission shall seek to insure that all lands leased for commercial purposes are  
171 developed in an esthetically pleasing and environmentally compatible manner fully  
172 compliant with applicable law, rules and regulations.

173 12.5. Notices, Failure to Comply. Any commercial lease issued by the Commission  
174 without fully complying with the notice requirements provided for in these Rules  
175 may be voided, provided, however, that a filing of a written notice of protest for  
176 non-compliance with the notice requirements of these Rules must be submitted to

177 the Commission within ten (10) calendar days, including weekends and holidays,  
178 of the announcement of the award. In the event no notice of protest is filed within  
179 ten (10) calendar days, then, the Commission may proceed with the disposal of the  
180 tract(s) and the lease shall be deemed good and in full force and effect.

181 12.6. Appeals for Reconsideration and Grievances. Appeals for reconsideration of  
182 applications, and/or matters relating or pertaining thereto, or any other matter  
183 where an applicant or person believes there to be cause to challenge the conduct,  
184 any action or decision of the Commission, then, the resolution of the matter shall  
185 be conducted pursuant to the applicable provisions of 5 GCA Chapter 9  
186 (Administrative Adjudication Law).