Chamorro Land Trust Commission
(Kumision Inangokkon Tano' Chamoru)

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Commission Members

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David J. Matanane
Vice-Chairman

Pauline Gumataotao
Commissioner

Carmen G. Tajalle
Commissioner

(Vacant)
Commissioner

Joseph M. Borja
Administrative Director

COMMISSION MEETING MINUTES
Agana Youth Center, Hagatna, Guam
February 19, 2009; 1:06pm – 3:32pm

I. CALL TO ORDER

Meeting was called to order at 1:06pm by Acting Chairman Oscar Calvo.

II. NOTICE AND ROLL CALL

Administrative Director Joseph Borja – The proper notices having been made in the Marianas Variety and also in the Pacific Daily News copies of the published notices are in file.

Present are Acting Chairman Oscar Calvo, Vice-Chairman David Matanane, Commissioner Pauline Gumataotao, Commissioner Carmen Tajalle, Legal Counsel Rebecca Santo Tomas and Administrative Director Joseph Borja.

Administrative Director Joseph Borja – Mr. Chairman you have attendance of four out of four confirmed members the Chamorro Land Trust Commission having had public notice is duly convened and you may now proceed with official business.

III. APPROVAL OF MINUTES

1. **December 4, 2008**
2. **December 24, 2008 Public Hearing on Commercial Lease Rules and Regulations**
3. **December 31, 2008**
4. **January 15, 2009**

Administrative Director Borja – I call your attention to item number 3 and item number 4 in the approval of the minutes. Those are the copies of the minutes that have been given to you at this meeting. Items number 1 and 2 were given to you in a previous meeting. As you can tell these two sets of minutes as well as the previous two sets of minutes are pretty lengthy. Today's minutes package comprise of January 15th, 26 pages and the Commission meeting on December 31st that comprises of 54 pages. Again my recommendation to the Commissioners is they take the time, a week or couple of weeks if need be to read these minutes. These are a matter of record once you approve them the are released to the public and decisions that are made during those meetings are records of decision and from those we go ahead and develop leases, licenses, terminations or what ever actions that the Board directs the Commission. My recommendation as an Administrator is take these two as well as the other two minutes and read

them. There is no hurry to approve them and again these become official records that stay with the Commission for years and years.

Vice-Chairman Matanane – We did approve the December 4 and the December 24th in the previous meeting so what we are approving right now is the December 31st and January 15th.

Administrative Director Borja – I'm not sure if I might ask the Recording Secretary. Terese did they approve the minutes at the last meeting?

Recording Secretary Teresa Topasna – No they tabled it.

Administrative Director Joseph Borja – I think you tabled it because it was lengthy.

Acting Chairman Calvo – Yeah.

Administrative Director Borja - Of course you can approve it now what ever the pleasure is of the Commission but these are from the last three meetings and there were a lot of activity on that. For example under the commercial license we adjusted and approved several commercial licenses which we are developing the licenses for and all I'm saying is it's quite lengthy and even the people that prepared it and the people that typed it out it is quite lengthy. So my suggestion is to take your time to read it. So the status of the two minutes on number 1 and number 2 there is tabled until this meeting and again you are getting 3 and 4 two newer ones, they are still quite lengthy also. But those are the status of the minutes and I say that because the minutes are up to date as of today's meeting. They are up to date thanks to the work by Terese, James, Lorraine and Eileen in translating especially the Chamorro part of the meeting it just wasn't Terese. But it is quite lengthy and I know that if you Commissioners did not notice maybe several weeks ago not to compare Commissions or Boards but the Guam Public School System the Board there had some problems with recording and getting minutes out and in that case it was a personnel matter and it may hinge on a settlement or an agreement or court case right now and they have a problem with accurate minutes and recording and things like that. We are for the most part one of the better agencies in terms of recording our minutes but by the same token you do want to review it before you approve it if that is what you meant and like that because it becomes record. And even up to today Commission staff, the media, the Governor's Office and Land Management depend on minutes that were taken back in 1995, 1996 and like that. They depend on some decisions they make up to today on minutes that were made previous to that.

Vice-Chairman Matanane – I would like to make a motion to approve the minutes subject to corrections.

Commissioner Gumataotao – I second the motion.

(There were no objections)

Acting Chairman Calvo – So be it, approved.

IV. CORRESPONDENCE

Administrative Director Borja – We consider these items correspondence because we are not actually actively receiving new requests for commercial licenses however these are commercial requests but they are correspondences and we did receive them.

1. TG Engineers, PC

i. Two Survey proposals for a portion of Lot 7151-R19, Yigo

Administrative Director Borja – They have two survey proposals, if you remember maybe not Commissioner Gumataotao and Commissioner Tajalle, several months ago and several Commissions ago I think maybe two or three Commissions ago not only years that a previous Commission approved the survey of property for Mr. Ramon Torres and his son up in Yigo. What the Commission approved at that time was the concept of the Commission paying for the survey for Mr. Torres but what it did not approve at that time was the survey for Mr. Torres in terms of the amount. Administrative staff and the Director, myself, I'm hesitant to give the go ahead although the project the concept was given the go ahead by a previous Commission. We have that in the minutes, we did research it. The amount at that time was not known how much the survey was going to cost and now several years later maybe six years later, seven years later the amount has finally come in on what it would take to survey Mr. Torres's property as well as his son because according to the record that's what came about. Originally another amount was submitted several months ago for a planning map which was about I believe $15,000 and this time around they broke it down and it's a total of approximately $12,000. It is quite a bit of amount to approve any amount really is big and I'm not sure if the Commission wants to make a decision on this at today's meeting without making sure that the records are correct in terms of actual board approval. We don't have that today but we can provide that.

Acting Chairman Calvo – I'm aware of that Mr. Torres because when I first got on Board that was one of the issues.

Administrative Director Borja – That was during Delfin Damian's time and I think even previous to Damian's time.

Acting Chairman Calvo – Right it was previously before that it was the previous Board that approved that. Yes for what ever reason the Board at that time went ahead and approved it I don't know what the obvious reasons were but what ever that they and now that Mr. Torres has come up forward I think I would want to get an opinion from the Legal Counsel on this. Even though that a previous Board had approved that for the payment but the payment was never really identified on how much it would cost and I want to make sure that we are really supposed to be held responsible for that then I think I would rather go that route first. That way we want to make sure because it was previous Board that approved that but it was never a set amount. They gave them the authorization at that time they were given to go out and make a survey so I beg to differ at this point in time to leave it to legal and then whatever Legal Counsel comes up with that maybe we'll stretch it out on the next Board. Are you guys going to agree to that?

Vice-Chairman Matanane – If that's the case if previous Commission has approved this particular survey then for Chamorro Land Trust to pay for it then it's unfair for the rest of these people who have hired their own surveyors and paid for their own. But in that light I would like to see the approval of that particular meeting when they approved for the Chamorro Land Trust to pay for this particular survey and we should table this and we should take a look at it first.

Administrative Director Borja – I would recommend that, yes.

Acting Chairman Calvo – Yes.

Vice-Chairman Matanane – And that's my recommendation.

Acting Chairman Calvo – And that's the only thing like what you said Mr. Dave that we want to get that when we do make that decision in paying it off because it is not fair for other parties too. Be as it is what transpired back then is beyond our control but it was never an initial payment on how much is the survey because technically we should have and this is where it would be a good message for the future for the other clients that come here is to get an estimated cost of what it would cost them to survey this. In this way we would have a general idea if they are going to go in there to survey a 100 by 100 or one acre for that matter before we approve it and that we'll have something. A surveyor can come in here and say well I'm going to do this job for two thousand maybe there is another surveyor that can do it for fifteen hundred. So we want to make sure that there is checks and balance on that one. So if that's in agreement with you.

Commissioner Gumataotao – Do you know if there was a deadline for the survey to be turned in by the previous Commission?

Administrative Director Borja – No as a matter of fact it was like years ago.

Commissioner Gumataotao – But they didn't give them a deadline to submit the survey?

Administrative Director Borja – No, not that I can find and one good thing about at least that particular file, Mr. Torre's file is it's very well documented when things are done or decided. There are notes in the file on the dates and all the people involved. What we'll probably do is we'll make copies specifically on the minutes on approval but also we'll make that particular file available to any Commissioner who may want to review it. But I'll work with Legal Counsel to make sure that on the legal part that there is a formal approval by previous Commission minutes meeting and like that.

Acting Chairman Calvo – We want to set a precedence to that in the near future now that when we have you know because when survey is done it depends on the scope of work they do if it's in a flat land area. Like for example like here and its not too much work for the surveyor he might just say that I am going to do this for two thousand but knowingly if I can get someone that can do it for fifteen hundred so it depends. I know it is not always going to be the same but at least we can have some guidelines to say that is within the range that is okay. In case in the near future if the tenant comes in

and says okay Mr. Borja I spent two thousand dollars in here but knowingly that he just cut it up especially if its an area that's clean and all he is identifying is four corners then we can be very rational about it and say look I don't think so that is the amount that it should. I mean he came in there and says that's a four thousand dollar bill I don't know if you guys are going to be satisfied but I totally would question that amount first.

Administrative Director Borja – We'll provide the documents as soon as we can. We won't wait till the next meeting.

Acting Chairman Calvo – Alright.

2. Kindo Electric

i. Commercial lease request for 10 acres for development of homes

Administrative Director Borja – If you Commissioners ever pass through Agat near the old Gorco area you'll see a windmill on the side of the road and basically that operation belongs to Kindo Electric and they are looking at building homes on Chamorro Land Trust lands and making it into what they call green homes for the environmental, ecology is paid attention to and technology issues as a demonstration site. So this is again a basic commercial license a commercial lease request that they are asking and we received that as correspondence.

3. Guam Nurseryman's Association

i. Request to utilize Lot 87-5-1, Hagatna for a botanical garden w/local fruits and vegetables

Administrative Director Borja – These are the ladies and gentlemen that you see sometimes in the parking lot of Kmart, sometimes at Micronesian Mall, sometimes at Hagatna Shopping Center and sometimes at the Chamorro Village and what it is is they don't have a home. They are kind of like bag a bun, bunch of peddlers and they are looking for property in Hagatna to utilize for that. Where they are looking at for property is not necessarily the same kind of property that our clients are looking for. But they are looking for a piece of property where they can basically store their plants overnight, a couple of weeks, temporary long term. Temporary meaning that they are not planning on building anything permanent on the property or planting on the property and long term meaning that they like the place that they can call home for a while. They are looking at Lot 87-5-1 in Hagatna which is directly across the street from here, the swamp area. What they are basically looking at are looking at developing two things. Number one what is the area use for normally? Normally it is used whenever there is construction on Route 4, the contractor uses that as a staging area for the equipment and gravel and like that or around Christmas and like that somebody would use that to sell Christmas trees. There were a couple of years when Department of Agriculture had a mulcher or DPR where they would set their mulchers then they'll drop it over. You cannot really develop too many things over there on a permanent nature because it is not a swamp area but it is a wetlands area. You can develop things there but to design and construct the type of building where you put posts down so that it is stable that makes it really expensive. So the Nurseryman are looking at requesting to use that area for basically a botanical garden and like that and they are working with Hagatna Restoration and Revitalizing Authority and the Mayor's Office to see if they can create a trail from here to Bank of Guam. So that is what they

are trying to develop where people come here they buy lunch at the drive thru at Taco Bell and have lunch so they'll develop a little park there. What is in it for them? They have a long term area where they can store their plants, they have a central area that the public can come by and buy plants, shop for plants. What's in it for the Land Trust? That area becomes beautified rather than being used as a staging area. We're not using it for anything now. What are the long term plans for it by the Commission? Nothing really at this point.

Vice-Chairman Matanane – How big is the lot?

Administrative Director Borja – The lot is I think at least seven acres but what really is usable is probably maybe one and half the other areas are kind of mushy. And just not to change subject just to let you know that the land that we have around here in Hagatna the map for Block 24 for the new land services building that is being finalized and it should be done by the end of next week so that it can be given to the architect. The architect has already been selected so the architect is given the map the shape of the land and the architect will build the building and entrance here and exit here and all the details. So that is going along fine with that property that belongs to the Land Trust here in Hagatna. The Land Trust also has behind the GARP building that stretches all the way down to the area behind that new parking lot across McDonalds. I don't know how they built that parking lot or I don't know how they built the Hagatna Shopping Center because it's supposed to be wetlands. So the 12 acres that we have here don't jump the gun that we have 12 acres in Hagatna, great, it does have its limitations on it but people are requesting for it. Former Senator Pilar Lujan is requesting for a certain portion of it to build a Senior Citizens Home in Hagatna close to the court, the movie theater, the shopping center and the tennis courts.

Vice-Chairman Matanane – Does the Land Trust own the parking lot there?

Administrative Director Borja – No the Chamorro Land Trust doesn't own the parking lot but that is quite a big valuable piece of property that parking lot that you can build a building on it. But we do have like I said some substantial size back there. It's actually cut in half if you see that row of 32kb electrical lines the big steel towers that kind of cuts it in half about 6 acres there and 6 acres on this side and then we have this property over here and that's kind of like basically what we have in Hagatna. We have little pieces within Hagatna but not anymore big pieces where you can actually build an office building or have a commercial operation.

Acting Chairman Calvo – That's why when they built Agana, this Agana Shopping Center right here years ago the reason why if you notice the building is built not really all in concrete because of the weight and that's why they actually build it up.

Administrative Director Borja – They don't build it up it's just spread out.

Acting Chairman Calvo – Yeah and its designed in a frame type like a butler type because it's less weight but if you put too much concrete then you have the upper floor and then the third floor then it will sink down.

Administrative Director Borja – That kind of goes with what their plans in using they aren't looking at building a building.

Acting Chairman Calvo – No I don't think so I have no objection in as far as leasing.

Administrative Director Borja – They say some temporary use I think maybe similar to what we did with the cultural group, a five year license and then come back and inspection in I think in 3 years I think you wanted them to report back on what have you done in the 3 years and like that. This here is for a temporary use. Now they are response to your question Vice-Chairman Matanane on the payment of the rent note that on the second page is a tax exempt status or reinstatement of tax exempt status. Normally organizations with tax exempt status are looking for a pretty big break in terms of leases that they have. We can at least begin negotiations if you want.

Vice-Chairman Matanane – Well they have income so to me they should have expenses too.

Administrative Director Borja – I will get back to you on it because like I said we just kind of received this as correspondence because we put basically a moratorium on the commercial ones but it's entirely up to the Commission.

Acting Chairman Calvo – Actually Joe I don't really mind on this Nurseryman's Association but I think it would be more appropriate and fitting for them to at least attend the meetings so they can give us a broader.

Administrative Director Borja – Okay I'll invite them.

Acting Chairman Calvo – Because with me I don't think so this property across the street from us it's not that the land is not usable because you can still.

Administrative Director Borja – The land is always valuable.

Acting Chairman Calvo – Yeah so whatever their main objective and goal and what are they looking at in terms of financing and so forth. Because they can use that it's almost like being a staging area for them. That's what really they are looking for. But in other words the staging area are there going to be other nurseries that are going to be involved in that organization which is an organization to begin with but do they get some financial or some I could say I got a place over there and you have flowers but then he says okay I'm going to be charging you two dollars almost like the Chamorro Village where every Wednesday you get something like you charge ten dollars, fifteen dollars or whatever. So I'm just saying is if we charge them hypothetically maybe a hundred dollars a month but then they are grossing on the side a percentage rate. That's the only thing that I (didn't finish).

Vice-Chairman Matanane – You know they would also be employing people and they would be paying whoever is taking care of the business itself is getting paid quite a lump sum. Maybe he's a CEO.

Acting Chairman Calvo – I really don't have any objection but the only thing is we don't want to be leasing something on the side and then we find out later on that hey that's not what your lease was the intention for lease was for you but then I find out that you are also staging your flowers down there for whatever reason but you know what Mary was charging me twenty dollars just to put my puti tai nobiu flowers or whatever that issues and then here we are.

Administrative Director Borja – We've had that so I realize your concern.

Going back to Item No. 2 – Kindo Electric
Vice-Chairman Matanane – I think we have not discussed too much on the Kindo Electric I would like to go back to that. Which 10 acres is he looking at?

Administrative Director Borja – Actually with Kindo he really wasn't looking at anything specifically. His place of operation is over in the Apra Heights area and what he is looking at is anything available in that area and we do have Lot 289 which is next to Atan Tano and next to Guatali in an area where there is a wind factor. Because one of the technology that he is planning on putting up on these tracts of property because if you get all the houses the homes together in one area then he can develop the windmill project on a bigger scale rather than one house here, that's one windmill, one house here another windmill. He wants like a tract of houses, 10 homes and then build the windmill and the back up system in but no particular area Mr. Vice-Chairman.

Vice-Chairman Matanane – He is stating that he will have containers rather than building a house.

Administrative Director Borja – Yes, it is the container style home, right. We have about three companies on Guam that are doing that. KwikSpace does custom office space and some people have used that as living quarters and then we also have right beside the road here heading up towards Taco Bell in Tamuning the right hand side there right before you get to the gas station there are three or four there.

Acting Chairman Calvo – That's by Baba Corporation.

Administrative Director Borja – Yes, right there in the front the open yard and I think there is another one out of Australia that makes those homes. But it is shipping containers not necessarily concrete hollow block.

Vice-Chairman Matanane – So I would suggest that Mr. Leon Guerrero come in, you know we would like to see what his plans are.

Commissioner Gumataotao – Joe do you have the attachment that is indicated in the letter?

Administrative Director Borja – No, he was recently featured in I think it was Guam Business Magazine but we'll definitely invite him.

V. PUBLIC COMMENTS

1. Ron Sarmiento on behalf of Feliciano Layao – Thank you Mr. Borja, good afternoon Mr. Chairman and Commissioners thank you for allowing us this opportunity. Like Mr. Borja said Mr. Layao and I are business associates and he has asked me to assist him in addressing the issue with Layao Enterprise and the license agreement with the Chamorro Land Trust. Let me just give a brief scenario a quick history with Mr. Layao and his Lot number 6, Tract 1112 in the municipality of Dededo. Mr. Layao has been occupying that land since 1982 this was when it was under Department of Agriculture and then when it was turned over to the Chamorro Land Trust I guess in the early 90s he obtained him and his late wife obtained a lease agreement with the Chamorro Land Trust and as of 2006 Layao Enterprise which is a licensed general contractor here on Guam entered into a license agreement with the Chamorro Land Trust. Now the situation is this saying that Mr. Layao was under the impression also under the assumption that he was under the regular commercial, commercial agreement license agreement with the Land Trust Commission. And in May of 2008 Mr. Layao went on ahead and subleased a portion of this land to a subcontractor. Now shortly after that in September of 2008 he was served a letter from the Land Trust saying that upon inspection of the activity that was happening on his property on the Land Trust property it was not authorized under the license agreement. So Mr. Layao contacted me and asked me to assist him and I said where is your license agreement and let's review it. So after reviewing the license agreement I pointed out to Mr. Layao the violations or the infractions that is not in line with the agreement. So Mr. Layao is not contesting that he did make a mistake without first consulting with the Land Trust Commission. So Mr. Layao is willing to make restitution or whatever the Commission deems well what ever is supposed to be done as far as him complying with the license agreement. He is willing to do what ever it takes. Now we've also submitted a couple of letters one in October and one last month a proposal to the Land Trust asking them for their consent for him to continue operating with a subcontract that he had entered into with this contractor. However, it's totally up to the Commission on what they want to do with that. But like I said before he is willing to do what ever it takes to continue what he's doing if that is possible.

Acting Chairman Calvo – I just want to clear that Ron we don't really want to go so much in the details and the facts right now. I would suggest to the Board that the details and facts will be worked with Mr. Borja on what because we have already pretty much wanted what the restitution portion of what we initially so I don't really want to go into details. And I've spoken to Mr. Borja on what I really wanted to this because we don't want to run anybody out of business and like you said the license for him he figured that when I have a business license that can take any where I can do anything what I want and so forth. So the knowledgeable part there and but I think I would rather you and Mr. Borja would sit down and agree to what the terms of what we really want because we say its an honest mistake maybe it is okay. But there are restitutions that I would like to see back to the Chamorro Land Trust and to the mere fact because that belongs to the Chamorro and I have to protect the interest of the Chamorro Land Trust too and you got to understand that. Like I said whether Mr. Layao in his own mind at the time figured that a business license is a business license I can do what I want and maybe he didn't fully understand the lease contract when he read it out for that matter and we just want to make sure that these things are actually

resolvable and can be resolved in a very good fashion. I strongly feel that I have already told Mr. Borja what I feel and what we should do and if Mr. Layao is willing to do that restitution and that's all we ask and of course he has to reapply back now to what the lease would be pertaining to what his options are and what not.

Ron Sarmiento – Okay I would like to request also actually ask the Commission if Mr. Borja had mentioned earlier that there are no new applications being accepted at this point in time. However this is an existing license agreement is there a possibility of a conversion of that license agreement from agriculture to regular commercial?

Administrative Director Borja – I think we can treat it like that I don't view their application or their license as a new one. I think they want to amend it or they want to change it and what I will do is I'll meet with them next Tuesday on those issues the restitution issues but also more importantly to develop what their license would be so that they can come before the Commission and say this is the license we got but we want to convert it into this one and have some sort of details on that. On the other issue about the restitution and like that we can meet Tuesday, the 24th at 9am at the office.

Ron Sarmiento – Sure.

Acting Chairman Calvo – Mr. Layao I just want to make sure that you fully understand that there will be the restitution here that will encumbered so and like I said we can work the details on this one.

Ron Sarmiento – Alright, thank you very much.

VI. DIRECTOR'S REPORT

Administrative Director Borja – I have actually 13 items on my report Mr. Chairman.

1. I just want to give some closure report on the unpaid applications. Unpaid applications at this point have been filed, stored away, they are not destroyed, they are not disposed of. If at any point in time the Commission wants to revisit the policy of payment of those applications we'll save their place in line. I think administratively the Commission staff doesn't have any problems with that. So if in your travels if you go out and you meet clients, members of the public and they come up to you and they say you know I was one of those people that didn't pay for my application I applied the first day what is the policy or what happened to that? Basically now those applications are in an inactive file but they are not actually there by law they are actually there by Commission policy. What we found out was a lot of those were duplicate applications. People actually applied two times and when they got serviced for their one application that they paid for of course why would they pay for the second one. So I think that is pretty much straightened out. There were at least in my experience about five people that missed the deadline. You know they've asked me Mr. Borja can I pay now they missed it by a day late and like that but at least for now I'm holding fast to the policy that if they didn't pay it. You know adding on those other five doesn't make a difference in staff. To add on maybe another thousand that would make it.

Vice-Chairman Matanane – Would it make any difference if the particular person would come in and make the payment and refer it to your office and then you put it in the active files and put him in line with the same?

Administrative Director Borja – No, its not any administrative problem on that I would just like the backing of the Commissioners that it is alright to do. So that like I said when you meet people because otherwise the word I give people is those are now in the inactive files so that if the Commission so wishes they can activate that. Just so that everybody is on the same page and you don't get a message that you thought they could still pay and the Director is saying that so if that's the wish of the Commission. Like I said it doesn't make a big difference to us. Like I said if it was two thousand yes, but we only have maybe five at the most and like that. In all reality like I said there were about three thousand names that applied that had applications but a lot of them were duplicates. That is why some people say I already have a lease why did you put my name on it and when you show them they say oh, yeah I made two applications just to be sure. But of course they didn't pay for both.

2. The second big project that we are working on is the by-passed people. Several weeks ago the first of the year we published three thousand names in the PDN and every Wednesday we publish a hundred and we open that Saturday to service those one hundred whose names were printed on there. We've had that now for about six weeks, six Saturdays. Out of a hundred that we print the highest we ever got was twenty-nine and the lowest we've gotten is like nineteen. So we kind of average like maybe twenty-three, twenty-four maybe twenty-five percent of those people coming in. And again what the computer picked up are people who applied the first day or names, applications that don't have a lease. In other words the computer is not showing that there is a signed date so it's reading that there is no lease given which is accurate it was correct. But we find a lot of those at least in the first one hundred we had about ten that were not qualified they were not Chamorro as defined by the Act. There were three people that died and like that. So even those that come in there is usually a logical explanation. They moved, no longer at the same address, not the same number, got deployed and like that so there are logical explanations as to why these people were by passed and not that they were by passed by out the meanness or something criminal it is just that staff came to that file dialed the phone number the number is no longer in service and they moved on to another file. And that's coming along pretty good but now that we're catching up with these people we have to find land for them. So we find them so we contact them so now they are not by passed now we talked to them now we got to find land for them. So that's where that land registration project is going. But the by pass should continue for about I think it was estimated at six to seven months and about a hundred a week so that would be about thirty weeks. It is going pretty good without having to pay for overtime we're staggering the work days of the employees so that some of the employees don't work a particular day during the week but they work on Saturdays. That's working out pretty good but I don't like to work on Saturdays and I don't know if any of the staff but I do have to give them credit for their sacrifice for having to work on Saturdays. So that's the by pass project that we're working on.

3. Related to the by pass project is the inventory and land registration. The inventory project is basically comprised of finding land that we already have and then the land

registration project is actually taking land that we claim to land registration cases, that project you guys approved several months ago and I would be able to give you an update on that. With the inventory project that we've done I've completed the inventory of lands of what I think is the entire Government of Guam including Land Trust, Ancestral Lands and general Government lands. Those have been turned over to Bureau of Planning and Statistics to the Governor's Office for their review and decide what to do with it. However, in the inventory of the lands there's a real serious issue especially where it concerns the Land Trust because some of the lands that we have in our inventory is actually lands that should be given for example to the Guam Ancestral Lands Commission for return to original landowners whose property was taken by the military and some lands that we have should stay in our inventory as what you call homestead lands and that's basically to make sure that no Chamorro is homeless or landless. There is a difference in that the Ancestral Lands people they deal with lands that was actually private property and was condemned from private citizens by the military then given back to GovGuam and rightly those lands should go back to the original landowners. And there have been much recent activity by the legislature concerning easements and when I say recent last legislature, easements and lands that the Government has used but has not been compensated. In our inventory in the Land Trust inventory there's about three or four tracts of land that was originally designated by the legislature by the Government actually for land exchanges and not for land leasing like the Land Trust. For examples these lands are Dededo, we have some lands in Merizo, we have some lands in Barrigada Heights that should be returned to Land Management or to the Ancestral Lands Commission for the intended purpose rather than to give it to the Land Trust for these dollar a year leases. I can prove that those lands were actually created and reserved for land exchanges with private landowners whose properties were taken but for whatever reason the government never really completed it and Land Management and the Governor's Office is actively seeking to provide some closure to it, a lot of these land exchange issues. For example maybe Mr. Matanane might be interested in this the lands around the prison in Mangilao was originally condemned by the Government for a protective zone and since the Government is not doing that now the legislature passed a bill the Governor signed it into law returning those lands to the original landowners. Now the thing about that whole issue there is some of those landowners in that area have already been given land exchanges and in some cases cash money to get out of Mangilao around that area, the Perez family, the Rosario family and several other families. And then now they are kind of like returning it back so it's kind of like a big mess. But I think the legislature and at least the Governor's Office and Bureau of Planning is looking at this land exchange issue and this issue where the Government has used or taken land away from private landowners and either not paid them because there is a law that says the landowner can ask for a land exchange, they can ask for cash or they can ask for a tax credit. Now cash only works if the government has cash, the government doesn't have cash and if it did it would go to the landfill. Tax credit only works if you really, really have a lot of money and you say give me a tax credit rather than cash. So by and large the most preferred option in those three options is a land exchange. Most of the time people want that, they don't want the cash, they don't want the tax credit, if you're going to take my land at least give me land somewhere. That hasn't been the case with the government and I think its way overdue for some people to do that. That's part of my report on the inventory. I just did not give an accounting on it because the Governor asked me for some ideas that I

had because of my background being the Director of Land Management, Ancestral Lands and the Land Trust whether the lands that we have in our inventory or Ancestral Lands or Land Management is actually land that we should be giving out or is there a particular purpose for it. What really made the issue come about also is remember when we had the hearing for Mr. Torres's application one of the issues I brought up is certain GovGuam lands have a reversionary clause. If the Government says I'm giving you this for this purpose and if you don't ask my permission before you do it for any other purpose then I'm taking it back. It's never been tested but it's in the law there maybe it'll be tested. So that's the part of the inventory, the second part of the inventory is we have begun working already with Legal Counsel to begin the land registration project.

Commissioner Gumataotao – Does that list include the land that was leased out to Agriculture also?

Administrative Director Borja – The land inventory that I made yes. Department of Agriculture and we're trying to work that out when we get down to the MOA section here but there were certain lands that were leased out by Department of Agriculture before the Land Trust came into being. Now there is a section in our law that says the Chamorro Land Trust Commission shall respect all outstanding Department of Agriculture lease. Department of Agriculture has agreed to basically give us those leases and those lands. It was a list of approximately I believe forty eight names, companies and out of that Agriculture says that twenty six are active. So the other twenty-two once we do the paper works on that we can re-lease that to other clients. But Agriculture is saying out of that forty-eight names on the list there are twenty-six that are active and those are the ones that they would like respected but since they've turned it over to us it would be up to us now. Now there are some people that have leases that are active that are not qualified under the Chamorro Land Trust Act and those types of agriculture leases the Chamorro Land Trust can convert those into commercial licenses which would make them qualify and just for the term because those leases are not going to be renewed. Once they've ended the land is going to be completely turned over to the Land Trust for whatever purposes it has. So they won't be renewed unless the Commission wants to renew it to that particular person but there is no automatic renewal when those leases expire. We've calculated that to approximately five-hundred seventy-one acres out of those forty-eight because these are big farms. They are mostly in the Dededo, Yigo area and some in Mangilao. There are some duplications like we'll see a couple of names on there for example Juan Pangelinan and Joaquin Pangelinan their names are listed on that Department of Agriculture lease but those two particular individuals we've converted their leases years ago from the Department of Agriculture lease to a Chamorro Land Trust lease so those guys are operating under a Chamorro Land Trust lease right now but they are listed on there. One of the projects that are in my report is the MOA the Memorandum of Agreement we have with Department of Agriculture and with the University of Guam College Extension Service and we have agreed and the Chairman has made the recommendation that the first leases to be checked shall be employees of the Land Trust and of course we agreed to that. But we also demanded that among those first leases also are leases of employees of Department of Agriculture as well as leases by the University people if they have any we don't know that. But we actually recommended that the first leases to be checked would be those leases, those

Department of Agriculture leases because those are the ones that are the longest because some of them were made like thirty years ago and those are the ones we know have not paid at all at least not in the last ten years and Agriculture admits that. Although they have leases with those people and those people are occupying the lands they have not received any payment from any lessee at all at least in the last ten years.

Acting Chairman Calvo – On that payment when that program initiated started back then basically it was Department of Agriculture that was supposed to be receiving that payment right?

Administrative Director Borja – That's correct, they receive it but it goes to the general fund.

Acting Chairman Calvo – But to their knowledge they don't have no I mean as far as those people who are still farming there suppose to be their farming or the land is left unattended.

Administrative Director Borja – They don't know because the last time Department of Agriculture went out to visit the sites was 1998. Department of Agriculture has not gone out and checked any of their leases since 1998.

Acting Chairman Calvo – What I would like to do on this now that we are in this subject is that MOA that we are doing is like to go to that section of that and see how much we really got out of there and if there is forty or fifty or whatever.

Administrative Director Borja – These Department of Agriculture leases are normally big. They are like twenty, thirty, fifty acres because a lot of them are pastures, not a lot but some of them are pasture leases. So we have that MOA and what that Memorandum of Agreement is Agriculture agrees to provide a vehicle, they agree to provide at least two people and same thing with us we agreed to provide certain items and the University of Guam. But the compliance team because what this thing is actually is there will be teams that go out and visit the site which Agriculture hasn't done which University of Guam doesn't know about because they don't know where these farms are at, who's there or like that and where Land Trust is the one that made the assignment. So when those teams go out there will be a minimum of three members, one member from Chamorro Land Trust. What's the job of that member? Is to pick up the file and say we're going to visit farmer number 1 in lot A. I know where farmer number 1 is and lot A so they go out there and when he goes out there he needs to make sure that its farmer number 1 and not sub farmer number 2 and lot 1A or something like that. So he goes out there and says to the Department of Agriculture people okay this is the farm of farmer 1A, his farm plan in the file say that he is going to plant a windbreak over there, he's going to have a pig farm over there, he's going to have ten rows of corn here and this is where his house is going to be at. So Department of Agriculture looks at that and says you know what you have one acre lot here and you're planting one acre's worth of egg-plant but you're only getting two pounds out of the whole acre there is something wrong, you should be getting two pounds or whatever the deal is for the Agriculture expert. That's where Department of Agriculture comes in. We know where the lot is, we know the guy, we have the file, we

have the plan, we know whether it's surveyed, we know how to get there and we're going to buy a couple of materials and provide a vehicle also. The Department of Agriculture guy will go out the same day and will take the pictures and you know you're planting bananas on rocks it won't work or whatever the deal is. The College of Agriculture Extension Service UOG his job is you know your soil doesn't look good let me take a sample of your soil and takes it back to the UOG lab and says you know what you have too much I don't know ashes or something like that, my recommendation is this type of fertilizer. Or you know what your up in a hill and you're planting papayas that are real bad with the wind so you need to plant a wind break, we have a program where we'll provide you with the wind break that's part of the thing here. Part of the thing here is these farmers or these people in the agriculture applications we haven't done it yet it's up to the Commission it's an option right now but the University of Guam will provide the classes. They will provide the materials for the class so if you a five acre farm they'll teach you how to farm and they'll go out. So they'll come back with their report the third member of the team and say you know what that farmer needs a wind break over there and we can provide the wind break free of charge or you know what he really doesn't understand pesticides or whatever the case may be I suggest that he attends the classes here and it won't be any cost to the farmer because the Commission will pay for that. What does the Commission get out of it? Better use of the property, more responsible use by it and at that seminar there will people from EPA saying you know what you just don't go out and buy the herbicide or the pesticide there are certain things you've got to do. So the MOA that is pretty much developing. We did have a couple of snags with it because we had some trouble transferring the money from DOA and BBMR. We got that out of the way now the problem that we have is BBMR is demanding that the contract end with the fiscal year so instead of a twelve month period we have a nine month period and that's not a problem we can work with that when we come to month number nine at the end of that fiscal year we'll just renew it for another three months. It just makes more administrative work but it's not a problem. So I've signed off on that and the first initial inspection will be done by the supervisors so that they know what to expect on that. We're not just going to send these employees out and say here's the paper go out. The supervisors are going to do it themselves for maybe ten farms and when we come back we'll fine tune the forms and at least we know what the employees that we send out will expect on those particular farms and those particular areas. So that will begin after Charter Day. UOG has Charter Day in March so about March 16 I believe would be the next meeting of the people on the MOA and full blown implementation on the inspections and compliance report would probably begin about April 15 and then we will have quarterly reports where we will come back and make a report and see how that's going. That's working out pretty good but in any event when you set these administrative things for the first time there is always kinks and problems you have to work out.

Acting Chairman Calvo – I just want to clarify on that since we're on that subject is what we initiated up there at UOG is we're not there to eliminate these people from farming for whatever reason but the rational part of that is I want to make sure that maybe for the last ten years this guy hasn't really farmed for whatever obvious reason we're not going to say to him okay you're out of it but we're going to give him a chance. Ultimately now you say you didn't farm because you didn't know what to farm and so forth now we are going to teach you,. Now you are going to have to participate

on this program and give you a timeframe to work on your farming and if Agriculture says this piece of property is only good for bananas or pineapple or whatever and he got ten acres I'm looking at you, you're going to do ten acres I don't want this concept of just saying well you know I can only farm then you never really needed the entire. And that will also be identified when the reports come back because they'll know what you can scope of work what you can actually do and this will benefit also. This will in some way would alleviate some lands for other people and that's the whole objective. If you're going to have ten acres and only using half an acre or a 100x100 it doesn't make sense to me because you came in here and you said I want ten acres because I'm going to farm or I want ten acres because I'm going to raise cattle, I want ten acres because I'm going to raise pigs or whatever for that matter. When I go out there and you only got two pigs and two chickens come on let's get real. So this ultimately would give them the opportunity now to say okay now they can honestly say okay you have a program this is the program now you participate now if he chooses now to say well I don't have the time then when do you have the time. And I want to make that a clear tone to these farmers or so called whether it be raising pigs, cattle or what not or chicken for that matter. Because it seems like there is an abuse on this part for why are you holding that piece of property first of all you can't actually build a real home there. It's basically you apply for farm and then when you go out and you decide well someone offers me to lease it for that matter these are the things I want to catch on. That is part of the program to give these people an opportunity. We're not trying to say to them now I caught you weren't planting what you said well there's no excuse now and for whatever his reasons are okay we'll give them a chance this is how we're going to do it and that's very important to make them understand and let them know that what we do here is also for the good for the Chamorro Land Trust and it benefits everybody. Because there are other parties out there that want a piece of the property and some of them I run into too many times and they say you know Oscar all I want is just 100x100 to go on a weekend and plant and whatever showing a little fruits and bananas and whatever. So I just want to reiterate that part of our discussion here.

4. Commercial licenses – Commercial licenses at this point we're still having a moratorium on it. We do receive correspondences like two of the three today basically requesting for a commercial license on that but we'll receive it but we don't do anything on it other than putting it on record at least at this point.

5. Conflicts Counsel – We're drafting up the scope of work for conflicts counsel and we should have a publication of the request for proposals out sometime in the next two weeks. We have about five items under conflicts counsel that need addressing.

6. This is basically the same as under pending business number 1 which is the commercial lease rules and regulations. We recently approved and we recently at least for some of us have read the minutes from the public hearing for the commercial leases which were quite long. There were some people who presented quite detailed and quite lengthy testimony at the public hearing who have requested copies of those minutes and are reviewing them namely Mr. Bob Barber and Mr. Roland Quitugua. They wanted to know if they needed to submit their oral presentation in writing and I told them if they looked through the minutes and if what was in the minutes is accurate then I'll leave it up to them whether they should submit something in writing or if the approval of the minutes would suffice for their oral testimony. So that's basically on-

going. I need to find out what is the pleasure of the Commission on the commercial rules and regulations. If you look through the minutes of the public hearing there are actually three major changes that I gathered from all the eighteen or nineteen people that testified on the commercial rules and regulations. About three of them basically testified without reading the commercial rules and regulations. One was asking for more time and I did inform that person that we'll take any testimony up till the last minute and that they would also have an opportunity to testify or submit comments or input to the proposed rules and regulations when it gets over to the legislature. So the door is not closed on that but I told them that we can't leave the door open waiting for you. The three major changes that were asked were basically from the agricultural people. The rules and regulations stated a 20% of the appraised value of the property to be leased they're recommending that it be 2%. That's quite a drop and what we've done we're preparing actually a scenario on what would the rent be if the property was worth $50,000, if it was worth $100,000 or if it was worth, $300,000 and if it was worth a half a million. We don't have that yet Mr. Diaz is preparing that. But for something like Ernie Wusstig's 60 acre operation I think it came down to something like $86,000 a year for rental. It was quite a sizeable amount and it was an amount that the agricultural community including people from UOG not just the actual lessees or farmers. The major changes that they presented was a drop of 20% to 2%. One of the other changes or additions that they would like added to that is credit for good farming practices. For example if they bring water to the area if they open up the road if they bring power to the area at their expense they would like credit for that somehow in terms of at least their leasing. That's not unreasonable on that to request for that if they paid for that themselves. The third item that they wanted to change or to at least add was to make sure that when an appraisal of the property is done it's not appraised as if they were looking at building a hotel there or building a shopping center or even building a home but appraise the property for the intended use which is for agricultural use. Of course that would bring down the value but the farmers are saying that's only fair that if I'm going to use the property for agriculture use that I be taxed or appraised for that kind of use rather than a hotel and they seem to have a point. But that's basically out of all that public hearing that went on out of the eighteen people that provided their testimony those are actually the three major structural ones that were actually changes. If you read through the minutes there I know it's quite lengthy you will see that those are basically some of the changes that they had. There were no changes on the commercial side any company coming in and saying you know what that's too much or that's too little. There were some members of the business community here that attended the hearing most from the telecommunications the cell phone sites they do have a lot of leases and licenses with us. At least on the site they basically told me that the present set up of the commercial license that's fine with them. They don't need any long term leases at least not for the type of projects they have. That's what we have on those commercial rules and regulations. I need to know what the Commission wants if the Commission would like we can make those three major changes that are requested if the Commission agrees to that in the word processing of the rules and regulations, give that back to you guys individually, if there are no objections, we'll package that and the testimony and send it over to the legislative secretary. Now once we do that and they receive it that kicks off the 90 day period. What that 90 day period is that's the period where the legislature can come in and approve it right away if it's an emergency or if they want it done right away they can approve it right away or they can disapprove it and third they can amend it.

Probably because of the way the legislature is being a deliberative body before they amend it they might want to have a public hearing because they don't have to have a public hearing they can approve it, disapprove it right away, amend it right away at least within that 90 day period. If they don't do anything within that 90 day period then it automatically becomes the rules and regulations for the Chamorro Land Trust Commission.

Acting Chairman Calvo – I think because I was in that meeting that day on December 24th if I'm not mistaken when they had that public hearing here and pretty much about twenty-eight participants on that and the discussion and those are the three factors of what Mr. Borja initially stated. I think the most important part is the present farmers that are in now would it affect them.

Administrative Director Borja – Does it work backwards?

Acting Chairman Calvo – Yeah, and that was the primary concern of the original farmers or leaseholders at this point in time is if this becomes an effective issue and we okay it and so forth you know because we can approve it here and say it but the final documentation really would be on the legislature because then they can make the provision or like what Mr. Borja said the legislature might say well you know what lets just pass it like it is. I very much doubt it and if they want to hash it out they would have the time and opportunity again to be heard in the legislature and whatever the legislature recommends or amends on those. But what Mr. Borja emphasized and stated there is pretty much the three agendas that the rules and regulations that the other people that were here that were concerned were really the lessors that holding now that would it like what he says in Mr. Wusstig you know here right now I'm going to be paying $80,000 a year that's kind of bogus, you know. So that's within now if you feel that you want to approve it today as it is in the package or if you want to give it more time and appear at the next meeting and make your final decision.

Administrative Director Borja – Why don't we do this, why don't we submit to you the scenario at 2% and at 20% comparison of actual numbers because $50,000 that's about an acre, $60,000 out in agricultural land in that area so at least you have an idea of what the difference would be. When I just say 20% you say 20% of what? I want to find out how much in terms of dollars not 20% or 2%.

Acting Chairman Calvo - But then again it depends because when we do this it would also be looking in terms of other business okay so we got to incorporate that.

Administrative Director Borja – No that's the agriculture land. The regular commercial land is at 35% and that won't change. Nobody came up and said that's too high or too low. That part of it I would just leave that. It's the commercial land that they're looking that instead of paying 20% on it the farmers want to pay 2% on it. Now the other commercial operations that's not affected. This is the commercial agricultural but the commercial commercial just the regular business that's at 35% according to the rules that stays at 35%. This is just the farmer's side.

Acting Chairman Calvo – So whenever a new farmer comes in that applies hypothetically let's assuming that you approve it.

Administrative Director Borja – A commercial farmer not the subsistence weekend gardener that's planting an acre it's the bigger farms.

Acting Chairman Calvo – The bigger farm that would really affect not the back door.

Vice-Chairman Matanane – Has the legislature approved the closure for the navy side or the buildup?

Administrative Director Borja - I did not attend the hearing but I watched that in there but no they haven't come up with any idea on that. They've only had that one hearing where they just wanted to know what the administration was doing in terms of the military buildup.

Vice-Chairman Matanane – That would come into big play here.

Administrative Director Borja – But Senator Cruz has already introduced a bill to have a referendum or an election a special election and one of the questions in the special election is do you favor the military buildup and if you check mark yes then they are asking you to answer another question and the other question is if you check mark yes the other question is do you favor leasing ancestral lands and Chamorro Land Trust lands to the military. So the legislature is looking at the issue they just haven't told us but Senator BJ Cruz has already introduced a bill to have a special election 60 days after the bill is passed and one of the question is do you favor the military build up and if you say no then of course its no but if you answer yes then he's asking if you can answer the other question if favor yes and the other question is do you favor leasing of ancestral lands and Chamorro Land Trust lands to the military.

Acting Chairman Calvo – I think Dave brought a good point on that is if we do it on a 2% or 20% and we don't know what the thoughts and thinking of the legislature of what they are going to do in terms if they come to that agreement but personally I think I would rather really that they make that firm decision because in case anything that falls back.

Administrative Director Borja – And that's why I'm asking because if you don't want to make that change to the rules and regs then I can send the rules and regs over.

Acting Chairman Calvo – Yeah I think let the legislature because I'm almost sure that if there is only going to be a decision making especially with this military buildup then they are going so if anything…(didn't finish).

Administrative Director Borja – It might include something in the commercial rules and regulations that say no leasing for military, I don't know and we don't have any control over it.

Acting Chairman Calvo – And we don't have no control but at least if it was passed by the legislature we did our part basically they can't come back to us.

Vice-Chairman Matanane – And they won't have to follow our rules and regulations then if they are going to do that.

Administrative Director Borja – Oh yeah if they enact a law then our rules and regulations are below the law. So without objection I'll transmit it as is.

Acting Chairman Calvo – As it is.

Administrative Director Borja – And of course by law all of those testimonies that were presented on there would all be transmitted, the whole package.

Acting Chairman Calvo – So then they themselves can go through that and make their own changes or whatever.

7. Land Registration project – There are 71 lots out of 411 in our inventory that are unregistered and of course we can't do it all at one time. So we've asked Legal Counsel to do a land registration for 8 lots in variety of areas but we're also looking at lots that we can develop readily near infrastructure and that sort so that we can take care of the people on the by pass list because not only do we have to develop these applications we also have to develop the leases that follow through from that. The first lot that we were looking at doing is Lot 7153 up in Yigo. That lot is 153 acres and we should be able to get 400 to 500 homes out in that area. The next lot is Lot 272 in Umatac and that lot is 240 acres in Umatac. GHURA is also building a subdivision right next to this subdivision. This is in upper Umatac there near the fire station. We're working with GHURA to see when GHURA brings in the infrastructure for their 252 lots can we piggy back on that project and also provide at least the off-site infrastructure to our hopefully 500 lots that we have there. So we're working with GHURA there with Mr. Albert Santos. That's 240 lots in Umatac. Lot 421 in Talofofo this is the lot behind the fire station in Talofofo that's 80 acres in that area. Lot 10164, Dededo is 98 acres. Lot 10164 is by the way is over there by Ysengsong kind of like right there in the middle where all those farms are at. Lot 10148 Dededo this is 120 acres this is the area right across NCTAMS if you pass McDonalds and Fern Terrace it's the area to the right, right after you pass Fern Terrace all the way up to right before Starts Golf Course before some private property there.

Vice-Chairman Matanane – How many acres?

Administrative Director Borja - 120 acres, Lot 10148 that's all along the road there and infrastructure is pretty much available in that area that's right across NCTAMS but its unregistered unfortunately. And then we have Lot 10154 in Yigo this is the area right behind the Agafa Gumas. It's a big area its behind Agafa Gumas its behind the Gill Baza Subdivision, behind Machanao Elementary School, behind Santa Bernadita Chapel in that area. I don't have the acreage here but I believe it's about 200 acres it's a pretty big lot its weird a shaped lot but it's a pretty big lot. And then Tract 1021 Dededo they call it a tract but it hasn't really been approved. This is the area of land around the golf course and next to Ysengsong on the right side past the coral pit on the left side and then this lot begins in that area. The total tract is about 750 acres and I think about 300 acres is unregistered. One portion of it is unregistered. And Lot number 8 or Tract number 8 that we are going to do a land registration case on is

Alupat Island and this would be one of the first land registration cases that we have concerning an island. So that's what we have in the land registration project that we're working on and then just to let you know this is the land inventory that we did for the Governor's Office and for Bureau of Statistics and Plans. A second part of this land inventory is a report actually on where you put these lands specifically easements and lands that are being used by the Government but have not been compensated for. And like I said although there are three options available by law, 99.9% of the people that had lands taken away from them want that land exchange. For example the Government right now only has one tract for land exchange and that's up in Dededo. There was a family who was from Inarajan who had property that the Government was using the Salugulan Pools the Inarajan Pool that area there belongs to private individuals private family and that family wanted a land exchange. They wanted some place down south they couldn't get a land exchange because the Government only has in Dededo so they took the land exchange in Dededo and sold the property the following week and then with that money bought land down in Merizo where they actually wanted the land. The Government was using for that pool and the Government has all around the island the Government does that, you know Barrigada, Agana Heights and like that and of course the people that have property in Agana Heights that's being used by the Government where do they want the land? They want it in Agana Heights or Barrigada they don't want any place far. That's an example of what they did. That land that was land exchange and sold that's where the Familia Store is if you guys are familiar with that area in Dededo where Familia Store is that was Government property before from a land exchange that a family sold right away. So that would be the second part of my report of the inventory. Part of it I'm recommending that some lands in the Land Trust inventory be taken out of the Land Trust inventory because it's really not for the purpose that we have it and it just creates more problems by being in there rather than out there.

8. Website – We did meet with the website master the developer and the website should be upgraded in about two or three weeks. If you look there now the most important thing on the website really is holidays that we celebrate but there is really nothing really substantive that really can help the client and people going into the website with information. We do have some forms that were downloaded so the website would be very friendly here in about three weeks and it'll provide more detailed information. One of the site that was also missing or information was more information on the Commissioners. We will be sending a survey form out to you for you to let us know what information you want on the website at least as it concerns to you. Right now the only information on the website as it pertains to you is basically your name no other information. Of course we don't put your home phone numbers or anything like that so we'll be sending out a survey to you. So the website should be getting better here in about another three weeks and we'll let you know in about two weeks to hit on it and see what you get and let us know if it provides information you think of.

9. Problematic Situations – There's actually only one that I presented last time which was that Calara and Espiritu situation where this family let this other family stay there now they want us to evict that one family. I basically gave my report that to do that we would be creating a homeless family and actually creating more problems than we'll be solving. The family that is asking us to evict the other family they are not homeless at

this point in time so it's not like an emergency situation on that. The only other problematic situation that we have and its really not problematic anymore other than the time involved is we're finally placing the last family that was on the new school site the Adacao. We've been taking care of them by providing housing for them but they will now be moving into their lot in the area up there at Adacao and at that point in time we have no more problems with any of the school sites. I do want to let you know that that situation and I appreciate the patience of the Commissioners on that because that was really a tough situation because under federal law and under local law if you relocate people because of a project a government project that project was using federal funds because it was compact impact money so if you begin relocation and eviction proceedings and those people you know people were saying the media is saying squatters and like that some of those people had leases. They actually had leases on it and in the beginning they were willing to move out but it was really the Commission's bad call on that situation because they lived in Mangilao the school was being built for them because the area needs a school but yet the Commission staff were relocating these people to Yigo and to Umatac. Can you imagine that? That's bad to say because I'm talking about our staff but it just doesn't seem to make sense to me the school is being built for them and yet you're relocating them in the middle of school year mind you that they would have to pick up their kids and relocate them to another school or keep them in the same school but have to drive them from Umatac or Yigo. You're relocating them to the farthest point of the island. It almost looked like they were being punished by doing that and yet, yet right across the street was property for them to be relocated literally across the street is the road the power and the water already there. The lot in Yigo and the lot in Umatac they were being relocated to no road, no lots and yet they were living in a house although it may be a tin shack that was home to them and you're relocating them to an area where there's not even a road never mind that there is no water and power so what do you expect from these people so that kind of escalated the situation. And like I said why when right across the street you had those lots available with power, water, telephone pole you don't even have to buy another pole just drop the line down. In a lot of cases you have to put one pole in at $2,500 cost. In this case the line was there already and to top it off under local law the agency could be liable for up to $22,500 dollars in each case or to provide housing for these people for five years after the case. So that was a real tough then. You know people were saying squatters how come you just can't evict them and like that it's really not that simple. Even in the private sector if a guy is destroying your apartment you have to give them 30 days to move out they can't move out right away other than maybe health and safety. So we did have that problem that we had to kind of thread gingerly on that. But the people were willing to move because they knew the schools were for them and they had kids also with them but it was just a matter of relocating them that was really a bad situation. I think we're closing that situation here in about a month we should be completed on there. And to top it off they don't want it publicly really but the contractor and developer they did donate about $5,000 worth of material to these people. They donated some materials but they don't want it publicized or anything like that but I thought the Commission might want to know that. That's basically what we have in our problematic situation and you know we always have problems under the Land Trust but we don't really call them problems we call them opportunities to help people. I say this and the Chairman is laughing because he's had to get calls on Saturdays and Sunday afternoons about problems that we have out there and sometimes he's had to come out on weekends

on that. We look at it as a situation where it's an opportunity to help people and for the most part if these people would just come down and try and see us and we are short on staff. That's one of the other items here I want to do, for the number of clients we have which is about 16,000 applications we actually only have 4 people that are really handling those and in all honesty and all candor they don't always have the skills to handle these problematic and the complex situations. We try and work out with them we don't as the Chairman said especially in those MOU things when we go out and do the field inspections and compliance we're not really out there to evict people. The guy has lease for 5 acres we just want to make sure that you are actually using 5 acres if you're not, why not. Because if you don't need it we have 15,999 others that do want it and that do need that should be given the opportunity. So if you're not farming 5 acres we'll find out the reason why but you have to come up with the idea also that if its because you don't know it or you don't have the skill then you have to come up and step up to the plate and help us out and the same with our commercial licensees. Right now although we are not actively working on it we've got about another 25 new ones that want to do business with the Land Trust. I always tell the Commissioners and the public the only money that we operate on is money that we get. If we don't get money we don't operate and it might just get a little tighter with the Government having to pay a million a week if they have to do that. But I do want to let you know that previously when the Government went on a 32 hour work week the Land Trust did not go on a 32 hour work week. Why? Because we're not general fund and even if the Government maybe goes into a drastic situation where they may go into a 32 hour work week for the regular line agencies the Commission may not have to do that because we don't operate on general fund money. We operate on our own money. So these commercial licenses and I say this because I know the Commissioners get this also why are you leasing out land to non-Chamorros or why are you licensing commercial lands. I get that all the time when I go places and like that but hey that's where our bread and butter come from. We can do business and co-exist we don't have a problem with that and this Commission has given out a lot in terms of land. All those new schools, all those schools are built on Chamorro Land Trust property. We do business with Guam Cell Docomo they provide cell phone service to the entire island and we have that. So at least for my part here as an Administrator I don't really want any business that may not be complying with out Land Trust we want to do business with them so if there is any way we can work out and continue doing business we want but we have about 25 pending ones. I'll inform the other Commissioners here but the Chairman and I are working with the Governor's Office in providing us some help. They've already provided us one help in the form of Mr. Ed Artero for those easement opening projects those projects that we have to open up roads. Chairman Calvo and I will be meeting with the Governor's Office Chief of Staff I believe next week, we're asking for two more people to be funded by the Governor's Office to assist us at least to begin with. Those two areas, one is the agricultural area because we are really kicking off the compliance review and secondly is with the commercial division because we don't want these people that are applying now for commercial licenses we don't want them to leave. Other people who haven't paid their license we want them to pay. We want someone to go out and say hey you're a little behind we don't want you to go out of business how about a little for the rent there for the land and let's see what we can do to work it out. But we need somebody that can work that out and the Director really is I always like to say I'm busy but I do have a lot of things on my plate and the proper attention given to the

commercial division is not there. Even when there was one guy there who was qualified to do it, it still was not enough and now you don't have anybody there I'm kind of just doing that on the side and there are a lot of opportunities that I hope the Commission doesn't loose by not having the inactivity of reviewing it number one and number two listening to people that say you shouldn't be giving a license to this one. Hey we have to interact in this community and we have something that the business community wants so there's no business why we can't interact and it's all within the law we're allowed to do it. Having said that, that's basically the problematic situations that I have here. I have problems between two lessees, two occupants in that area but I do have a problem also in getting moving and in getting moving faster. The found money that we got the $240,000 which we actually have now in our account they are now saying that we cannot hire people from that money because that was a one shot deal and when you hire people under GovGuam you hire classified positions. So unless the legislature approves that thing the next time around and that becomes your budget then that's the only time that you can hire people in those positions because once the legislature says okay we're going to make a commitment for 20 years because that is basically what they're doing when they create a classified position the legislature, the Government is making a commitment 20 years to fund that position until they retire, until their eligible. So BBMR and DOA are saying on that money that we received which is a one shot deal because that was money remember from monies that were not spent on previous years budget. So what BBMR is saying is next time around if the legislature says you know what Land Trust you collected $750,000; $800,000 this year we'll approve you for that budget. Last year we collected $500,000 and my prediction this year, bad prediction is that we'll collect at least $750,000 if not break a million and then the legislature can come back and say okay that's what you normally collect and you do it. That's why the commercial division is so important is because I have to establish that track record now not next year so I got to collect that money now so that when the report comes back to the legislature and they say well how much revenue did the Commission collect last year and if its oh they collected less than this year or something then that's bad news. But if I come back, we come back and say you know what we asked you to spend $750,000 last year, we collected $750,000 then we got a good record on it. It looks like now at least we're tracking to get at least $750,000.

Acting Chairman Calvo – Like what Mr. Borja is saying because you know when I had a talk with BJ and Senator Pangelinan and Judy Won Pat and you were there Joe I told them you know give me a year to work on this issue. Because actually we're living on our own budget and if I can get that employee especially on the commercial side I was telling Joe if everything comes out right he can easily collect over a million dollars a year in our funds where we're not even worrying about the general funds and we can live on our own needs right now.

Administrative Director Borja – We can hire a 40-50 thousand dollar employee and that employee brings in a couple of hundred thousand that's a good investment.

Vice-Chairman Matanane – That's what I'm trying to say why are they putting a stop on that two-hundred and some thousand where we are not a part of the.(did not finish).

Administrative Director Borja – We got it now. The Chairman knows that it took us a while to get it but we got it now it's in the account.

Acting Chairman Calvo – I literally pushed on Joe.

Vice-Chairman Matanane – They cannot say you cannot use that money for anything.

Administrative Director Borja – Well, now they are saying you cannot make a 20 year commitment on that money because you don't know if that's what you are going to collect last year. Because that money was only a one shot deal which is true it's a one shot deal but I'm confident that we're going to collect.

Vice-Chairman Matanane – If you had that two hundred thousand if we had that before hand maybe we have been collecting over the two hundred thousand.

Administrative Director Borja – Right now in my binder I have fifty-thousand dollars this year that we didn't have last year so that's at least fifty-thousand more than last year.

Vice-Chairman Matanane – Because they're holding it right?

Administrative Director Borja – Yeah but that's a problematic situation that I have but we're addressing that but the way that we are addressing it right now is kind of like temporary and I do want the Commission to know that if we get some good progress on this and you do see two or three new bodies down there that its not within the normal structure of things that we would like it to be which would be regular employees our funds but rather temporary emergency help from the Front Office.

Vice-Chairman Matanane – On that two-hundred thousand maybe we can contract that person for one year and just get that thing going and then we'll see it the following year.

Administrative Director Borja – I let the Commission know that so that you can decide on it plus we're trying to transfer some of our expenses from our checking account. Remember our checking account at Bank of Guam the law is we use it we don't put any more money into it when its gone its gone and we use that for our rent and for our legal counsel. So some of those expenses we now are going to be transferring to our regular DOA account which is still cash money but it does involve a little bit more red tape to get payments out. With our system we have now you put in the voucher request, the invoice, sign the check and pay it out.

Vice-Chairman Matanane – Just make sure we anticipate all our budget things before the following budget year.

Administrative Director Borja – Yeah, I wish it wasn't like that but that's what we have to live with administratively.

10. We're still processing leases we're still taking out people and showing them the lots although not as fast as we would like it. We've dedicated basically Friday every week for lot showings. Wednesday every week for land agents meeting and Tuesday

for other things and like that but at least we've committed a certain date and of course we're open on Saturdays to the public 8 to 12 and in the afternoon staff basically does work but we're not open to the public after 12. So we put in a lot of hours and I do want to let the Commissioners know that the staff puts in a lot of hours.

11. I just want to let you know that the office renovation is not yet complete it's going a little slow. It kind of like looks a little bad in there because when you come in there are no ceiling tiles and the reason for that is they can't put the ceiling tiles on until they put the air conditioning ducts in and its two different contractors so they are operating on two different timelines. I'm hopeful that will be completed in the next couple of days and I'm meeting again with the landlord to push the issue a little bit more.

12. Personnel, budget and financials – In your package you should have our basic financial report and our expenditures and the balance sheet. So far we're tracking pretty good like I said last year we brought in about $500,000. We've prepared our budget already they've given out the same ceiling of last year. As usual every year we have to fight for our budget. I'm pretty confident that we'll get what we are requesting in this year because we do have a good track record and our expenditures are within the law and like that. And that's what happened really last year is we actually came down and we laid out all the numbers with the Senators and even the Chairman was there we said we need this and we need that. What made it real easy at least for me is that we identified where the money was going to come from. The toughest part is when you go down to the legislature and say I need an increase in my budget for $40,000 and the Senators say where do you think we should get it. If you don't have an answer to that, that is real tough question. But for us last year it was pretty easy because we identified money that wasn't spent previously. So once we proved that to the Legislature they said okay. You know we're asking to spend our own money we just needed to show them that there is money we have that wasn't spent. So we had that last year. This year what do we have? We have I think the increase collections but its no where near what we could have and what we should have if we had somebody in the commercial division to really pay attention to these accounts. Even in spite of that we do have some pretty big increase I would say at least $300,000 over what we collected last year and we collected last year $500,000 so we're almost going to collect a hundred percent more this year. So we're looking at that and we're not even half way through the fiscal year and if we get somebody into that commercial section pretty quick either a temporary, emergency, permanent or what and he addresses some of these pending commercial license requests and commercial license problem we should be do pretty good by the end of the year. So that's the personnel, budget and financials.

13. The last item on my report just basically for information purposes is we are working with IBC, we've granted a license to IBC to use property up in Yigo. We've gone out in the field site with IBC personnel with the Chairman and our personnel on two out of the three sites that we would want them to start opening up the easements. One is Lot 7160 in Yigo comprising of 160 individual lots and we met with Land Management yesterday and Land Management has begun approving lots in that area. They are up to lot number 38 like I said out of 160 and that's quite a move because they were up at lot number 2 several months ago and they were threatening to stop at number 28 because there was a problem with one of the boundary lines. Well we had

a meeting with the surveyors and we resolved that issue now Land Management is approving the lot so fast that they are by passing some surveyors that are not getting their maps in quick enough. So we should be up out of that 160 lot subdivision we should be up to about lot number 98, lot number 100 I believe probably in the next 6 weeks which is quite fast to approve that many maps and that many lots. But those were maps that were waiting in line already so we should be going pretty fast on that. In line with that we are working with Land Management to make sure that the easements that have been designated and have been staked out. They will require the surveyors to put in their part of the easement so that the Commission may not have to spend money to hire a surveyor to stake out the easement because Land Management is going to make it a requirement for the surveyors to stake out that part of the lot that is a part of the easement also and we'll see how that goes in the first 30 or 40 lots. Hopefully by doing it that way and if we address it right away where once they stake it we open it then we can do it but if they stake it and then we wait for 2 or 3 months markers gone, overgrown, we're not sure that's the one, we might have some problems. So if we can get out there fast enough to do it we might be able to do that part of the project without any cost. The Commission has already approved survey money for that but we might be able to save some money by that.

Vice-Chairman Matanane – How big are lots in there?

Administrative Director Borja – The lots I believe are half acre lots and the reason why we have a half acre lot is because it doesn't have sewer and by law the smallest lot you can have on that is a half acre over the aquifer with no sewer. Now right next to us is the Gil Baza Subdivision which are quarter acre lots with no sewer. So all those court cases and all those issues you're hearing about the Gil Baza Subdivision not conforming to the law and have a problem with sewer and water, that's right next to us. Just to let the Commissioners know in terms of public policy is that our subdivisions has been brought up when they had the court hearings about the Gil Baza case where people are suing each other, people are saying right next to us is the Land Trust subdivision how come those people are getting their lots there's really no infrastructure there's no sewer in that area. The reason why we can do it legally is because the lots that we have are half acre lots so the density is less and with half acre lots you can fit the septic tank and the leaching field as well as the house and still have a yard where in a quarter acre lot you don't have that so that's the problem. And in our subdivision the people are not there yet and of course the Commission is looking at we're working at getting water in there. We haven't gotten the cost on it but at least we're opening up the roads and the easements are being declared so that we can give that to Waterworks and say we got customers in here if you can provide water to them and hopefully they'll take that up. That's in the northern part of the island no moratorium on that part of the island on there. So that's one of the easement openings that we are looking at that Mr. Artero is tasked with. There's also another area in Yigo which is the area right before you enter Anderson Air Force Base right at that main gate to the right hand side that's a Chamorro Land Trust subdivision. We have some houses that are already built in there and in that subdivision there are people that are ready to build houses. We have some houses in there built by SBA and Guam Housing and I think a couple by Veteran's Administration. It's a big subdivision actually with 600 lots in there but not all the roads have been opened but all the lots have been assigned. We have about 10 people that are ready to build with loans basically being approved processed

and approved by Guam Housing but the roads are not opened to their subdivision. So we're looking at opening up the roads in that area but we don't have an idea yet of how long or how many feet they are opening up. The third area that we are looking at opening up easement in conjunction with IBC is an area in Agat called Tract 319 it's in the Umang Street area. The soil down there in Umang is quite different from the one up in Yigo it's that red clay soil. In Yigo if you want to open up a road you basically bull doze it and clear the trees and like that nine times out of ten its probably gravel, coral underneath it so you don't worry too much about mud in Agat it's not like that. You can come in and dump truck loads of coral and in the next rain that truck load of coral is gone and you'd be wasting resources if you don't do a good job on that. So in that particular area Mr. Artero is setting up a meeting with the IBC representative because IBC has a project down at the port and they have heavy equipment close by. One of the reasons why Yigo was a good site is because the land that IBC is using is close to our project so that was a definite plus for IBC. So in Agat we do have one there its not so close and the problem we have in that area is guaranteed we're going to have to put some gravel in that area and the source of gravel is up in Yigo. There's no quarry down there other than the military quarry inside Naval Magazine that we can use. Now the status of the government quarry up in Dededo is there is coral there but they don't have any aggregate in other words they haven't made any coral. The reason why they haven't made it is the heavy equipment that normally operates and makes the gravel and the aggregate up there has been diverted over to the landfill in Ordot. Although they have the land and the coral they are not making any coral because they don't have the equipment up there in Dededo. The other source that the Land Trust has is according to the terms of the license for the Raceway Park if the Commission ever needs any gravel or coral we can just go up there and get it. Of course we have to provide our own equipment to get it and like that but that is one of the terms of the agreement so that if the Commission so decides and provides some money for heavy equipment and for the dump trucks we do have a source of gravel up at the Raceway Park that we can get and take it down to Agat. But right now we are just looking at how much something like that would cost because that's quite a bit. The clients to be serviced down in Agat are actually two clients. The problem is these are two elderly sick lessees, clients and the problem is that the emergency vehicles the ambulance cannot go all the way to their houses because of the road condition. So the legislature through Senator Pangelinan and Senator Frank Blas's office has asked us to look into that as well as the Mayor of Agat on there. So that's basically the easement report I have because that's going to be a big problem. And of course the other issue is that all these people that have been requesting for easements we will send those issues individually and specifically to the legislature to include the Access Ypao condominium project and several others that have come before the Commission asking for an easement. We'll let the legislature decide that issue. That concludes it for the Director's Report.

VII. PENDING BUSINESS

1. Commercial Lease Rules and Regulations review

Already discussed under Director's Report.

2. Hawaiian Rock Products

Administrative Director Borja – As you know several weeks ago we put out that ad in the paper that we will not be doing anything anymore concerning new commercial licenses. The Hawaiian Rock Product license request is the last one out of the batch that we said we would be doing so this is the last one. All the other ones we have taken action on them although I suspect that on some of them some people would come back to request for either a reconsideration or some clarification like that. We haven't sent the letters for all of them out. On this particular Hawaiian Rock issue it's really not the same old story. Basically the Hawaiian Rock issue was in like four phases. One they had to check was archeological, historical and then the permitting process and then the testing process whether it's adequate. And then the fourth phase I think of the request was actually when it comes point in time whether it was economically feasible for them whether to come before the Board and Commission to make a specific offer of this is exactly what we're going to do we're going to cut it like this we're going to mass grade it and this is what we offer in terms of how much we're going to pay for the aggregate. So they've come to that point of their application. Theirs is not a new application it's one that's been developed along the way and then of course along the way it kind of got held up because of the situation with the Guam Outdoor Shooting Range. I've gotten word from Mr. Johnson and from Attorney Unpingco representing Guam Outdoor Shooting Range that they've reach some sort of agreement to proceed with the project as Larry Perez would say win-win-win situation. A win for Hawaiian Rock, a win for Guam Outdoor Shooting Range and a win for the landowner the Chamorro Land Trust Commission. So that's basically this is in pending business but it is one of the last commercial licenses that we are continuing to develop before the moratorium and whatever the Commission would decide on this one. Like I said it was kind of held in the backlog there because it wasn't clear of who was going to use what. I know that at the last meeting the report was they couldn't reach an agreement on it but I understand there's been some..(interrupted by Chairman).

Acting Chairman Calvo – That was one of the reasons. I did mention in our last meeting that you two hash it out on how you guys are going come from at least from what I understand that day with you and Mr. Unpingco did come to a head butt and now that you guys compromised to that issue. Because otherwise like I stated Mr. Unpingco the shooting gallery at the time were at first in their lease agreement before you guys. Like I've always stated if you as a businessman and people can work it out together that's fine with me as long as everybody becomes objectively real agreement with one another where it will be, no because its totally a situation all around, you win, the shooting gallery wins the Chamorro Land. But if one does not want to give then of course I have to compromise it and I would rather do it in that respective because you guys are all business people and normally you guys can come to that agreement and Mr. Borja did tell me about that and I'm glad you guys did come to that agreement now. And whatever agreement that you two hash it out now we can work out the details with you and the Board on that issue.

Jere Johnson (HRRP) – It does affect how they are going to pay you for their lease of the property. We went to visit their shooting range to look at the safety aspects and all of that. I took my people down there and we head up to the property to look at and what we agreed was that we can start where the old shooting range was down there

and work our way away from that and if given a sufficient amount of time we can get coral and operations so they can set up their shooting range and we can work together on the same piece of property. They are over here shooting and we're basically away from them. The further along time though we'd be working further and further away from them. But they have an issue where they have to continue to operate for the next 18 months. We're figuring it might take that much time to get the rest of the permits we need and to operate. They need to renew their lease at the other location to continue operating their gun club and so the question is can the Land Trust wait to start receiving from them in the meantime we're paying royalty for the rock that we're taking out until such time we can give them the area and they can move onto it and actually use the property?

Acting Chairman Calvo – What was your agreement with Mr. Unpingco on that?

Jere Johnson (HRRP) – We can have a memorandum of understanding of how we're going to share the area and everything. But I think our agreement for royalties and whatever we pay the Trust should be just between us and the Trust and then you have your agreement between the Shooting Club. But I, Mr. Unpingco is not here today, but I would suggest that you would have the understanding with him that he is going to take over that property on a certain date and he would start paying his rent from there so that he's not paying rent on two sides and not getting any use out of the property. I don't know how you are going to work that out but I think that would be fair to him and it would allow us to clean it out. Because when you look at the property there is still a lot of debris on the property when it was used to store old cars and we're going to have to go in and clean that up as a process and he would have to do that anyway to set up his shooting range or he's just going to work around it. We need about 18 months to get in there get our permits get enough area and enough clearance between him and where he needs to operate and start taking out material and then he can come in and set up. I don't know if that's an agreement that should be between him and us or should be two separate agreements.

Administrative Director Borja – Mr. Chairman I did speak to Mr. Unpingco and it's exactly as Mr. Johnson had said and Mr. Unpingco would be working with us to see if he can start paying when he actually has possession of the property. I think the issue here is some sort of commitment from the Commission for Hawaiian Rock to continue in that area with the permission I guess from Mr. Unpingco that yes go ahead and let Hawaiian Rock work out that area and when he's done with it I still want the commitment that I'm going to get that area. But he's basically open to that and I think he just wants to make sure that he's not paying for the area that he has to take the license right now and I'm paying for the area but its really Hawaiian Rock utilizing that. One thing I want to tell the Commissioners about this area and I'm glad Mr. Johnson brought up I usually don't like to make comparison but you know its mass grading or quarrying whatever you call it its taking some of the aggregate out of the area. Now you recently heard an application for a quarry which is Mr. Torres up there on Lot 7163 now that's kind of like a real different situation because he's going to be coming into an area that is actually pristine that was actually not quarried before. The area that Hawaiian Rock and the shooting range is looking into like he said I hope they don't get discouraged when they start taking away some of the greenery and they think that was a hill and find out that was a stack of ten cars or something. Because the area was

previously used as a quarry as well as a metallic dump site. Not just a dump site but a metallic dump site. So at the very least even if they do their operations they are actually cleaning and improving the area from what it is now. If you look at it yeah there's trees and green like that but if you get a typhoon going and you go out to that area it really was a quarry and a dump site and some of the hills that you think may be hills may not be hills. So that's kind of like a different type of application if you can look at it that way. If you approve this one someone can say hey you know you approved the quarry down there for Hawaiian Rock you know how come you didn't approve it for that one. You get a little different situation if you really look at it a little bit. The quarry up there 7163 would have been a pristine area new quarry. This one is almost a continuation of an old quarry but before they can continue they've got to clean it up.

Acting Chairman Calvo – I'm aware of that place and I've been there I've gone and seen that place one time with Mr. Borja and I and then I took one time off one weekend I was up that way and I know that it is an old quarry area too. And like what Mr. Borja said I know that you have to do some debris cleaning and so forth and it makes a lot of sense for Mr. Unpingco to why am I going to be paying for something while you are gushing out the you know so I don't see any arguable point in that in go ahead as long as but you got to understand one thing in mind that that piece of property is still Mr. Unpingco has the when he finally decides to. I want to make sure that there is safety factor in this because if your operating in one side and you're doing an explosion and the other gun shot it could be a creation of confusion with the employees. But at least once that area is cleared then there is a safety factor because we don't want anybody to get hurt for that matter especially when you have a shooting gallery. And if you don't build it right the way its supposed to be even though you have safety factors people coming there to shoot we don't know what the intention of these tourists or anybody that comes in there it might be trigger happy that way and the range is this way but he decides to point left instead of right or up front and that's my biggest concern. I know and I made that clear to Mr. Unpingco that the safety factor there and he agreed to that and of course because of the kind of business that they're in is a shooting gallery. I have no problem with that issue for you guys as long as you two understand that and also understanding that the Chamorro Land Trust that they the shooting gallery has the when you are finished maybe what you guys can do is in the next 18 months be as it is maybe like 15 months before that and a few months and they can come back and say we're ready to start moving Mr. Unpingco over there for that matter. And that can be arranged between the two of you so it gives us the time for Mr. Unpingco to come and say now we're going to start moving in now because now that the quarry or whatever you guys have cleared out from there. Yeah Mr. Borja did mention that to me and I have no qualms with that issue as long as like I said it has always been my intention that you guys have that mutual understanding because you got to be neighboring. One shooting gallery and the other one is with a bull dozer and so you know you might be using explosives you might be throwing dynamite but he's only going to be shooting over an M-16 or whatever.

Jere Johnson – We've visited their operation they have a very disciplined and very organized operation. They've got concrete block barricades between the shooters and everything I was really impressed.

Acting Chairman Calvo – I went up there, yeah I've been up there in Talofofo myself.

Jere Johnson – And the same with us when we blast we prepare for it three or four days and the time we blast we make sure that everybody is clear and they've agreed that if its during their operations they'll call the people out to the main road and then they'll let us blast and they can immediately bring them back in and they can continue on with their shooting. This is a large amount of material that we're proposing. We gave two options one was to take about two and a half million cubic yards and the other was to take about five million cubic yards out. The reason for the two proposals is one thing the permit approval to take out the twenty-five hundred cubic yards out is not a problem because we're leaving the cliff escarpment. We still would like to come back and try to get that permitted to take out too because for two purposes because it gives us twice as much material and the second is it gives the Trust a lot nicer piece of property because you would basically have a piece of property that goes from Route 15 and goes down about two levels and then you've got the entire ocean view of the property. I mean it would be one of the most spectacular pieces of property on the island but there are the historic preservation people are very much against taking cliff lines down so I think we would have to go through some justifications and more permitting requirements in order to get the approval to do that so that's why we submitted it in two phases. And so the initial phase is the one we'd get out of the way and give it back to him and sometime in the future if we get approval to get the additional material then we would work something out with the shooting range to make sure that if we have to help them relocate and then do this area again and then move them back we'd have to work that out.

Acting Chairman Calvo – Until that time comes and that's a good agenda what you brought up to that issue but I think if the historic preservation is to play a role like what you state they don't normally and because you really have to get a clearance from them anyway.

Jere Johnson – Yes we do. I don't think they have a problem with our phase 1 of that because that's not going to affect the cliff line.

Acting Chairman Calvo – So in the meantime lets hash out the phase 1 issue and then as you go down two years or three years down the line because your going to work your way down to the other side so as you're clearing this out you're going to be clearing this part and whatever remaining there it could be five years ten years down the line in that area.

Jere Johnson – For your information we've taken the last two years we've really been taking the material out of the Raceway Park which we've been paying the Commission or the Trust on a portion of that and a portion goes to the Raceway Park. But we've taken about 400,000 cubic yards of material each year for the last two years and that's almost done so I think they're talking maybe April he's going to have it graded to wherever he wants it so that's about the time we would like to move in and start taking material out of the property there and then of course the Trust would get a hundred percent of the money from the royalty that we pay there. There's a lot of up coming work not the military relocation work but there is enough present projects, roadway projects and military projects and paving on the bases and stuff that we can utilize that

material now. It's still going to take four or five years to take the two and half million tons of material out of there so we got this four and a half year period where we're going to have to work together with the shooting club. But the idea is to move away from them and then they're one their own ground.

Vice-Chairman Matanane – What's your timeframe for the first…(didn't finish.)

Jere Johnson - All we have left to do now is going in to get a grading permit from Public Works and the problem I have is we haven't had any word back from the Commission to do that final step. We need our license agreement or something and go in and attach that to our grading permit to get the permit.

Vice-Chairman Matanane – No what I meant is what is your time frame in clearing where the shooting range is going to operate?

Jere Johnson – For a total of 18 months. Give us 18 months to clear that and to start excavating material and to start grading it to the contours that are on the plans that we submitted and to get enough clear zone so we can get out of their way and they can extend their lease at the other location until about that time and then they move to us. We agreed about 18 months I think is what we talked about.

Administrative Director Borja – Jere on the other location that they are going to extend their lease is the one in Talofofo?

Jere Johnson – Yes.

Administrative Director Borja – I think maybe what Hawaiian Rock is looking for is the December 31 license an extension of it or a clarification because that license was only to check and see if it was good enough to mass grade but I think that the license you would be seeking now is the actual grading and like that. I think maybe the next step would be for me, Mr. Johnson and Mr. Unpingco to meet to work out the details and do some sort of MOA.

Vice-Chairman Matanane – If he's willing to wait for 18 months.

Administrative Director Borja – I think Mr. Unpingco is willing to wait for 18 months he just wants some sort of assurance and commitment that after the 18 months he gets it. I think we can work that out.

Acting Chairman Calvo – I have no problems.

Commissioner Gumataotao – Does Mr. Unpingco know that you plan eventually on going back?

Jere Johnson – Yes we've discussed that but that would be subject to everybody's approval for us to go back. It's in the two grading plans that we submitted. It 's part of the package that we submitted the two options so those were the reasons for the two options because one we feel we could get permitted and the second one we may or may not get approval.

Acting Chairman Calvo – As long as you and Mr. Unpingco have that understanding and that's the rational part of that really is to make sure because it would be senseless to be operating at the same token like you said while he's there because there are good materials that you can draw out from where he's going to build his range and you know it's a win situation for all around. And so yes, for him to be paying for two separate lease it's not business like for I'm going to wait 18 months and I'm going to be paying a property that I'm not going to be using for the next 18 months. I think primarily what the concern of Mr. Unpingco like what Mr. Borja stated is that when you're finished with the 18 months that's when the actual payment or lease kicks in to his company.

Jere Johnson – I think a memorandum of understanding is a good idea. Because he's given me an understanding of our meeting but in one of the items in this thing is during the time where GOSR is not occupying the lot it will not pay rent to the Chamorro Land Trust, I can't agree to that that's for the Trust to agree to.

Administrative Director Borja – Do you want to set up a date and time? How about Tuesday at 11 of course we don't know with Mr. Unpingco but at least if I can mark that out?

Jere Johnson – I would make myself available Tuesday at 11am.

Administrative Director Borja – And we'll contact Mr. Unpingco.

Jere Johnson – Okay, thank you very much.

VIII. EXECUTIVE SESSION

Administrative Director Borja – We don't really have anything for Executive Session so just adjournment till the next third Thursday of March.

IX. ADJOURNMENT

Acting Chairman Calvo adjourned the meeting at 3:32pm.

Transcribed by: Teresa T. Topasna: Teresa Topasna
Date completed: February 26, 2009

Approved by Board motion in meeting of: MARCH 19, 2009

Administrative Director, Joseph M. Borja: _____
Date: MARCH 19, 2009

Chairman (Acting), Oscar Calvo: _____
Date: MARCH 19, 2009