Chamorro Land Trust Commission
(Kumision Inangokkon Tano' Chamoru)

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Governor of Guam

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Commission Members

Oscar A. Calvo
Acting Chairman

David J. Matanane
Vice-Chairman

Pauline Gumataotao
Commissioner

Carmen G. Tajalle
Commissioner

Andrew S. Leon Guerrero
Commissioner

Jesse G. Garcia
Administrative Director

COMMISSION MEETING MINUTES
Agana Youth Center, Hagatna, Guam
August 20, 2009; 1:11pm - 3:34pm

I. CALL TO ORDER
Meeting was called to order at 1:11pm by Acting Chairman Oscar Calvo.

II. ROLL CALL
Present were Acting Chairman Oscar Calvo, Vice-Chairman David Matanane, Commissioner Carmen Tajalle, Commissioner Andrew Leon Guerrero, Legal Counsel Delia Lujan and Administrative Director Jesse Garcia. Not present was Commissioner Pauline Gumataotao.

III. APPROVAL OF MINUTES (July 16, 2009)
Vice-Chairman Matanane moved to approve the minutes of July 16, 2009. Commissioner Tajalle seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS
None.

V. PENDING BUSINESS
1. Guam Rugby Club & Guam Hals Angels Football Association licenses
Administrative Director Garcia – Myself and Legal Counsel Delia Lujan met with the Rugby Club's attorney and Hals Angels attorney to review it and we gave them a scenario of the property. They were supposed to meet together and come up with some kind of a solution for the area.

Attorney Brooks – Morning Chairman Calvo and Commissioners, thank you for the opportunity to be here today. We did have a chance to meet yesterday with Ms. Diaz and Attorney Lujan and we have in principle I think found a way to resolve this situation. I don't know if Mr. Garcia has a map of the area but what we have tentatively tried to agree to is to allow the Rugby Club to take the property that had been mapped off previously and use that for their two fields. In addition they would build a multi-purpose field which I believe would also be suitable for baseball so that the baseball field that currently exists outside of the property could be moved over there and used as a baseball field and then the existing baseball field would be transformed into the football practice field that the two clubs had previously discussed. The only sticking point would be that the two clubs would need to come to an agreement and sign a formal memorandum of agreement that would set out the timeframes and the responsibilities of the two clubs with respect to the Rugby Club's construction of the practice football field. And then I think that we would enter into separate licenses and the license for the Hals Angels portion would be a portion of that other remaining lot but it would be designated formally and

shown on a map and attached to the license agreement which Ms. Lujan would prepare and pending the agreement with the parties on the MOU then we would have a global solution that would take care of everybody.

Acting Chairman Calvo – Okay let me just because Mr. Garcia and I have pretty much too have been working with him on this issue because you know in how we can resolve this and I'm glad that you people you know really come into terms now into this issue. And I know that baseball there what he's saying and from what you're saying that the following what the map is right now that the Rugby Club would be stabilized on their own field now and giving up that baseball field which is going to go now to the Eagles and I think well at least that's one compromising thing that you gentlemen has come to and agreed. As long as you know both parties are pretty happy on this issue. Because at the end of the day it's really just for the kids that you guys are working for and we don't want to go like the JFK issue right now bashing back and forth on the right field and you know it's just like I always said this is about not so much about the rugby but about the kids and sports events. So if anything to that any more questions you know I think the legal counsel and the Director would work in hand in hand with you on these issues and finalize the you know the paper works of what needs to be done. So let me get this straight now, Ivan you're in agree to that issue?

Ivan Shiroma (Hals Angels Football Association) – Mr. Chairman that is just one option that Rugby people are submitting. In principle we agree with it but I'd like to be afforded the opportunity to give my option also because we only gave the Rugby people their option and I don't think you guys heard from me what my option is. And I stated this long time ago with Joe Borja when he was the administrator. He asked me Ivan how can we resolve this issue, we're tired of fighting with these people. I said Joe just give us back what we gave to them in the first place and we still have our main football field and our practice field and they can go and build their new field right next to it. So that is my option. You mentioned the baseball field is going to be used as a football for the first option. I have some baseball people that's in my organization with my football organization, I mentioned it to them last night they're complaint is this why are you guys going to knock down that baseball field? I said there's three, four fields being built in Harmon Loop he goes that has nothing to do with us, we're a village team. There's four fields being built with Public Works or Parks and Rec and that is used for I guess official or off-island whatever I don't know what the status is. But they're just saying for us to knock down that field again it's one less baseball field for the people in Dededo. I said you know what that's a legitimate concern I'll bring it up to the board but that is an option that is being given to us and I have to consider it and you know have an answer ready. So with that first option that's a issue that we need to address also the northern little league people now are complaining to me about hey give us a chance to voice our, I invited them today but they said it was a too short a notice. So that being said my option is this just give us back our practice field. They keep saying they put so much money into the new field that they're building, go ahead and take that we're not going to fight for that. Give us back our practice field. Right now I'm using the soccer field in Harmon Loop and I'm slowly being squeezed out, I have a 140 kids. Parks and Rec is slowly squeezing me out they're being nice they let me use the field but now that soccer season has started I'm slowly being asked to move out. So not to sound confusing or anything this is my option that I want to bring up also to consider, give us back our existing practice field that we gave them and go ahead and build your new one that they

claimed they spent so much money on or they put in a lot of money into the field already the new one.

Acting Chairman Calvo – Ivan on this I know that the Director has checked and quote me on this Jess with the village Mayor and we made it sure that the village Mayor gave us that full support behind it whether we are going to need it or not to try to resolve this issue. And true you know there are other fields that are going to be built up there and I think with the Director on that discretion Jess maybe you just want to elaborate a little bit more into that issue.

Administrative Director Garcia – I have made a check with both Parks and Rec Director Joe Duenas and Mayor Savares and the statement that they gave me is they're not using that field. They haven't been using it for over two years. They haven't scheduled any events for that field in over two years so that's why I brought it up to my legal counsel and the two legal counsels for the Rugby Club and the Hals Angels Football Association so that's an option so you know it's up to now you guys to decide what you want to do.

Ivan Shiroma – Okay I'm getting a different story from those people that were playing there.

Administrative Director Garcia – Well the property belongs to Chamorro Land Trust.

Ivan Shiroma – Yes.

Administrative Director Garcia – The Mayor has a say to where they practice and what and they haven't scheduled any games. Parks and Recreation as well hasn't scheduled any events for that area. So you know it's to settle the dispute between the two clubs then might as well make use of it and another thing what I was explaining to the legal counsel was that you guys need parking. There's no parking up there anyways so you know.

Ivan Shiroma – So if that thing was converted to a football field then we still have a parking problem.

Administrative Director Garcia – Well I gave them the map and there is available areas for parking.

Ivan Shiroma – Actually Jess my only concern really is I don't want to be stepping on these little leagues because they're an organization also a bunch of local people. I don't want to be accused of stepping on them the way I feel like I'm being stepped on from Rugby they're trying to squeeze me out so that's my only issue. I don't want to tell these baseball people hey you're not important, we're going to erase this field no matter what you say so we can put a football field here so we can satisfy Rugby. That's my only thing.

Administrative Director Garcia – What ever association, baseball association or whoever they're still going to have to come to us to ask us to use the property. In the event that somebody does use that field without permission and they get hurt we're going to be

liable for it, it's our property. So you know I cleared it with the Mayor and I cleared it with Parks and Recreation so that's pretty much our standing at this point.

Legal Counsel Lujan – It was also my understanding from the meeting yesterday that Rugby Club would take the existing softball field and put it over at the multi-purpose field that they're constructing. So there would be a baseball field in use of that on that lot.

Ivan Shiroma – And under who's control is that going to be under?

Legal Counsel Lujan – That would be under the property that's licensed to the Rugby Club but for anyone's use.

Ivan Shiroma – I think I made it clear Ms. that there's a trust issue here because like for 6 years they promised they were going to build us a field and it didn't happen. What makes you think they're going to do it now? You know what I mean. I was asking Terry if they are going to have a MOU in place, get an MOU in place and you know they could take another 20 years, yeah we're going to do it but we didn't say when we're going to do it.

Acting Chairman Calvo – Ivan I think we can resolve that issue because if they're going to agree to that okay I'm going to make sure that it's stipulated both attorneys that there would be a timeframe for these things to be done. And if it's not done in a period of time whether it be three to five years no longer than that that it be stipulated that if the Rugby does not hold up to the agreement then that piece of property would be taken away from them. As what the legal counsel has stated here if the rugby is going to create all this that they make sure that it's in writing ma'am (referring to Atty. Sofia Diaz), I guess with Attorney Brooks you guys have to really come to that and you know once you guys put all these into perspective then we'll present it to legal counsel and then we'll get the final advice from the legal counsel. Is that fair enough, sir, ma'am?

Atty. Terrence Brooks – I think so.

Atty. Sofia Diaz – I think so.

Acting Chairman Calvo – Okay. So in that state what you're alluding is would be covered to make sure like what you said what is to prevent them that they are not going to build that field. So they got to keep up to their word on what. The way I think the field is that the rugby would have to be going around the other way so that there will be no collision between the two of you people. Like what I said I've always said it it's really for the kids. And you know this is an issue that can be easily be resolved and it's just a playing baseball field right now. So I think with your organization and your organization you know I think you guys have to butt heads back again. I mean I hate to do this again but it's when you're actually already completely finalized that then I think that's when we really sit down and but the option is there what Mr. Garcia stated already okay. And you know its mind boggling to say one another this and that it's just a flip flop thing. And I think we're not getting any where with this issue you know and I want to resolve this as much as you guys. But I think to what you said in a precedent to that thing where we can all compromise. So I think it's all fair and when that's all done with the legal counsel being looking over on the terms and if she says you know it's good then we're good. Is that fine with you?

Ivan Shiroma – I just have a trust issue with these guys.

Acting Chairman Calvo – I know Ivan but this is one way now that we can get that trust issue okay because this time it would be in writing okay. It's going to be in writing. In the past it's just bilingual so now it's going to be documented okay. It's going to be black and white now or even color if you guys want to do it, it doesn't matter.

Ivan Shiroma – Okay Mr. Calvo answer me this on our license agreement which is a mirror agreement with mine, Rugby and the Hals Angels agreement, on the renewal of license it's very simple, very plain black and white to reapply 60days before that. This guy is known to be protesting government procurement practices and always protesting because he pays attention to detail. Now when it comes to his renewal license what does he say I forgot or. So what's going to happen now? But since he put in a lot of money into this field we're afraid to tell this guy look you didn't reapply on time so why should we redo their license. I bet we're just going to let it go. All we're thinking about now is his field. I followed the law.

Acting Chairman Calvo – And I understand that Ivan okay but like I said this time around it's not going to be that because I'm going to make damn sure this time, excuse the language. But I'm going to make sure that these things are really in what is supposed to go down. I think because we're not getting I think you and your counsel ideally give an idea and like you and your people too has to be very compromising to this issue because you know I mean I want to make sure these things are done. And when you guys are actually already in speaking terms and you come to that and agree then I think it's time that we sit down but I think right now it seems like it's not a resolving issue right now again. So I want to make sure that everything is in plain black and white where you and your legal counsel agree to this issue. And one of the things that I want to stipulate like I said I don't want this issue like what you said earlier what would it prevent you know we give them that they are going to build this field in 5 years, 6 years or whatever. This time it's going to be in a timeframe and if they don't do that they don't keep that okay. Then the rugby or whoever is at fault at first do not keep to his word then the Chamorro Land Trust will take that piece of property back simple as that. Okay?

Atty. Brooks – Thank you.

Acting Chairman Calvo – Is that fine with you?

Atty. Diaz – Yes, thank you.

Administrative Director Garcia – In the event that you guys come up with a type of settlement let us know or let our legal counsel know then we'll just formulate. We don't need to come back to another meeting.

Atty. Brooks – Okay, we'll be working on that.

Atty. Diaz – Okay yes we will.

2. Agfayan Incorporated – License status

Peter San Nicolas – My name is Peter San Nicolas, president for the Agfayan Inc. Corporation.

Randy Cunliffe – My name is Randy Cunliffe, I'm legal counsel. Mr. Chairman and Commission members it's nice to see you all again. Mr. San Nicolas had come to see me quite some time ago about some issues that existed on this property. I know that he was meeting with the former Director or Directors as you had some problems with keeping people in a full-time position here and I know he's met with Mr. Garcia with regard to this matter and based on a conversation that he had with Mr. Garcia they asked me to write a letter which I believe has been presented to the Commissioners. I think it was June 17th detailing not only some of the difficulties that Mr. San Nicolas had with regard to actually getting a piece of property to do this project on but also some of the expenses that have been put into the earlier properties that he was given and then the amounts of money that he has spent on this project. Unfortunately as you probably know I was legal counsel to this Commission for about 8 years and sometimes staff members or others make some oral promises that are never put into writing. I've seen members of the community come before the Commission and complain about things that they claimed they were promised and everything like that and I know that the Administrative Director is working very hard to make sure that nobody makes any promises that the Commission can't keep and that aren't in writing. At this point Agfayan Inc. and Mr. San Nicolas are asking the Commission to number one reduce the rental on this property which is currently at $3,500 a month and as the Commissioners can probably understand the sale of fish and other locally grown items are not a huge profit margin and that is very, very expensive and also giving Mr. San Nicolas and Agfayan Inc. a credit for all of the expenses that he has put into this property many of which were unknown because of the difficulties that existed on this site. They weren't known either to Chamorro Land Trust or to Mr. San Nicolas when the lease was entered into. He has been making some payments which I've detailed in my letter and I know that he states to me as of today he's current at paying since he started paying at $1,500 a month. And he would ask that the monthly rental be reduced to $1,500 a month with a credit and I think that would certainly assist the books of the Commission which the public auditor has been very critical of and allow Agfayan Inc. and Mr. San Nicolas to continue to provide services to the people on property that is owned by the Chamorro Land Trust for the duration of the lease and any extension of the license and any extensions thereof. If there are any questions if I can't answer them I know that Peter certainly can.

Acting Chairman Calvo – Randy you know this situation that we have with this Agfayan is there is a lot of lingering things here that are not being answered for many reasons and like you said you were the legal counsel at the time for the Chamorro and what transpired back then I can't really speak for that issues. But I can honestly speak for this board at this point in time for what has transpired. As you know that we've been hit in the media in many occasions because of their subleasing to these areas up there and we do have photos on those that was taken there that appeared there that there was a company there that was selling pottery or something and then on all these things. And then the financial portion of all these things been burden by and I think you should know this I mean yourself on this Randy when you know when you lease this place it's not the responsibility of the Chamorro Land Trust if you go build a multi-million dollar home there or building you know. I think I know Mr. San Nicolas has alluded that all the expense that they've made there and for $3,500 now for me to just say okay I'm going to drop down the price because it's too stringent you know that's an ideal location up there it's a commercial lease and area. And I was looking on there and not only that his rental fee is way behind. He's not up to par and I don't want to disclose how much he owes at

this point in time but I know that he has substantial. To me even if I was to do that and render that and then what's to prevent other people come in. I have a client who's paying for a small a size as this building here and he's paying a tremendous amount. But I told him you know I can't even do that for the mere fact because if I do that I can't do that just to keep and at the time when they made that he signed that agreement you know whether he's selling fish or produce what not I don't know. But I think I don't know how the other board members feel on this issue but some of these things that have been in the past and have been discussed and I have sat with you Peter with Mr. Borja and I did explain to you, you know it's the public's eyes not my eyes you know and the media they're the ones speaking on this. I don't want to put you out of business for that matter but you have responsibilities to do that you have to take care. It's not my responsibility or any of the board members or the Director for that. And I know you're asking for a lower fee if I was to do that today and say okay we'll garnish it down to $1,500 you know I have to stand to what you initially signed which is $3,500. And on top of that you know you still do owe the Commission some money. And as far as doing all that work, building, putting the roads and construction and what not that's not the Commission's responsibility you know. Because it's you wanted that business and for whatever the reason all these years you had the opportunity to come by and say you know what I don't think so I can make this. I don't think so I can do it. I don't want to go to this route it's up to this board how they look at it now in terms of that. And like I said Randy whatever transpired back then I can't speak for them and like you said you being the legal counsel he's more than entitled to his opinion but also on this board you know I look at it in a different view. So I don't know if any of the board members want to make comments, Dave?

Vice-Chairman Matanane – Who authorized the $1,500 payment Randy?

Randy Cunliffe – No one authorized it, I mean it's all he's been able to pay.

Vice-Chairman Matanane – Okay where was the agreement?

Randy Cunliffe – No it's all that he's been able to pay.

Vice-Chairman Matanane – You're an attorney, you should know better. Who authorized the $1,500 anyway and what are we going to do with the past liability? We're just going to say we'll forget about it?

Randy Cunliffe – Well that's what he's asking that the off-set, the $300,000 in investment in the property as against the rental payments.

Vice-Chairman Matanane – But showing good faith we would like to see it up to date before we even consider any other you know agreement.

Randy Cunliffe – Okay.

Vice-Chairman Matanane – And who else, who authorized it to be paying $1,500 anyway I mean you know the agreement was for $3,500.

Randy Cunliffe – Well I think actually some former members of the Commission told him you know to pay the $1,500.

Vice-Chairman Matanane – Is it in session or..(didn't finish).

Randy Cunliffe – No I think the former Director. Is that correct?

Vice-Chairman Matanane – Is it in writing?

Peter San Nicolas – No nothing on that it's just to try to make some payment on my lease.

Vice-Chairman Matanane – Is it in writing?

Randy Cunliffe – No I misspoke he just said he was trying to make what payments he could.

Vice-Chairman Matanane – Whatever he could but not to say that we'll forget about the rest of the…(interrupted).

Randy Cunliffe – Well the former as I said in my letter he was told that they would waive all of the fees up to July of 2008.

Acting Chairman Calvo – Here we are again you know for this very reason is he says that and I don't have anything substantial right now to say and honestly say it was Mr. Leon Guerrero here who gave you the authority because I sure didn't. I don't know if Dave did or the other Board members. I'm just saying is this thing has to be you know Peter we're not trying to get you out of business for that matter but you have a responsibility. That you guys have to take that and it seems like everything is falling back to the Chamorro Land Trust. I mean I sympathize with all these issues and you know you guys you had months and years to rectify these problems you know. Until it builds up to an issue right now and then now we're supposed to be coming and say okay no problem we'll take care of it, a pat on the back. Maybe months and years ago maybe we can do something about it. So I'm just trying to let you understand what transpired in the past could have been prevented, could have been prevented. You know issues were out there and like I said I know when we sat down with Mr. Borja yes, you did come up with the cost from the power to the water, that's not my responsibility. That's not. You know if I go to the bank and borrow $20,000 I'm responsible to pay that $20,000 that I borrowed from the bank. I'm not going to say to the bank I can't pay my monthly mortgage this month because I had to go pay this. This piece of property it doesn't belong to me it belongs to the people of Guam, to everyone in here that's eligible. So I have to account and I have to answer to them not just to you but to every one of these people here on Guam. So you know ideally Randy I think by all due respect I think you would have to re-counsel your client on how to resolve this issue because like what Mr. Matanane is saying here. But how the other board members feels that's their discretion I can't speak for them but at least for me as the Chairman you know because I'm really tired of knock on woods I've been accused of so many things here for all these past things that's happened but I don't want to take that. What transpired in the past you know. I'm here now to make that correction. If I don't make that correction right now then we might as well turn Chamorro Land Trust to anybody else and say hey yeah no problem, I'll sign it off. So you know I mean that's how I see it right now.

Randy Cunliffe – With regard to one of the comments you made earlier Mr. Chairman about other people on the property his license agreement anticipates that. It says right in it that he's going to provide accommodations for flea market vendors.

Acting Chairman Calvo – Yes in the contract it stipulates there but the vendor there that is stipulated is for produce and everything but not pottery or other equipment because we have pictures to show that.

Randy Cunliffe – No it's flea market vendors.

Acting Chairman Calvo – Yeah, flea market yeah to come there and sell their produce and so forth. I know because I read his and that's okay because that's within his contract binding. But the issue is not that one, what we're looking here is the issue is the payment and the time that he hasn't paid and so forth. That is what we're really going for.

Randy Cunliffe – One of the issues that's been in the public is him allowing other people but he's allowed to bring in other tenants and get money from them to help pay his rent.

Acting Chairman Calvo – But see I've asked Mr. San Nicolas on these things okay but even if he allowed people why wasn't he at least afforded to the Chamorro Land Trust and say you know I'm making Mr. so and so pay let's say hypothetically a dollar for that usage, those are supposed to be recorded.

Randy Cunliffe – But the agreement doesn't say he has to do that.

Acting Chairman Calvo – Well then you know if the agreement does not say that Randy okay and I'm not a lawyer and you're a lawyer okay but at least for what I'm saying here is he's saying he can't make the affordable payment every month okay. If he can't make that affordable payment that's when he has to start acting on his own.

Randy Cunliffe – Well he was he was bringing in other tenants along with him and you stopped him from doing that.

Acting Chairman Calvo – Yes but even if he was okay how much were each of these tenants being charged? How much were these tenants being charged? This is what I'm saying if he says $20, $50, $100 I don't know that. He's saying that yes they're bringing in other tenants to at least to accommodate his needs to cover his monthly payment okay besides his own business which is selling the fish. That's common practice for a business. You know that's common practice. So what you tried to do is tried to make up the ends meet okay. If you're short a dollar okay and Mr. Matanane comes in and says I can fork that dollar out by putting this in you know. That's what I'm saying but I don't have anything to substantiate that. He's just saying I can't afford it. But yes he's saying he's trying every possible way but I don't know that see. I don't know how much he sells on his fish. Does he make a hundred dollars a day? Fifty dollars a day? I don't know.

Randy Cunliffe – He's available to meet with the Director and discuss those things.

Acting Chairman Calvo – Well you know because here's another round of second round, third round I don't even know how many rounds we've gone through this Randy. But you know what the other board member is we just want to really, we're not saying for him to move out for that matter. He's asking us to drop, I can't do that. That's my take right now I don't know how these people think. But I will not render that for the mere fact because if I do that okay one of these tenants too they'll say you know what if you can drop Mr. Agfayan's $3,500 a month why can't you drop mine down. Like I said I have a client who's got a small lot like this and he's paying a tremendous a lot of money. But you know what I told him I can't do it because if I do that I got to set you know and you know that Randy.

Randy Cunliffe – I think one of the questions is, is the price originally set appropriately.

Commissioner Leon Guerrero – Randy you stated earlier in your letter to the Director that you felt that the $700,000 was grossly exaggerated as far as the appraisal value for the property. Maybe it would be a good idea if we went back and had an appraisal made without all the improvements on it, take a look at that and see where that would take us as far as where the formula is and applying it to how we come up with the dollar figure for rental. Now it could go one of two ways, it could either go up and that would be a disadvantage to you or it could go down and that then would be an advantage to you then and then maybe the Board can take a look at it if at the end of the day it's lower than the $3,500 lets say hypothetically it's $2,000 maybe we can take the $1,500 the difference, credit Mr. San Nicolas with what ever is owed to the Commission but on the other hand if it increases are you willing to pay the difference? So that's something that we can look at as far as how much the Commission should charge Mr. San Nicolas on a monthly basis.

Randy Cunliffe – That's fair.

Vice-Chairman Matanane – I have a different take on that. We have an agreement, we stick to the agreement. If he comes up to par with the payments, up to date then we can reconsider another agreement but other than that to me it's irrational to do that. To me that's you know we have an agreement you're an attorney you know that an agreement is an agreement where it should be and besides that he's behind.

Randy Cunliffe – But the agreement provided that he can have other tenants on board and then you stopped him from doing that.

Vice-Chairman Matanane – Well it didn't say here that he can also pay $1,500 or pay as he please. The agreement is an agreement where it's an agreement where he has to come up with the amount of money that is supposed to be put in.

Randy Cunliffe – But you stopped him from having other tenants.

Vice-Chairman Matanane – Who's stopping him?

Randy Cunliffe – They told him to get out of there they were going to kick him off his property, the license.

Vice-Chairman Matanane – Because on the agreement there's no subleasing right?

Randy Cunliffe – It's not sublease it says right in it he has intentions of providing accommodations for Flea Market vendors. You knew he was going to have other people in there.

Vice-Chairman Matanane – Well if he's doing that just to pay his liability then where's the lease agreement that he has the vendors on? Where's the payment for that then? If he's doing it for the payment of this. Now has he come up with it or is he overcharging or undercharging?

Randy Cunliffe – Well he can charge whatever he wants to charge.

Vice-Chairman Matanane – That's right, that's right of course he would charge towards the rent.

Randy Cunliffe – Right.

Vice-Chairman Matanane – So is he charging it for the rent?

Randy Cunliffe – He's not charging anything now because the people have been chased away.

Vice-Chairman Matanane – Is the money coming to Chamorro Land Trust because just because he has that particular agreement with the vendors.

Randy Cunliffe – He doesn't have as I said the people were chased away so he's not making that.

Vice-Chairman Matanane – Of course that's why he's doing it in order to pay his liability.

Randy Cunliffe – Right which is the intent.

Vice-Chairman Matanane – So where is the money? I mean if he's charging it the right way, I don't know.

Randy Cunliffe – The people were chased away so he's not getting the money.

Vice-Chairman Matanane – Is he really?

Acting Chairman Calvo – But who were the people that chased them away?

Randy Cunliffe – He was told that he was going to be kicked off because he was improperly allowing somebody to be on his property.

Acting Chairman Calvo – In the very beginning Randy there was and I just wish Mr. Borja was here okay what came upon on this issue was that Mr. San Nicolas here at the time and you sat with me in that room and we did talk about that on the rental fee and we asked you who were the parties that were leasing and renting that place and this is what your answer at the time your sister was there sitting in there as a matter of fact okay and your answer was I was just helping a friend.

Peter San Nicolas – I want to just say because actually other than being delayed on actually getting this property operable I wasn't able to get a tenant right away to get into this and help me on some of the payment. I did bring these people in actually trying to use that particular area to help me to invest in providing more buildings so they can use it for rental. But a lot of these setback originally people wanted to put money in they hold back because one is the media, second they see a lot of these stuff and then they actually pull back and I, Randy had seen this, I prepared quite a few agreements with these vendors for you know putting in money. To now really actually they just hold back and they want to know exactly if I have the land or this property and I try to convince them that I still have it. I really wanted to do that.

Acting Chairman Calvo – But when this thing happened okay even before this thing came out to the media and what not okay the time that passes back okay you had that opportunity that's what I'm trying to say. When this thing arrived you know you're trying to get vendors and what not to help you out I have no problems with that to help you out believe me. But I have a responsibility here too that I have to account for to the people. So what I'm saying here is you have to really because this issue did not arrive years back just recently and yes they were told to be out of there for the mere fact because but even before that you had the opportunity your corporation or your family you know it's your responsibility to let us know. Randy you know that that's typical business things. You just don't say John just move on that corner and Mary just move on that corner and you Tun Juan over there you know and this is what's been happening.

Commissioner Leon Guerrero – Obviously when you first applied for the property you were going to make some money off of it right. So because it's a commercial lease so how were you going to pay for this $3,500 that you agreed with the Chamorro Land Trust? How were you going to make this money in order to pay it back from the property? What was your projection? What was your business forecast? How was this supposed to be done?

Peter San Nicolas – Originally and it's actually just from my business. I wasn't specifically relying on just the vendors it's just coming out from my fish sales between flea markets on the weekends and trying to use this on the regular weekday sales. That's the projection to make that payment. But over the last I'll be honest with you maybe three years now has really declined on the sales itself. Mainly it was making a lot on shrimp because those days shrimp nobody was really growing and bringing in, it was mostly Philippine shrimp. Now they have this same shrimp that we grow here imported in at $3 almost $4 a pound so it really had dropped our revenue on that area. So that's one side but from the beginning I was just trying to use the company to make those monthly payments.

Commissioner Leon Guerrero – So initially that was the plan.

Peter San Nicolas – Yes.

Commissioner Leon Guerrero – Obviously it wasn't working because you weren't making enough to survive. So now you went into a flea market type situation where you rented out these stalls or whatever they may be was that, did you make a request to the Chamorro Land Trust Commission or was that in your original lease agreement?

Peter San Nicolas – It was part of the agreement.

Commissioner Leon Guerrero – That you were authorized to go ahead and sublet certain portions of the property.

Peter San Nicolas – Yes but in order for me to actually get to that point I was looking at the most appropriate way to use the property I had to do some things to the property so that's where the cost is and it kind of set me back for a while before I could even get the whole building built and other flea market. In the beginning I wasn't trying to just put canopies out like the other side really. I was trying to make the place a little bit better than just a flea market.

Commissioner Leon Guerrero – Did the Commission stipulate who could rent from you did it have to be vegetable vendors?

Peter San Nicolas – It's just open other than industrial activities.

Randy Cunliffe – It says flea market vendors.

Peter San Nicolas – And other products.

Commissioner Leon Guerrero – It was very general. So what I'm saying right now I guess is that whomever is subletting from you right now that this Board not this same Board but a Chamorro Land Trust Board had allowed you through this lease agreement to go ahead and practice that.

Legal Counsel Lujan – I do have a copy of the license here and it's my first time to look at it and I'm not finding flea market vendors what I do see is a provision Section IV, Limitation To Described Purpose and it states that the property may be occupied and used by licensee solely for the activities proposed by Licensee and for incidental purposes relative to a Farmer's Produce and General Merchandise Retail Outlet to include but not limited to consumer services facilities from the commencement date and continuing until this agreement is terminated as provided herein.

Randy Cunliffe – If you look at the second page, page 2 about the sixth or seventh Whereas from the bottom, Whereas, Licensee has outlined its intentions to providing accommodations for Flea Market Vendors. And then it says that the property may be occupied and used by licensee solely for the activities proposed by Licensee, in this paragraph IV and he's proposed using it for flea market vendors. So it's been approved.

Legal Counsel Lujan – Do we have a copy of the outline that has been to the Commission?

Randy Cunliffe – I have no idea. I wasn't involved in this when it was prepared. I knew nothing about it, I wasn't legal counsel of the Commission at that time. I don't know anything of how it actually came about.

Legal Counsel Lujan – I would just need to take a look at the files.

Randy Cunliffe – If there is no objection at this point I can follow Commissioner Leon Guerrero's thoughts if we can get the property appraised. It's not going to cost the Commission any money.

Vice-Chairman Matanane – No. Well like I said an agreement is an agreement and you have to come up to par with the agreement and then we can reconsider other options that we can consider. But other than that we cannot just break right in the middle of an agreement where he's not even up to par. That's my take on it. So if Mr. San Nicolas can come up with the amount of money that is owed to Chamorro Land Trust and come up to par with the agreement then probably we can reconsider the request that he's you know but we can't just forego anything that's within that agreement. You understand where I'm coming from Randy?

Randy Cunliffe – I understand.

Commissioner Tajalle – In all fairness in some ways I agree with Matanane and then with Andy's recommendation but Mr. San Nicolas looking at you know when you initially applied for this land you know it was going through the process and unfortunately yes it's a cycle business have their cycles okay. But you know just as the Chair has mentioned in the last three years you should have addressed it immediately to us that way the Board that time could have you know assisted you in that matter. But because you're falling behind arrears I agree with Commissioner Matanane that you need to live up to the payment agreement for what is owed and of course at the same time with your attorney work on what Andy has recommended because there are accountability as an applicant and in order for us to move on and to assist you, you need to do your part first. Help us help you that's what I'm saying here.

Acting Chairman Calvo – You know Randy and Peter this thing is really a disheartening thing that we have to go to this trench but like what the other three board members said we all have responsibilities here too. You as the legal counsel has responsibility over your client and to protect the best and the interest of your client you know. And it's the same with us here our interest and to protect the interest of the Chamorro Land Trust which is the people of Guam okay. So I have, we carry a heavier load than what you have to carry. You know I just wish Peter would have looked at this issue more thoroughly and try to resolve because I don't want to see him lose what he's got and it can still be saved. Maybe you as the legal counsel can you know I don't know give him some legal advice now this is where now that you have come to the board and kind of really heard what the board's feeling on this issue on how we can ratify this issue. Because we can still work this deal out but he has to carry that responsibility because the amount that he's got already okay I have to account for that and you know that Randy. Like I said you're only answering to your client, I'm answering to the people of Guam. So I carry more of a shoulder than you right now and you know that.

Randy Cunliffe – You have much more on your plate than I do.

Acting Chairman Calvo – Exactly. So I think in all honesty we can all aways come down to an agreement and like I said just like earlier with the football and the rugby I thought we solved that problem but you know I think you know maybe the legal counsel and you and Peter maybe you guys just have to sit down and we're willing to work with him Randy okay. We're willing to work with him, I want to work with him. I know Peter but

you know knowing him when I'm in here Peter I'm sorry we're in a different tone and you know that afterwards if you still want to have a beer that's fine but right now I can't have a beer with you right now in this kind of a situation. So that's all I'm saying I think ideally right now you know like Mr. Leon Guerrero here has brought a good idea. And the fact that remains if we were to do that you and I know it could go sky high it could go maybe higher than $3,500 you know. So all I'm saying is let's try to re-compromise and we'll help him we'll sit down and talk on how we can resolve the issue you know. Alright?

Randy Cunliffe – Alright.

Commissioner Leon Guerrero – I'd just like to qualify my statements with the Board and Randy and Mr. San Nicolas. That was just a recommendation it doesn't mean that I'm saying to neglect your responsibility as a tenant to the Chamorro Land Trust and that you need to show good faith effort on your part so that at least like we say we can help each other. Let's go ahead and we'll go through the process let's make sure that you show good faith effort, make payments on it on some of your arrears if you have any which I think there are and then at the same time we can go ahead and look into that issue with the possible reappraisal of the property and then maybe you can come to us and we can take a look and we'll put whatever formula there is to determine how much you pay monthly. But at the end of the day to qualify my statement you still have that responsibility and I wasn't saying that to neglect that responsibility.

Randy Cunliffe – Thank you.

Peter San Nicolas – Thank you.

3. Amot Taotao Tano & Opal/Bee Worm Farm

Bernice Nelson – Hi, I'm Bernice Nelson I'm back again for the half acre that I'm gonna and here I made a copy of the map.

Administrative Director Garcia – Chairman back in July I went out to Ms. Nelson and what's going on in her area is she's flooded with plants and to me I would recommend that we increase her area to an acre instead of a half acre.

Acting Chairman Calvo – But is it feasible enough?

Administrative Director Garcia – Yes, there's lands available I did the check but it's up to the Commission now to authorize an acre lot.

Vice-Chairman Matanane – Mr. Chairman can I ask a question to the legal counsel, on this statute the 75108.1 is this the statute now for the Chamorro Land Trust?

Legal Counsel Lujan – Yes, it's been passed its in 21GCA.

Vice-Chairman Matanane – So it is the statutory.

Legal Counsel Lujan – Yes, it's been enacted. Your referring to the…(interrupted).

Vice-Chairman Matanane – Cottage industry activity authorized.

Legal Counsel Lujan – Yes.

Vice-Chairman Matanane – So the board can make a decision on this whether it should go to this particular statute?

Legal Counsel Lujan – This is already law.

Vice-Chairman Matanane – So the law also encompasses that the Board itself can make a decision whether it be cottage industry.

Legal Counsel Lujan – This refers to activity that's authorized on residential leaseholds.

Vice-Chairman Matanane – That is authorized.

Legal Counsel Lujan – For residential leaseholds.

Vice-Chairman Matanane – For residential not agriculture.

Legal Counsel Lujan – This is for people who are issued residential leases and I believe that Mrs. Nelson has a residential lease already.

Vice-Chairman Matanane – Does she fall under this particular?

Legal Counsel Lujan – She does have a residential lease.

Vice-Chairman Matanane – That's all I wanted to know whether she falls under this particular provision, I believe there is a limitation on that if she does go for that activities. So the board would need to decide on this particular statute.

Legal Counsel Lujan – As I stated this is law. It increases the activity that residential lease holders can perform on their residential lots.

Acting Chairman Calvo – But it won't fall as a commercial type of lease. I just don't want any fall back any question that may because if we're expanding their lot for a bigger lot and to accommodate her plants and needs for that area. I just want to be very certain that if were to approve this today you know that it's not going to hunt us back for that reason.

Legal Counsel Lujan – Cottage industry activity it doesn't state that this is subsistence or commercial. The only limitation to this activity is that goods or services that are produced does not exceed fifty-thousand dollars per year.

Vice-Chairman Matanane – Right now she has a half acre.

Legal Counsel Lujan – Yes but I'll also point out that the Commission is to enact rules and regulations governing cottage industry activities and as I've informed the Board there has been an AG legal opinion regarding the issue of licenses, commercial licenses issued in the absence of rules and regulations.

Vice-Chairman Matanane – This particular statute passed already.

Legal Counsel Lujan – This has been passed yes.

Vice-Chairman Matanane – And this came from the Bordallo policies and procedures for the Chamorro Land Trust. This one here came from that was approved already back then.

Legal Counsel Lujan – This cottage industry activity I do not believe was included at the time that the Bordallo Rules and Regulations were passed. That was done by the 23rd Guam Legislature. This was actually, the cottage industry activity being allowed was actually passed by the 28th Guam Legislature, it's passed by Public Law 28-059.

Vice-Chairman Matanane – And to augment the Chamorro Land Trust Commission policies and procedures this particular statute was enacted to set up policies and procedures right?

Legal Counsel Lujan – What it was passed for was to authorize residential leaseholders to conduct this kind of activity on their residential lots.

Vice-Chairman Matanane – Where it is pertaining to Chamorro Land Trust.

Legal Counsel Lujan – But then also it also requires the Commission to promulgate rules and regulations governing those activities.

Vice-Chairman Matanane – But when they enacted this particular statute they're saying these are policies and procedures that's Chamorro Land Trust Commission.

Legal Counsel Lujan – This is the activity, this was enacted to authorize residential leaseholders to perform more activity on their lots but the Commission is also supposed to pass rules and regulations governing that activity.

Vice-Chairman Matanane – But this particular statue is actually a policy and procedures for the Chamorro Land Trust Commission itself.

Legal Counsel Lujan – This is a policy it's something that the Guam Legislature wanted residential leaseholders to be able to perform.

Vice-Chairman Matanane – Whether it's allowing the Commission to cite that particular statute and its part of the policies and procedures of the Chamorro Land Trust Commission right?

Legal Counsel Lujan – Yes, it's within the power of leaseholders, residential leaseholders who get their lease from the Chamorro Land Trust Commission to conduct on their lots, their residential lots.

Vice-Chairman Matanane – So in essence it's giving us the definition the authority to allow this particular thing right? In this particular statute.

Legal Counsel Lujan – Well this is current law.

Acting Chairman Calvo – But I'm reading in this where it says the Chamorro Land Trust residential leaseholders are authorized to conduct a small cottage industry activities and I think what Mr. Matanane I think was trying to clarify on this is, is this law within our discretion to make that decision that if we gave that authority today will it stand? Because at the same token there is a ruling here with the rules and regs that has to be include. Which you are working on but what you're working on is the commercial rules but does this establish us and gives us the authority to, will it be that binding, that's what I'm saying.

Legal Counsel Lujan – Well there's supposed to be rules and regulation governing the cottage industry activities. As I stated earlier there is an opinion by the AG's office just issued in 2008 which has been provided to the Commission which states that even in the absence of rules and regulations the Commission's license it doesn't state commercial license, but the license was valid because it was within the enabling legislation.

Acting Chairman Calvo – So it's valid.

Legal Counsel Lujan – That was the opinion of the AG's office.

Vice-Chairman Matanane – That's what I'm trying to get out of her. I'm sorry legal counsel but I wanted you to mention that if we go with this particular statute then we're okay.

Legal Counsel Lujan – Chamorro Land Trust Commission can only go so far as the enabling legislation 21GCA, Chapter 75 allows it to go and this one was passed by the 28th Guam Legislature cottage industry activity so this is within the power of the Chamorro Land Trust Commission's authorized activity to the residential lessees.

Vice-Chairman Matanane – So I guess if anything comes up we can cite this particular statute which we are following to the letter, right?

Legal Counsel Lujan – Well this is the statute that would authorize the cottage industry activity.

Administrative Director Garcia – Basically what Mrs. Nelson is asking is besides of the worm selling and stuff like that she would like to just have her residential lot increased to one acre to expand her plants and stuff.

Mr. Nelson – I was just trying to get a yes or no out of her that it's going to be legal or not or is it going to come back and bite you guys on the butt I understand that but you haven't got an answer so.

Legal Counsel Lujan – I'm not going to commit one way or another it's up to the Board to go from there.

Acting Chairman Calvo – And that's why I wanted to clarify by our legal counsel and as far as legal counsel said it is and it's also with the opinions of the AG it's binding and that's what I wanted really.

Legal Counsel Lujan – Well I'll have to clarify. The AG's legal opinion is not binding. I'm not aware of a court yet it's not even a court opinion.

Acting Chairman Matanane – But this statute is that it's now a law already.

Legal Counsel Lujan – Yes, it's been passed but like I said the AG's legal opinion is not law. It's an opinion.

Acting Chairman Calvo – The court itself will be the one to say it is binding but as far as the Attorney General it's just an opinion and an opinion is an opinion. The real opinion comes from the court and if the court sees it that it's good then its you know but at this point in time we're just saying it's we're just following what was passed by the 28th Guam Legislature and we're thinking in our mind that it's already within reason and there'll be no challenging but if someone out there was to challenge it that's the thing there.

Administrative Director Garcia – I guess what needs to be done is I guess she's asking if her residential lot can be increased from a half acre to one acre.

Bernice Nelson – They told me if I live across the street on the other side I get an acre but I' already in that area I don't want to move over.

Administrative Director Garcia – But it's authorized for her to increase up to an acre.

Vice-Chairman Matanane moved to increase to one acre citing statute 75108.1. Commissioner Leon Guerrero seconded the motion. There were no objections, MOTION PASSED.

Legal Counsel Lujan – This statute is just regarding what activity is authorized on residential lots.

Administrative Director Garcia – Regardless with the activity or not she's authorized to go up to an acre.

Acting Chairman Calvo – As long as you don't make that fifty grand a year.

Bernice Nelson – No I don't think I'll make that.

Administrative Director Garcia – Your map is still pending approval so get a hold of your surveyor.

Acting Chairman Calvo – Okay so it's passed.

4. Guam Outdoor Shooting Range – License Agreement

John Unpingco – My name is John Unpingco, I'm an attorney representing Guam Outdoor Shooting Range. We did meet with your legal counsel and her biggest hang up appears to be that there this thing about Ben Pangelinan and his committee and they're not approving anymore leases. I told your legal counsel that I'll agree to anything within reason that she proposes but there's no agreement reached. As far as the question she posed that was important was how big is the area you're trying to lease and I pointed out to her a map, I took a map and I said everything with exception of the GPA lease. Now I

mistakenly quoted here one-hundred thousand (100,000) square meters for the GPA lease but actually it's twenty-eight thousand (28,000) square meters and that's in Section one of the lease so it's within the lease document. The other question that she asked was has GPA done anything to it and I said there's no activity to GPA within the leased area. And then we went into the areas to be mined by Hawaiian Rock now I explained how Hawaiian Rock came to this and that Hawaiian Rock's license was that they were going to go in to study the coral to see how hard whether it was the right kind of coral for commercial use. However, their license expired 18months after it was given which was way, way back. And we're here now to ask if you can please approve our sublicense with Chamorro Land Trust.

Legal Counsel Lujan – I did meet with Mr. Unpingco and it was our understanding that we would table this issue so that we can look more into the proposed license and it's also my understanding of meeting with Mr. Unpingco that Hawaiian Rock negotiations, negotiations with Hawaiian Rock and the Shooting Range had broken down. So there may or may not be royalties that were discussed at the last meeting. So our position is that I needed more time to look into before moving forward.

John Unpingco – I respectfully disagree with counsel. I told her that we had gotten another offer for royalties. Hawaiian Rock has been playing hard to get in this negotiation. We have another prospect in mind to take the place of Hawaiian Rock. Hawaiian Rock kept trying to be like a sub-licensor, same status as we were to the Chamorro Land Trust and I kept insisting that there's only going to be one sub-licensee and if you want a license from Chamorro Land Trust you got to sub-license through us but your sub-license would be subject to their approval. The negotiations kept on dragging finally their president was away from the island for a long time and we just broke down but we broke down with the idea that there's somebody else in the offing. Also I pointed out to counsel that the idea of Chamorro Land Trust giving you a million dollars in royalties I think that's ridiculous simply because its fifty dollars per metric ton that they're going to give you. Fifty dollars per metric ton that's a lot of trucks, each truck is about a metric ton okay, each truck load of gravel and to come up with a million dollars in royalties is rather far fetched. I think that was just given out to get your attention. So anyway we wanted to get this license so that we can have our operations on there because our company is in danger of getting booted out of where it's at now because of this dump situation that they're studying. So they can stand to lose the lease property that they're on now. I disagree with counsel's characterization that I agreed to table this. I was very much in favor of going forward and if Hawaiian Rock or some other licensee were to come in and show an interest to us in terms of sub-licensing through us and paying royalties we will definitely entertain it. But we've been going through this process for three years and as time goes by we mentioned at the very beginning as time goes by our investors are beginning to lose interest.

Acting Chairman Calvo – Legal Counsel I'm pretty much aware of this case even back to Rebecca's and how we came upon this and yes, the Hawaiian Rock when it first came there they were really just looking for the place just to really ideally doing a survey and to really find out whether it would be feasible to get enough rocks and so forth. But at that time Mr. Unpingco had already applied for this and their licenses yes did expire back then but then when they knew that the Shooting Gallery was interested in this which we tried to really work this in details with them in many occasions that they were willing to come down to that degree whether they come to terms. For whatever reason

now at least from the last board meeting when we were at the old board area down in our area I thought that was really already hand shake and they understood. They agreed to all the things and they were going to work out all the facts and details and so forth came in how the royalties is going to come and so forth. Which at the time I knew the million dollar wasn't really there but like what he said it's just a ball figure just to I guess you know express that there is going to be a million dollar royalty because they can only so much do I think maybe like 20 acres out of there.

Legal Counsel Lujan – The agreement was that this would be tabled. That was my understanding if that was the last question that was asked stated should I come to the meeting I said no we'll table it you don't need to come so okay. But beside that I really advise that this not be moved forward on the approval at the moment. Hawaiian Rock negotiations did break down and it's true what Attorney Unpingco stated there was a third party who expressed an interest but that is not to be honest an expression that they're interested there's not been any negotiations there because there's not been and that was admitted by Attorney Unpingco. At this point and going also to the one million dollar figure being I guess being what the Commission could not have expected to realize my understanding from the Hawaiian Rock negotiations was that they wanted fifty percent and he was saying seventy five percent. Anyway I would say that we need more time because the first time for me to hear this was the last board meeting there were multiple licenses drafted, there are questions that I have regarding compensation. There's not been an appraisal done at this point.

John Unpingco – Let me respond the fifty cents per metric ton in royalties that Hawaiian Rock was going to pay I told your counsel that that to me seemed kind of cheap. That the going rate might well be seventy-five to a dollar per metric ton. I have not negotiated to any third offer simply because I haven't gotten the license yet and this thing with Hawaiian Rock has to be cleared up first. No use negotiating with one guy and another guy comes in and says hey what about me. So those questions really we need to look in that light. Now as for this license being in different variations it was in different variations there are different variations of it because Hawaiian Rock was negotiating and passing documents to and from me. But nonetheless I have drawn up a license agreement that I think fairly encompasses the terms in which we would like to sublicense from Chamorro Land Trust. Now we stand ready as I said before we'll accept just about anything you want to edit out of here but it's been three years and we have been abiding by the board's pleasure all that time. My client really just can't keep this up.

Acting Chairman Calvo – I think ideally I want to give the other board members in what is their perspective to this issue and if I can just make a little comment to this before is it seems like today is a football field game and you know and this thing of you know in disagreement of what issues and like I said I highly do respect both of you as my legal counsel and you John too you know. I think it's only a fair play that I think if there was supposed to be a drawing board to go back and really you know sit down and really converse to this issue to the right way and to agree or disagree for that matter. And I understand and sympathize with you John in that you know it's been yes it's been long but I'm really caught in someway or another here because our counsel here is just newly too at the same time and I'm asking the legal counsel to find ample time with Mr. Unpingco at least one more time to really sit down and really talk the terms to that in that sense and when if it becomes an agreeable. But you know if I can get an assurance

that maybe you two can meet somewhere I mean in your office or in his office what ever how you guys want to sit down and really you know because to me right now this is head to head lawyer to lawyer issue.

John Unpingco – In all fairness to my colleague she's been your legal counsel for just the past two meetings okay but we've had other legal counsels from the Lujan Aguigui Law Firm that have been here. You may recall at the beginning at the very beginning we were after this license only you had given another license to International Shooting Range and you didn't know whether that license was valid or not. So it went to your legal counsel then Ike Aguigui and he took about six months to study it and then he went through the process whereby the Chamorro Land Trust would terminate his license the International Shooting Gallery his license because he hadn't paid rent. Fine, we were all for that but then this gets passed on to another lawyer after that, Santo Tomas I think and then more study we had the lease but then more study and then we had another glitch that came up okay, Hawaiian Rock makes an appearance at a board meeting says he has a very good plan to realize money for the Chamorro Land Trust. So we said okay it's alright with us we'll leave room for you. But now it's been passed to Delia she's about the third or fourth lawyer we've dealt with on this matter. All I'm saying is my clients instructions are we got to get this off dead center and that's all.

Acting Chairman Calvo – And I do agree with you John and I don't really know what the other board members feel on this issue but you know in my position you got to understand too that I have to you know respect my legal counsel's position too on this. That's why it's very important that Delia if by all means by any possibly you know to meet with Mr. Unpingco as early as next week for that matter and really you know. I don't know your schedule but you know I'm pretty sure if you give Mr. Unpingco the time you know that he'll be there more than and whether you want to meet you guys on coffee, tea or water I don't know. But I think this is something I have you know rightfully respect.

John Unpingco – I understand Mr. Chairman and I would be more than willing my door is always open. I'm willing to deal with her on the provisions of the lease. But please it has to be a constructive exchange of ideas okay.

Acting Chairman Calvo – And that's where you two would really because the constructive part would be ideally of course have to be compromise to a degree that would be good for the Chamorro Land Trust at the same time that you know it's not just one party side. It has to be a balancing on this issue. So you know it's something that you two would really you know and I really hate to be in this position right now but like I said I really I have to respect my legal counsel on this point in time.

John Unpingco – And I respect that I'm willing to meet with her one last time.

Acting Chairman Calvo – Delia is there a possibility that you can.

Legal Counsel Lujan – Oh yes we can meet.

Acting Chairman Calvo – Because you know from one profession to another profession you know I don't think so we want to be in a because that's why in this chair I didn't want that hammer.

Neri Blas – My name is Neri Blas I'm Mr. Unpingco's client, one of them and I was here at the last meeting and based on my observation of the last meeting there was only a question on everyone familiarizing themselves with the contract because a lot of you guys are new board members and a new attorney. And the only other issue was the term which was over the 21 years or something like that. But I don't see you know normally I let Mr. Unpingco handle all these things I don't worry about the details and my observation of what's happening with Hawaiian Rock and everything it took me 10 minutes to figure this all out you know. I said okay I know what's happening Hawaiian Rock don't want to deal they want to do it their way they want to take their time and it's holding us all back. If they don't want to deal at fifty cents a square meter or a metric ton I mean I'm a real estate agent I do construction I know that's dirt cheap. I can find somebody tomorrow and give Chamorro Land Trust a whole lot more money than that without thinking about it twice. So the benefit of this lease is of course for us to do our business but the real benefit is there's always going to be the possibility of another company whether it be Hawaiian Rock or anybody else to come in and offer to take the rock away for you guys pay you guys the royalties all we want is when they're done it's going to be flat and we got more space to shoot. Other than that we don't really care about the rock okay so we're open to anybody else whether it be our client or anybody else to come in and do anything for the benefit of Chamorro Land Trust to make more money than what we're paying in rent. My only other thing if you may Mr. Calvo can we break down what it is they're going to discuss? I mean right now we're saying we're going to discuss. What are we going to discuss? We come back and we're going to table it because we never discussed because we don't know what we're discussing. Can we narrow it down based on what we have what is the problem? Is it the Ben Pangelinan thing? Is it the term of the lease from twenty five rather than the twenty one? We'll fix it we can fix it right here just right now we'll just fix it. I'm not saying I'm asking you guys to approve it I'm saying lets hash it out and I'm here I can say yes John go ahead. All we're asking is please allow us the opportunity we're not here asking for a discount. We're not here saying we can't pay. We're here to pay you what you felt was given at the time when the contract was drawn like Mr. Matanane said we have an agreement then all of a sudden we're going to change it although it was not signed the numbers came from you guys not from us I don't think so John am I correct? So we didn't create this number and say we're going to pay fifteen hundred no you guys said it's worth fifteen then okay we'll pay fifteen hundred. We're not going to come back here six months from now oh we cannot rent it or we cannot pay because we're going to pay whether we have customer shooting or not it's our problem you know. Please let's just hash it out if you don't mind. I normally keep quiet because I have a way of upsetting people but I'm a little bit upset because I think it's too long.

Acting Chairman Calvo – I think you know with all due respect let me give the other board members on what they think of this okay and I'm not the one that's basically.

Neri Blas – I understand that.

Acting Chairman Calvo – And I understand that okay and like I made it clear to John and my legal counsel okay because and like you said I just want to do this the right and proper way because I really want to really resolve this issue with you guys too once and for all. I just want to make sure that we're not going to be caught in situations like what you guys have now with back and forth with this thing issue and like what Mr. Unpingco said you can't wait anymore for anybody else and I myself too okay I want to resolve this

issue. But at the same token okay I got to give my legal counsel that respect too because she is my guideline to all these issues okay. That's why I asked the legal counsel with John to really sit down and you know like I said coffee, tea or water between the two of you I don't know.

Neri Blas – I'm sorry to be pushy. I don't have the benefit of an education as a lawyer but this is only nine pages and they're pretty much lame mans terms. Can we just go over it real quick and then if we can't come up to a solution…(interrupted).

Acting Chairman Calvo – You know what but sir right now ideally right now I've already made that clear with the legal counsel.

Neri Blas – Okay I'm sorry Ms. Counsel I've have no disrespect.

Acting Chairman Calvo – Okay and I understand you know work in a construction and so forth and that's fine. You know the realty because you know I've experienced because I worked at Perez Bros one time too and I used to drive trucks and all these things what John has said before but getting to that point I think at the end of the day I think it will be more benefit once and for all to really get this down to the nitty gritty.

John Unpingco – Why don't we establish a deadline that we meet next week and then when's the next Chamorro Land Trust board meeting?

Administrative Director Garcia – The third Thursday of September.

John Unpingco – Then we get on the agenda for that and then that's it, do or die.

Neri Blas – I mean whether they figured it out or not if you guys took that home I don't have much of an education but I can figure it out so.

Acting Chairman Calvo – Well it's not about whether you can figure it out because you know but I'm saying like I said you know I still have to give that legal counsel's opportunity to really look at it and John you understand that.

John Unpingco – Yes.

Acting Chairman Calvo – I really want to really resolve this issue and I'm sure that we can resolve by the next board meeting. Legal counsel?

Legal Counsel Lujan – It's possible. I would say I think the issues..(interrupted).

Acting Chairman Calvo – And maybe in this respect maybe if we come to terms with the two of you what ever you decide to because if it comes down to that road of that path and say okay we might not even have to be in this board to get that you know.

John Unpingco – One issue that my colleague has brought up is that there's no appraisal of this property okay. We know that we've been dealing with that and we've tried to our best to give you what the rent would be on the appraisal that last appraisal you did. If we are going to be bound by let's wait for another appraisal and then we'll do the contract that's a bit too long. You were the ones that dictated to us what the going

rate was and right now we're slated to pay you one-thousand six-hundred and eighty-eight dollars based on the last appraisal of the property. Now whether it's cheap or not we've got to start someplace. We got to start quickly. I cannot emphasize quickly enough because three years of waiting has just taken its toll.

Acting Chairman Calvo – If we go to that on that rental fee because we can always stipulate on a contract like a lot of things where first year, second year and depending on how maybe the first year we'll give you this is just a ball figure I'm not saying it's going to happen but I'm just saying on the appraisal value you know it may go up it may go low I don't know. But hypothetically let's say the rental fee would be hypothetically like you said maybe two-thousand okay but there's always provisions in contracts I know that you know as the years go by it increases up to whatever. And that thing can be thought out but the key here is to get the contract or the license to start working on this.

John Unpingco – And that I have the same thing but let us not be stopped by the need for an appraisal. Let us sign the licensing agreement and then you can put in whatever provisions you want that we'll adjust it later.

Acting Chairman Calvo – Yes.

Legal Counsel Lujan – We'll discuss that. We'll discuss the legal matters.

John Unpingco – Yes but I'm making this point and that is that the calling for an appraisal can be a short stopper. That's the problem that I see and I'm trying to eliminate that being a short stopper. Because right now getting an appraisal is very difficult. You can't get a hold of the appraiser. Number two, there are other projects thousands of other projects you're competing against so getting an appraiser is just almost out of the question. So that's why I'm foreseeing that that might be a short stopper.

Neri Blas – And if I may add to that the contract I don't really like this contract but this is the government's contract I have to live by it. It says that whenever the government wants it back they're going to take it back. So if you want me to pay the appraisal amount the ten percent or whatever you factor in as the monthly rent and then you are going to tell me three years from now oh you want it back, I might as well buy something outside or lease it outside because I won't be kicked out. So I'm hoping that it'll be more favorable to us because of the fact that you can always kick us out whenever you feel like it then maybe it will be a little bit more favorable to us and not really the appraisal how everyone does it where they get ten percent of the annual revenue or the value of the property. You understand what I mean? I mean you're loaning me the car I'm asking to rent it from you you're giving me a car that you can always take back I might as well rent it from somebody else that they won't take back for the entire term that I need to make my money. Something like that.

Acting Chairman Calvo – Well you know when you say something in that statute now where the government takes it back okay well the property belongs to the government first of all.

Neri Blas – But they can cancel the lease.

Acting Chairman Calvo – That's why you have contracts binding with a real good contract you know stipulating in there what is ideal and what is not okay. Because it's not that simple like what you said you know three years down the line I say John you got to get out. No.

Neri Blas – It does say that.

Acting Chairman Calvo – Yeah but we go through ways of taking it back. It is not just coming in tomorrow and say you have 24 hours to move out of there. That's what I'm trying to say.

Neri Blas – But the contract says we have six months or a year to move out but still I'm paying you the dollar amount you asked for then you're going to ask for it back then I'm just going to leave.

Acting Chairman Calvo – You know if you heard me earlier in the board okay when you go into business that's the risking factors that you take okay. When you go into this kind of business okay whether it be rock whether it be any kind okay you take that risk. No business is guaranteed there might be a downfall for whatever reason. So this is what I'm trying to say to you is that's why I made it clear in the early board that this is something that this is not the responsibility of the Chamorro Land Trust okay. Yes, our responsibility as landlord is to make sure that you know we get paid and for whatever rational reason whether it be taken away that has to be you know it might be declared by the Governor or whatever you know they might say you know we need that place for a school or we need that for that okay. But that's down the line, that's down the line okay.

John Unpingco – Oscar I think that we've reached agreement that your counsel and I will meet next week to hammer this out.

Acting Chairman Calvo – Okay.

John Unpingco – Now she's got to also be prepared for that meeting which I know she will be because she's that kind of a counsel. So I'm hopeful of resolving all these issues but please on that one short stopper issue asking for an appraisal we can work around that rather than asking for one. That's all I was saying that it takes a long time for an appraisal.

Acting Chairman Calvo – I'm pretty sure you and I'll leave it up to…(interrupted).

Vice-Chairman Matanane – It probably can be stipulated that later on, on that particular contract if an appraisal should be done it should be adjusted.

John Unpingco – Yes.

Vice-Chairman Matanane – I think that would be appropriate.

Legal Counsel Lujan – I'll discuss it with him.

John Unpingco – Okay thank you.

Neri Blas – Thank you I'm very sorry if I upset anyone.

5. Norberto Castro Sr. – Easement issue

Anthony Castro – Mr. Chairman, board members, my name is Anthony Castro I'm Norbert Castro Sr.'s son. Norbert Castro wasn't able to make it today he has a medical appointment he made a couple of weeks ago prior to this meeting. My purpose here today basically is to listen to what the board's decision on behalf of my dad's 2.5 acre and the easement that goes through his property or along his property.

Administrative Director Garcia – This is basically up in the Adacao area where their family grew up and asking for the brother's lot to be extended to meet the half acre lot and to extend it into his father's place and then his father's place extended into the easement, the 32 foot.

Acting Chairman Calvo – I know you and I talked about that and what transpired there was because of your father putting up that leaching field out that way you know and now that road goes open okay. What I recommend on that is if that's you know Jess what would be the total figure on that?

Administrative Director Garcia – It's an existing 44 foot right of way and it can go down as far as 32 minimum.

Acting Chairman Calvo – Yeah so ideally we just extending like maybe 10 feet, 5 feet.

Administrative Director Garcia – 12 feet.

Acting Chairman Calvo – 12 feet from his property out.

Administrative Director Garcia – That's what he's asking.

Anthony Castro – Basically if I may Mr. Chairman we last met on the 16th of July and based on your permission and your concurrence we're supposed to have met the following morning 8:30 hours at the Director's office, apparently you were busy with something else. So we have the fortunate pleasure of meeting with the Director himself and Mr. Andrew Leon Guerrero at that meeting it was presented to us by the Director himself a proposal basically what he talked about that yes existing Tract 14411 has a 44 right of way easement into it. Now that was done and again the issue here to me is not the leaching field that's a done deal we talked about that. If you look at the letter that my Dad sent in June 5th and my brother's letter in June 6th respectively to the board members to your attention yourself we're not asking for payment or relocation of a leaching field. And I think that was the misnomer that had happened at the last meeting and you were telling my dad that we're not going to pay for a leaching field. With all due respect we're not asking that. What's done is done like you said. What we're asking for is consideration from the board because my brother Richard whose letter is dated June 5th is short of a half acre of his lot which is adjacent to my dad. He's short approximately 178 square meters to suffice the half acre lot. What we're proposing is because my brother's lot and my dad's lot are side by side. If you won't get angry I want to speak Chamorro. We're not asking money from the government for the relocation of the leaching field what ever has happened has happened.

Acting Chairman Calvo – Can I because I think I'm the only one that fully understands Chamorro. The phrases that are deep in Chamorro they cannot comprehend and that's why they're just staring, sometimes I just get carried away because I'm used to Chamorro.

Anthony Castro - I'm proud of my heritage and I'm not embarrassed to say it whatsoever, no point intended to those who do not speak the language but I do encourage you. With all due respect and courtesy to the board let me go back to speaking English. All we're asking Mr. Chairman and members of the board we're not asking for anything than what we're deserving of. What we asked for on initial contract when my dad was one of the first 100 that signed under the Gutierrez administration. He was one of the 100 Land Trust applicants. Again the Land Trust issue which is going to be the leaching field issue is a done deal. What's happened in the past is done. All we want to here basically is get consideration of the board my brother Richard who is adjacent to my father who is on the western side of my dad's boundary on Tract 14411 which is this lot which I believe you've been privy to get a copy of this.

Acting Chairman Calvo – Jess if we were to give up this piece of lot does it hampers any other lots there?

Administrative Director Garcia – No because the 32 foot right of way is sufficient enough.

Acting Chairman Calvo – That's what I'm saying it will not any…(interrupted).

Administrative Director Garcia – No it will not have any affect.

Acting Chairman Calvo - Okay and that's my biggest question there if it you know if I was to because right now if you're here and there and you want to move about another 4 or 5 feet in for example I just want to make sure. I told Mr. Garcia if it's not going to hamper okay then you guys have to be the one to pay for the survey and what has to be done.

Anthony Casto – Okay we understand that sir. There are other things also after this I have a list of issues I want to bring up to the board and I thank you for your consideration on that. Prior to bringing this matter to your attention as the incoming Chairman we've done the research, we've walked the terrain with Mr. Garcia and again what's past is past with the previous administration that's water under the bridge as far as I'm concerned. I have again just for a matter of record I have files this thick in writing and in computer of all the efforts trying to resolve this even prior to your administration coming in even prior to the current Director's administration but it's fallen on deaf ears. The fact of the matter is that's here nor there we're now with the present and I thank you for allowing us the opportunity to meet with you. This matter has not gained its attention it needed until Mr. Garcia came on board as he took helm. He took the initiative to come out there and to determine the actual spot of the leaching field. Back then when my dad built his house there was no survey of the property it was strictly agricultural it was government property it was actually non undeveloped arrendo. Okay that's a little history on that. Going up to the present we're not asking anything but we're asking for my brother is asking for a half acre lot which is permissible by law up to I believe one acre limitation for residential. So he's asking for half acre and the Director agreed with

us he's not even given that. So he's short 178 square meters. He's on the western boundary of my dad's property. The leaching field is on the eastern side alright. All we're asking is to suffice to give the 178 square meters to my brother let it be sufficient so that he can build his home as Director mentioned coming from Public Works he knows the statutes and regulations you cannot build a home with less than a half acre lot there at least adequately with proper utilities and what not. Am I correct sir?

Administrative Director Garcia – Yes.

Anthony Castro – Alright thank you. So therefore that being the case you give my brother 178 square meters it's going to take away 178 from my dad's western boundary. What we're asking to make up for that is 178 that's given up to my brother give my dad that 12 feet of the 44 to make up the 178 square meters total that's all. We're not asking for more than what we're asking.

Acting Chairman Calvo – That's why I was asking whether it would hamper any other lots there and I want to make sure because if I was to give you that right off right now okay you visualize your lot like this right now in this kind of terrain and what you're alluding now is you want to expand that out more to make it wide. I have no problems I just want to make sure that if we give up that piece of lot you know ideally because the lot we're giving out is really the 44 foot right of way and I know your corner lot is there where your dad is but what I told the Director at the time was that you know you have to encumber the cost. Get it surveyed and registered and what not has to be done.

Anthony Castro – Understand and your point makes it mindset on that. Now we looked at the area and the adjacent property on that there was no affected adjacent property it's basically my father's lot and my brother's lot. Now the Director has two options or you folks have two options. Either to give my brother the 178 square meters on the eastern boundary of my dad's property or on my brother's southern part the other road that goes across. So the rational that we're presenting to the board here because the leaching field lies right there within we're trying to protect the interest of the Government. We're not asking anymore from you guys but to consider 178 for my brother.

Acting Chairman Calvo – For that reason we can consider that. We can do that okay but like I said you know it has to because that's a long stretch only there's not much you can really plant in there even it's just like a bull cart road what he basically wants okay. Quote me if I'm wrong Jess on that right? I mean once you've taken that footage away from that 44 foot.

Administrative Director Garcia – It's still…(interrupted).

Acting Chairman Calvo – I mean it's still usable for bike but you know but that I want to make sure that you're going to have to be the one to fork out all the expense because that needs to be recorded and surveyed. You got to get that surveyed to Land Management and surveyed and all that cost would be on your shoulder not on the Chamorro Land Trust. Now if the Director feels that that is within reason because I looked at it and yes to me but if the Director feels that we can do it what do you suggest Jess on this?

Administrative Director Garcia – For me I drew up the plan and 32 foot is enough but I guess the Board needs to make a decision if they're going to do it.

Acting Chairman Calvo – We can make that decision but the point you got to understand you're going to have to be the one responsible for the survey and everything and also the property because your map would be readjusted okay whether your dad or your brother that has to be adjusted back into the Land Management okay. So the survey part would be and all expense because I know that's a dead corner it's not going to really hamper the area where you're at. So I just want to make you understand that the expense would have to be on your you know to get it surveyed and get it registered because that would be your actual plan from there on.

Anthony Castro – When you say about survey sir the fact that prior to becoming Tract 14411 as its current present name is it was actually 5402 at the time Lot 5402 in general. It was the basic lot number. Now at the time this is back in 2004-2005 and prior to your tenure to your chairmanship, Mr. Elliott was the Director at the time there was an issue on my dad's part that he forked out he paid money to a Mr. Frank Leon Guerrero Castro a surveyor which is authorized on the Land Trust list to conduct the survey on my dad's 2.5. He started doing that and we paid him $1,200 cash payment which he received and we have a receipt on that. He never completed the project because he was told at the time I don't know sir if you're privy to this but he was told to cease and desist by the existing Elliott, administrator at the time. To this date we have not heard from Mr. Castro. We've made several attempts we've got letters, endorsements asking him to follow through on completion of that map that survey. A draft map was provided to Mr. Borja which he did confirm is in his off in your office now. The day during our 17th July meeting and Mr. Garcia's office I asked a gentlemen by the name of Desmond Mandell to provide us a copy of that to see what the status is. Sir we have not received a response back. My question is and you mentioned about incurring the cost what happened to that $1,200? I'm just curious.

Acting Chairman Calvo – We have to look into that you know because I have no knowledge on that one.

Anthony Casto – That being the case if it's to our benefit can that be used?

Acting Chairman Calvo – Well I can't give you a direct answer on that right now because whatever transpired back then with the former Director or whatever…(interrupted).

Administrative Director Garcia – Oscar, the contract between Frank Castro and Norbert that's a private contract for the survey. It wasn't a contract that was contracted by Chamorro Land Trust to do the survey. So in the event that the board agrees to allow you to adjust that lot line you might need to get a hold of Frank some how. You can go to the PEALS Board and ask them to get a hold of Frank Castro.

Anthony Castro – Sir we've sent certified mail it came to the point even meeting in person it just never happened that's why we're asking the board the reason why we're asking I'm asking the board's assistance on behalf of my father because we've actually exhausted every effort every means possible to get this man's attention.

Administrative Director Garcia – I'll tell you the way to do it.

Anthony Castro – And the reason why sir we're asking the reason why we're asking is because his name came up on the Land Trust list of surveyors. Now you're telling me that's a private contract between my dad and him, fine, I understand that but we went based on the listing that the Land Trust gave us that Mr. Castro is a bona fide acceptable surveyor to conduct Land Trust surveys.

Administrative Director Garcia – Okay the list that was provided to you of the surveyors those are all of the registered land surveyors that are authorized to do work on Guam.

Anthony Castro – On behalf of Land Trust property.

Administrative Director Garcia – No on behalf of any map that is going to be recorded. Those are the only land surveyors that are registered with the PEALS Board. So what I would recommend to you if Frank Castro is not responding to your letters and stuff go to the PEALS Board they're located up in the upper Tumon Bank of Guam building on the second floor and then have them get a hold of him saying that he's not responding to your calls or your letters and then they'll get a hold of him.

Anthony Castro – Understand and sir that's why I bring it up to your attention and what's past is past but the fact of the matter is we paid for services that he was doing on behalf of the Land Trust for us and back then the initial the original arrendos the law back then the statute did dictate that the lessor would have to fork up the survey I mean the government at the time would do the surveying but that since has changed right?

Acting Chairman Calvo – Let me just clarify something on this survey issue okay, what the Chamorro Land has we have like Mr. Garcia alluded okay, we have a list of all the surveyors but I can't recommend to you to go to Mr. Garcia or Mr. Castro or to Mr. Matanane. All it is, is just a list, you deal directly with them. Whatever you two is hey if you go to Mr. Matanane and say Mr. Matanane have this piece of property already by the Chamorro Land Trust how much are you going to charge me? We have nothing to do with that. We don't, we don't because for one simple reason it is not in our position to do favoritism in that okay. Because if everyone is saying over there one land agent can say go to Mr. Castro or go to here so what I'm saying here is that itself we have no tie with this. All we're saying is here's a bunch of people these are the people that you can because you're going to ask who can I get to survey? I can't tell you who's good and who's bad because they're all good because they're all certified, okay. So it's a choice that you want to say okay if you call Mr. Castro and he says I can't do it or you call Andy and he says he can't do it and you call Dave and he says oh yeah I can do it then if Dave says to you I'm going to charge you $1,200 that's between you and Mr. Matanane. The Chamorro Land Trust has nothing to do with that. I want to clarify that. Whatever thing that happened between Mr. Castro and your dad then you know and I've done this to a lot of clients go back to the surveyor and ask them what happened to the map. Where is it at, where's the money okay because the agreement is between the two of you. All we do is we authorize you to go and find but we don't say to you go see Mr. Castro. So I just want to make clear to us of that okay.

Anthony Castro – Understand.

Acting Chairman Calvo – The survey here if you decide to get another surveyor for whatever reason or go back to Mr. Castro and say you know you did a job and it hasn't

been done okay and we know that my dad put $1,200 okay that's between your dad but it has nothing to do with the Board or to the Chamorro Land Trust. That listing that we give you is just a guideline to let you know you know just like when you ask give me a list of all the doctors okay. But if something happens to you you're going to blame me you gave me a wrong doctor instead of healing my legs he broke my leg more you know. But I'm just giving you hey here's a list of doctors that can do bone specialist but it happened that instead of repairing your leg it damaged your leg. You're going to come back to me and say you know Oscar you gave me a doctor that instead of healing me I got worse so I just want to make that and I use that scenario for that reason okay.

Anthony Castro – You're right sir.

Acting Chairman Calvo – It's just like hiring a legal counsel same thing I don't want to go to that but it's the same thing.

Anthony Castro – But my point sir I guess just for a matter of record I just want to clarify that $1,200 was paid to Mr. Castro and again this was before your time and I'm happy to hear that you guys are ladies and gentlemen are taking control now and making better decisions now with more information provided. But the survey that was done it was a preliminary survey was done by Mr. Castro was completed by him according to him the letters that we received and it sat in Mr. Borja's office or who's office that is in Land Trust it sat there waiting for approval and the reasoning that was given to me a couple of weeks before Mr. Borja tendered his resignation was that his man or this person that's supposed to be reviewing these maps was on extended medical leave.

Acting Chairman Calvo – I sympathize and understand that okay because that's not my problem okay and that's the thing I want to get across to you I mean to make you understand I understand and I know where you're coming from and I know you're frustrated and your dad is frustrated and you're thinking well I just lost $1,200 it's ideally it's not my responsibility and boards.

Anthony Castro – I understand that sir. I'm not trying to fix the responsibility on you I'm just trying to provide you information that a survey that was completed that was paid for has sat in the Land Trust's office and no doing of Mr. Garcia that sat there even to this day and has not even been approved or reviewed. Now Tract 14411 came about again and then it's now surveyed so something has been paid for before in the past was it just for a wasted effort? I don't know. Is my dad's survey the only one down there in Land Trust that's sitting there waiting for review? Because my understanding is that that map was waiting approval and that map would have been approved hypothetically had it been approved then my dad's lot number would not have been part of Tract 14411. It would stand alone in its own separate survey, separate map and not be part of Tract 14411, had that map been approved but it sat there for so long even to this day.

Acting Chairman Calvo – First of all we don't approve the map. Land Management approves the map.

Anthony Castro – Exactly but Land Trust reviews it.

Acting Chairman Calvo – We review only to say that the map is in proper in what the survey has done that they followed all the statutes and the size of the lot and so forth

and all the square meters and all that stuff okay. So that one okay but getting back to your case in that area if Mr. Garcia is saying it's not going to hamper any property for that matter I just want to make that clear to you that you are going to concur that cost of that survey if you decide to go that route. Now like what Mr. Garcia said okay you want to track him down there's the PEALS Board you know or for where he's at I don't want to you know whether he's in town I don't know I mean just like one lady called me this morning and said how come you guys gave me a list and these guys are dead. I said that's not my job to keep track where these guys whether he's alive or dead. No but really seriously you know you just have to get with the former survey and that's between the two of you really I don't want because I don't want get in between you and the survey because then the survey our job only is when the survey is done and it says okay this map is legitimate that's it end of story.

Anthony Castro – Alright sir understand and I appreciate that. I just have one more question and I'll consider this a dead issue can somebody let me know or tell me where these documents at so I can take that to the PEALS Board and use that as evidence that this has been performed and he had never come back with it. Can I retrieve that document then? It's already been paid for. I mean is there anything that's preventing me from getting a copy of that document actually the original copy?

Acting Chairman Calvo – You can check probably Jess at Land Management right?

Anthony Castro – Mr. Garcia can I ask that of you sir?

Administrative Director Garcia – I'll look into it with your map.

Anthony Castro – I did ask Mr. Desmond to call us up but we never got a call back he's probably busy on that. Well sir I just want thank you gentlemen and ladies for hearing us out and like I said all we're asking is your consideration. We're not asking anything more than what we're deserving of.

Acting Chairman Calvo – But you do understand already.

Anthony Castro – I understand the parameters that you mentioned.

Acting Chairman Calvo – Then end of discussion have a good day.

Anthony Castro – End of discussion right thank you sir. Thank you very much.

VI. CORRESPONDENCE

None.

VII. DIRECTOR'S REPORT

Administrative Director Garcia – The commercial leases as of today the Chamorro Land Trust collected about $638,000 as of today. As far as the collection it should be more. I guess the Commission needs to look at doing a more active collection of the commercial leases while we wait for the rules and regulations to be transmitted back to the Commission for approval.

Acting Chairman Calvo – Okay well Delia has assured me that we're going to have it by the 1st right.

Administrative Director Garcia – No but while we're waiting for that I think the Commission needs to figure out how we're going to get the active collection of the additional funding.

Vice-Chairman Matanane – Mr. Garcia can we have at least a running receivables that you have.

Administrative Director Garcia – I'll get it.

Vice-Chairman Matanane – And for the matter of collection I believe like the clients that we have here should have already been given a notice you know an official notice that he's behind and that way we'll have something black and white.

Administrative Director Garcia – We're still doing the review but the projections from last year was like seven hundred and some thousand dollars we collected and already the fiscal year is almost up and we're only at $638,000 so you know right there you can see that we're behind on collection. So we have Ed Artero working on that as well as Priscilla Richards on it. That's where I got this information from. We need to go after collecting payment due.

Vice-Chairman Matanane – Do you have an idea as to how much receivables we have? You know a ball park figure.

Administrative Director Garcia – Not with me I'll get it to you.

Vice-Chairman Matanane – Okay, alright.

Administrative Director Garcia – Just to let you guys know it was brought to my attention about we have a lessee out there with a guaranteed loan from the Chamorro Land Trust that they failed to pay. Chamorro Land Trust had paid it off and the lessee is apparently still staying there but I'm having it verified at this time because it was brought to my attention again and I want to make sure because I think we're going to be hit on it real soon.

Acting Chairman Calvo – On the issue of the rental lease that we're behind I really want to get to these people now to start giving them the notice and I know you're working on that with Priscilla on that and you and I already talked about that. So ideally if we do get that we're looking to substantially to collect a lot you know get it increased more. But I want to start sending these people notice now you know and like the golf course they owe us a hell of a lot of money and you know they're still golfing so they're still making money simple as that and they are way behind in theirs. So I want to do is send them letters give them 30 days and you know sit down and lets work the details. But I want I told Jess and I even told Priscilla over there that you know and here we go again you know they owe so many years and they say I forgot you know. It always have that mentality of saying I forgot you know but they were enjoying the livelihood of it. So I wanted that if these people were to come in and make restitution in paying this is to pay at least 50% of that and that's not even in charging the interest you know. They have to

come down with that or we're going to start terminating their lease. Because it's not just $1 of rent that they're behind I can understand maybe one or two months but when you're talking about years you know. I mean through the years they were making payment but it's just you know I guess they won't know I owe you you know. Let's for example $20 but I'll just give you a $1 and I hope you don't ask me back for the $19. So every month I'm just giving you $1 next thing you know at the end of the year wait a minute man I gave you $500 and all I got was $12 for the whole year you know. So if we don't take that course of action okay then you just gave me $500 and you only got was $12 you know. So that's what I'm saying you know you can't say I forgot because and you know for commercial and if they're having problems why does it take you years to say well we weren't doing good, the economy is not doing good, that's fine and so forth. But don't wait until you know I mean you're a banker you know that. If I went to the bank and borrowed, the bank don't care whether you know just give me the $300 every month that you owe me if I don't then I take your mortgage or whatever.

Commissioner Tajalle – On that collections make sure when you send the notice document them.

Acting Chairman Calvo – Oh yeah it will be documented everything. Priscilla is going to draft out on how we're going to do it.

Administrative Director Garcia – Actually just to let the Commission know that Kimbo Lujan has been reporting back to work so you know I'll make sure that he gets together with Ed and compile that listing for Dave.

Acting Chairman Calvo – Well I really want hopefully by the next board meeting Jess I would like to have a master list of all that commercial lease. Because I know ideally we don't have maybe we have 50-60 I don't know but I know it's not over a 100 on the commercial lease. So at least to give us a general idea on who's who and who's not you know and I want to know whether these people are still alive too or they disappeared okay.

Commissioner Tajalle – This is going back to the collection okay. Jesse it's not just enough to have that document on the applicant's file also you got to notate that when you mail it out there's got to be proof that it was registered you know. There's a process, there's a first advise, there's a second you know. I don't know how often you send it out.

Administrative Director Garcia – Apparently I have Ed working on it and what's happening is when he calls them in they come in so you know I don't think he reported to me that none of the licensees that are out there are not coming in. Like when he calls them they come in and they bring whatever he needs.

Ed Artero – Yes actually on Frank and Evelyn you know I actually called them in and they started making payment but that's one of the first clients.

Commissioner Tajalle – Are you making notation on that because you have to do like a memo to file because as a collector for the accountability of the applicant that needs to be noted too. It's a process. There's a process you send the letter out, how they came in, got the notice. You need to protect that we did our part and then when they do come

in every case is different they do come in they make a payment you need to make a note they made a partial payment or something because you know you got to have the history of accountability on collecting payments. And you know you can't just put it in file it has to be you know whoever is entertaining that which you are there are steps to doing it to protect you know what we're doing on our part. Because you know the media hits us all the time you know and stewards that we make sure that we exercise the policy.

Ed Artero – The other thing too that I was thinking about was that we need to call each one of the commercial lease and give us their email address so that we can send them notice every month just a general instead of mailing it out because I think email address is a lot faster than mailing it out.

Administrative Director Garcia – That's one of the problems that I have is getting the adequate staff to do all this. You know we got these guys tasked out. We got the MOU that we're doing with Agriculture and UOG and then we got the files that we're looking at, the complaints that are coming in and then Ed's commercial license project. We really need staff. We're working in formulizing the request to Senator Pangelinan already, Oscar is aware of what's going on on that part.

Vice-Chairman Matanane – I would suggest you put a chrono sheet on each folder and every time they show up you indicate what happened that day, time, date and what happened. Make sure you have the time when they came in make sure it's the right date and what happened on the chrono sheet okay. That way whenever we review the files we already have a chrono that's there and when was the letter sent out and all that.

Ed Artero – We'll come up with a standard monthly notice of billing notice.

Commissioner Tajalle – And also you know be professional about it because we don't want to hear this they mistreat me, they didn't pronounce my name. You have to be professional about it. Do it with professionalism.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

Meeting was adjourned at 3:34pm.

Transcribed by: Teresa T. Topasna: Teresa Topasna
Date completed: September 3, 2009

Approved by Board motion in meeting of: Sept. 17, 2009

Administrative Director, Jesse G. Garcia: _____
Date: 9-17-09

Chairman (Acting), Oscar Calvo: _____
Date: 9-17-09