Chamorro Land Trust Commission
(Kumision Inangokkon Tano' Chamoru)

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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
March 19, 2009; 1:06pm – 4:21pm

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 – Proper notices has been given through the newspaper and by law for the meeting.

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 Borja – Mr. Chairman there is a quorum present and the Commission can conduct meeting. The next item on the agenda is the approval of the minutes of the February 19 meeting. The transcribing of the minutes is up to date as of the last meeting. Other than the last meeting that we had where you had three minutes to approve this is the only and the last minutes to approve as of today's meeting.

III. APPROVAL OF MINUTES

1. February 19, 2009

Vice-Chairman Matanane moved to approve the minutes subject to corrections. Commissioner Gumataotao seconded the motion.

(There were no objections)

Acting Chairman Calvo – So be it.

Administrative Director Borja – Mr. Chairman if I could ask the indulgence of the Commission the correspondence section being a long section if I could ask the Commission to move up on the agenda we do have some people that have signed up and as a matter of courtesy I would like to ask the Commission if we could have the public comments section on the agenda moved up so that people that may want to make comments relative to the Land Trust can make it now and not have to wait for the entire meeting.

Acting Chairman Calvo – I have no problems with that.

IV. PUBLIC COMMENTS

1. Benny San Nicolas – Thank you Mr. Borja, Chairman Oscar Calvo, members of the Commission. Good afternoon, my name is Benny San Nicolas. I'm a full time farmer and I would like to report to the Commission members and to the public that there are a lot of farmers out there in Inarajan especially throughout the island that are good work, farming the land, cultivating and really being very productive. The issue that I have heard from some of the farmers from the north and some from the south is that they want to be able to be more productive with some kind of help from the Government or any sources that they can get and mainly right now especially with the dry season the irrigation issue. A lot of farmers need some kind of help or assistance in getting some kind of irrigation system for their farm. I'd like to commend some of the Senators that are really trying to address this issue with the farmers. It's good that the farmers are given land through the Chamorro Land Trust but we need to try to help the farmers more especially with the issue in irrigation. So I would like to encourage and request the Commission member in their role if there is any way that they can help address the irrigation issue. The other issue that I came before you is I'm hearing some negative comments from one of the Chamorro Land Trust recipient up in Dededo in his business. I believe this gentleman has made a good effort, honest effort to address some of the negative issues that were brought up by I believe the Chamorro Land Trust Director. I would like to request that the members of the Board will look into this and come out and address this issue. From my understanding from my conversation with this individual that have been impacted negatively by the media that there is some violations occurring in his lease. This individual has assured me that he is in full compliance with the rules and regulations of the Chamorro Land Trust Commission and I believe that also some of the members of the Board or the Director of Chamorro Land Trust have made a visit to that establishment or lease. I believe that they found that the individual had been in compliance with the rules and regulations. So what I would like to request from the Board members is to please come out to the media and let the media know that this person is in full compliance of the rules and regulations and is truly marketing the local products. This person that I am talking about is a farmer from Guam in the south and have been working diligently and working very hard to market the product that he produces in Guam. So please I request you that you address this to the media and come out to the media and let them know that this individual is really in compliance. And with that I would like to thank the members for allowing me this opportunity. Thank You.

Administrative Director Borja – Mr. San Nicolas if I could ask the name of the individual that you are requesting us to visit.

Benny San Nicolas – Yes, Mr. Borja the individual that I am referring to is Peter San Nicolas and I believe that also that probably from my information that he had been visited and the Commission member or members have found that he is in compliance and he is not in any violation at all. So I'm just asking to dispel any negative comments or remarks by anybody that you know we need to help this individual. Also that he is doing a good job and we should really try and help all the farmers that are really trying their best to comply and make it beneficial for his business. Thank you.

2. Vicente Bautista – Thank you Director Borja, Mr. Chairman and Board members. I've got only a couple of not comments but probably I'm asking for help. I was recently awarded an acre lot by Wusstig Road and I've done all the clearing and all that but I am

left without a lease and also the land that they gave me has no infrastructure like water. It's got the power but unfortunately I'm on the transmission line of the water system up there. I went to Waterworks and tried to solicit their help and they gave me an amount that supposedly cost me to hook up the infrastructure the water and it's an excess of $10,000. I don't think I can afford that amount at this time. All I'm trying to do here is I'm trying to solicit your help Board members and everybody that if you can request a reducer on the because there's about ten lots in there. I'll even put it in myself if given the equipment but as far I'm just hauling the water by buckets and evidently I've tried to plant peppers and all that, they've all died already. Also one very disgusting problem up there is the trash. I've been cleaning up and trying to take it over to the ranch because they got a bin there. But every time I go up there there's either a dead dog or abandoned cars. It's forever going. I've put signs up no dumping and all that I've done everything I could but still it's a persistent problem. I think the solution to that to eliminate that is at least to clear the area there that way it could be visible to the highway and that would deter the *dumpist* from dumping. But most importantly is the water. I can't farm without water and I don't have that many buckets at home. So if you guys can help us out. Thank you.

Acting Chairman Calvo – I know that the Chamorro Land Trust has that problem since day one with a lot of people that are having properties for farming and everything. But you know we are in a budget constraint and that's our problem right now. We're trying to resolve that issue with also to PUAG. Believe I know like you said you give a piece of property out there I got the power but I need the water. We'll see how we can help you out in this because one way I guess you can go approach is the legislature because we need to get financial for that. You know you lease a piece of property from the Chamorro Land Trust, $1 a year, $50 application fee is not going to do it. It's no way, you can't afford it and this has been my thing that I've been telling the legislature all along was hey I got all these clients out there that they want to farm and everything but and they're why are you not giving property because for that reason. Because I give you a piece of property but it's up to you how to figure out whether it be a hundred feet, two hundred feet to a thousand feet of water and I sympathize with your problems with that. What the least we can do is try to generate funds as we can. But we are approaching that issue sir and Mr. Borja is pretty much aware of that. Joe, see what we can, how we can.

Administrative Director Borja – We have a meeting scheduled with the Consolidated Commission on Utilities Tuesday, 5pm, March 24th at the GPA Board room.

Vicente Bautista – I had an idea Mr. Chairman I was thinking about finding out a listing of who ever got awarded parcels of this and maybe we can chip in.

Acting Chairman Calvo – Maybe what you can do with that if the other clients there can participate, if they are willing to participate

Vicente Bautista – That's what I'm saying and if somebody can help us with the materials and all that. Even the meters it's going to cost me $6,000 just for one meter.

Acting Chairman Calvo – I spoke to Mr. Simon Sanchez about that just the other day about that issue and I told him about it you know the Chamorro Land Trust how we can help each other in this issue and I think that's what that meeting is for next week that's

part of the agenda. I thought that we would really have to sit down together and see how we can solve this but the bottom line is we need the money.

Vicente Bautista – That's what I'm saying if I can get the listing.

Acting Chairman Calvo – It's beyond for me to say to you yeah we're going to go tomorrow and do this and do that. I just want to make that clear tone to you.

Vicente Bautista – That's what I'm saying if I could have a listing of whoever got awarded a parcel that I can have a barbecue and solicit hey if you want water we'll do the labor and its no problem. I know how I used to work for Government of Guam that's why I quit no point intended but I'm willing to go that far. I cleared the land already. I went up there yesterday and my peppers they all died and papayas and all that so. It's all growing again and it's getting pretty bad. So that's it thank you.

3. Trini Torres – Hello to you all I appreciate all the things that you have done. I thought I was the last one on the list but anyway I talked to in fact I listened to the presentation of last Wednesday just this Wednesday at the Speaker's Office, WonPat from the Guam Rock Incorporated; George Torres, Richard Martinez, Tony Sanchez and Tony Bordallo and what their theme was really and they expressed this is we're here to help our Chamorro people. However, I asked them for more information with their proposal and also map and I hope to get that hopefully. It needs to be available, accessible to our people and to give them fair you know to be fair and listen to their intentions, their purpose, objectives, would be beneficial if they make those information available. Because last time they felt hurt about what was asked of them you know the questions and I don't know if they regard them as criticism. But it's our people, we need to ask those questions because for myself also Chamorro Land Trust is not mine to give away that's why we have to safeguard it. Safeguard our lands for our Chamorro people and it's not just to be benefit one or two or several but it's for everybody. It's for our Chamorro people. It's not mine to give away so I'll be the last person to really stand up and defend our Chamorro lands and I hope you are too, you're all on the Board. Yes, these are questions I'd still like to ask because I did not have the chance to ask them and I wanted to think more about it and so without having read the paper, the booklet they have because I did not get one, I would have like to read that before I also pursue you know asking questions and see what we can do if there is anything we can do to help them. Or if we don't like what they presented we need to bear that in mind also. These are the questions I want to ask okay, state your purpose explicitly, give us more information and question one, are you also going to build access roads to each of the lots on your map besides putting in the infrastructure? You said the power, water and sewage that's to each individual homes lot. You said there's 4,000 square meters to each lot that you divided up. Are they going to have accessible roads too as shown on your map? How long is your lease by the way? The type of lease you have and the size of your entire lease? And is your lease supposed to be agriculture, residential, commercial whatever? Please state that and is that in your lease agreement with the Chamorro Land Trust? Also number three, in your plans do you have plans to also build houses for other residences like maybe the military people since they're coming here or what other projects you have maybe hotels or amusement areas or what? We like to know because the land is precious for our people. We'd like to hear more from you and make yourselves available to us and we hope that we would benefit our people who are eligible to receive

lands will benefit from your project and please do not hesitate to explain the purpose of your program and how it is going to benefit our people.

4. Abu Rose – Thank you for letting me speak. I'm looking at this list, St. Lourdes Subdivision, Rugby, PDJV for green waste and composting, TOMSON for recycling tires and computer disposals, this is insane. Chamorro Land Trust is for Chamorro homes and Chamorro Land Trust is for farming for Chamorro. It is not for disposing your computer, it is not for making compost or for your tires or for your rugby. This is insane. It is not free land for anybody who wants to come in and grab some for whatever purpose you have in mind. No wonder why so many Chamorros have become homeless because we have greed and opportunity to look for loopholes to get in there. Stop this. What are you people thinking off? What are you pushing the Chamorro into a corner for what? We don't have arms. You want us to do battle? What is your problem? It's not free land and it's not for you so stay the heck out of it. We have enough problems. Hals Angel football, it's not for sports, it's for homes, Chamorro come first, we own this island. You have money, you come here with money, go and buy, go and rent but take your sticky fingers out of the Chamorro Land Trust. I am Chamorro, I am Abu Rose and you've heard me. That's it.

5. Danny "Pagat" Jackson – (Chamorro translation done by CLTC staff James Diaz) Hello, Mr. Chairman, Board members and Joe Borja. I am Pagat, Danny Jackson. First thing I want to say there's nothing about the issue of what I want to say on the agenda today because somewhere around 11:30 or 12 o'clock before I came here there were two female individuals that came to my house and was ordered by Quan that they have only four more days remaining to stay on Chamorro Land Trust land. This area is around Jose Jane and Norbert Castro in Pagat Mangilao. This is the Muna family and they told me that if nothing happens they are ready to fight for their rights. I advised them not to and to go to the police to file a complaint that Quan is harassing them and that he is ordering you to move out and he does not have an eviction notice. Because if there really is an eviction notice then I would back off and keep quiet but if they are just going to order the people that have been there on that land for a long time before the birth of the Chamorro Land Trust then we have a little bit of a problem here if we are going to evict these poor people especially if they have children regardless if they are from Saipan, Rota or the Philippines. They are already there in the land and they have children. Naturally when they plant roots they will fight back. Now the other thing its very important that you listen to this since 2003 we have sat in your office and put all the paperwork together but I want to ask a question at this time I know and I understand that the Chamorro Land Trust is still open for business but I'm trying to find out if it's closed to the public because people have been calling me up at my house telling me that they have been calling the Chamorro Land Trust and nobody answers the phone. The phone keeps ringing and nobody answers and they get tired or if they answer and make an application they are told by Mr. Gumataotao or Mr. Mesa that they have to see Therese or some other secretary to okay the appointment with Mr. Borja and then they will be called back to tell them that yes they have an appointment. So since the last time that we met in your office I keep calling in and yes they answer but I don't have an appointment date. I want to know now because all the plants that I want to plant on the land that I've been asking for like lemon and lemai I took it back and planted it at the cliff because where am I to go. I've been asking for the land since 2003. Since 2003 I've been waiting for the land and I'm still waiting now. Maybe the people that have come behind me are important whether before me or after

me because there is a line but also I've been hearing that other people are also asking for land. I don't know what the outsiders need from the Chamorro Land Trust land. Please members of the Chamorro Land Trust and Mr. Director it's been 18 years I've served the public my volunteer time and during the 18 years time the Chamorro Land Trust department was born. When we were protesting it took us more that five to six months down at Adelup and we were being spit upon and telling us to go home because there is no such thing as free. Out of that 18 years that I served the public and the five to six months that we spent down at Adelup to protest there was only about thirty of us. But the minute BJ Cruz said the Chamorro Land Trust is legalized all of a sudden it went up to five thousand. This brought a tear to my eye Joe and it hurt my feeling because the teasing and being spit upon and talking bad about us. Now look people are flying in from other lands because everybody loves the Chamorro Land Trust department. The Chamorro Land Trust department is the youngest department in the Government. But if you were to count how many problems it is more than the hairs that is stuck to my head, it is more. So please Joe we ask this department to put all the application from the people from the outside to the side and to put first the application of those that have been waiting since 1995 to today. Because if we're going to keep giving these people first that are going to build and take gravel and to sell I don't know how they came here with two hundred some thousand dollars or three hundred some thousand dollars they try to ask for a piece of property under the Chamorro Land Trust of 400, 500 acres it could be more then step aside for a firing range while they do and conduct their own business of scraping the gravel and selling it and make profit out of the Chamorro Land Trust property. And some of these investors are only paying the Chamorro Land Trust 15 cents a square meter, 14 cents a square meter. So I guess that is where I see the picture. I saw a picture that our Chamorro people here in their own homeland cannot benefit a half an acre or cannot benefit one acre. Why? Because it's only dollar a year while they go ahead and accept the multimillion dollar investor for the 14 cents or the 15 cents square meter. I'd like to cut this thing short because there is a lot waiting behind or maybe I'm still the last in the line. But that does not give me the whole entire opportunity to take the whole entire time up here. But I'm really concerned and I'm hurting in my own heart because this is not the first time I have sat here on the Chamorro Land Trust Board members. No, I'm tired repeating myself over and over and over again but if I'm the only one out of 45,000 you know what I'm not supposed to be talking anymore about Chamorro Land Trust because I'm no longer in the Chamorro Nation. But we have gave birth to our Taotaomona Native Group it's a small movement group and we still care for our Chamorro Land Trust. Without these groups here the Chamorro Land Trust department is forever being kissed goodbye and be closed and yet Joe Borja would be still working under the Director of the Land Management. The person I'm facing here now and I'm talking about Joe Borja. This guy must be doing something good at the Chamorro Land Trust. Let me be the one to say that he has been removed 4 times but yet they still take him back 4 times. Why? Why? Every time he put the puzzles together somebody had to come up and dismantle it. Thank you.

V. CORRESPONDENCES

1. St. Lourdes Subdivision

i. Survey of Lot 7128-REM, Yigo

Administrative Director Borja – St. Lourdes Subdivision is a compadres family venture and basically in the two page letter that they are asking they are asking that the Commission

designate a certain portion of Lot 7128-REM which is in Yigo across the street from the Yigo gym for easement purposes. The easement will service land within the Land Trust subdivision as well as land on the other side of the Chamorro Land Trust subdivision. For those Commissioners that may be interested they did submit a map. On this particular issue I would ask the Commission to refer it to Legal Counsel. It is an easement issue and we'll make the decision whether this is one of those issues that we should transmit to the legislature for their consideration. It is asking for a permanent easement through Land Trust property but the permanent easement also would service Chamorro Land Trust property and it's not just meant for private property on the other side.

Vice-Chairman Matanane – Why 60 feet on right of way rather than 40? They are asking for two right of way.

Administrative Director Borja – Yes that's correct.

Vice-Chairman Matanane – Is both joining portions of the right of way Chamorro Land Trust?

Administrative Director Borja – Yes.

Vice-Chairman Matanane – But the standard right of way is I believe 40 right?

Administrative Director Borja – I believe the standard is 40 but it depends on the area to be served by the easement you know on some situations where a large easement for example on a main right of way. On this particular one I can't give you the answer Commissioner on why 60 instead of 40. That's something I could ask. I think normally 40 is meant for smaller subdivisions, 25 lots or less and larger than 40 which would be 60. I believe also in some cases the width of the right of way determines whether maintenance on the road is eligible for federal funds but I believe that's 80. I'll make a note of that Commissioner and hopefully respond to you soon on why 60 and not 40.

Acting Chairman Calvo – On that piece of property because they just want to lease to open that road now on the main portion of that property who owns that property?

Administrative Director Borja – 7128-REM belongs to the Land Trust. There's about three farms on the property now and that's like I said directly across the Yigo gym and a substation. Again because it is an easement I would ask the Commission to defer and we'll meet with Legal Counsel. And I believe it may be one that may require because it also serves a private subdivision and not exclusively just the Land Trust lands and it is a permanent easement and again counsel's advice concerning permanent and perpetual easement is that's permanent alienation of property which the Land Trust is not allowed to do other than in Hagatna. For this particular one I would recommend that we look at it but transfer the request to the legislature even though the property being affected is Land Trust because it is a permanent transfer that's the qualifier to transfer it to the legislature.

Acting Chairman Calvo - Just check with Legal Counsel.

2. Guam Rugby Club Inc.

i. Follow up on lease extension for Lot 10057-NEW-5, Dededo

Administrative Director Borja – Guam Rugby Club Inc. occupies property through a license previously given by the Commission that expired about a year ago and they have been requesting for an extension. The first request was late it was not timely according to the timeframe within the regulations and there were a couple of other items. While the Commission was considering the extension request for the Rugby Club, Hals Angels had come to the Commission and made an objection on the extension with the practice field on the upper portion and the back portion being in dispute as to who owned it. Supposedly there was a verbal agreement from the late Hal Shiroma with the original organizers the Guam Rugby Club to go ahead and utilize the back portion of the lot for a major playing field, rugby playing field and a practice field on the side of the Rugby playing field in a practice field to be shared by the two organizations. Somehow that has not worked out. Both Hals Angels Organization and the Guam Rugby Club received approval for a license in the area. Hals Angels received approval first before the Rugby Club but the license was not executed right away and the Rugby Club license was executed before Hals Angels Club in terms of a time frame. The property has been surveyed because it is a basic lot a big major piece and on the property the original basic lot is the Wettengel Elementary School, a Hals Angel Football Field, the Guam Rugby Club playing field, the practice field next to it, 17 structures which we are reviewing in the area that seem to be residential structures not all of them occupied, the property is also cut by a major pipe line belonging to the Air Force as well as numerous easements and also a baseball field in the area. When the objection came up by Hals Angels the Commission instructed the two parties, Guam Rugby Club and Hals Angels to get together to see if there can be some sort of compromise on the issue. I believe the Rugby Club and Hals Angels met twice on their own and met once initially with the three parties which is the Land Trust myself, the Rugby Club and the Hals Angels group and they said that they were going to meet on that. They have not responded back with any information as to what came about of their other two meetings which did not include the Land Trust. And based on the letter that is on the agenda today both from the Rugby Club and Hals Angels it does not seem that there was any agreement reached between the two parties. Subsequent to that no information from the two parties and the results of their session the Commission voted to award the extension for the Rugby Club playing field only to the Rugby Club and the Hals Angel's field to take the remainder of the property minus the Wettengel School and minus the area to the north western part of the lot that is occupied by 17 structures. The area of the practice field according to the minutes of the meeting has been licensed out to the Hals Angels group and that's the response that will be prepared to the Rugby Club and to Hals Angels's letter on item number 10. Item number 2 and item number 10 are letters and information inquiries concerning the same piece of property which is that area there. It's known as Wettengel field but by law it was actually designated as Hals Angel's field by the legislature I believe in a resolution rather than by a law. But there is information that the legislature also had designated that entire area known as Hals Angel's field.

Acting Chairman Calvo – On the last meeting we had we did discuss that and I know that the Rugby they don't want to really compromise the issue with the Hals Angels but what we initially said at that time was they'll be in that place there where they're at right now and the entire lot would be given to the Hals Angels. Which originally really where that playing field is or practice field that is really more or less that's where Rugby was going to

be there in the beginning. But because Hals Angels when they came in there from what I understand they would give them the opportunity to use that field and work because there's room for these two to…(didn't finish).

Administrative Director Borja – I believe what you're saying Mr. Chairman is what is reflected in the minutes but I don't believe it's in the February I think it's in the January minutes and that's what I was looking at when I saw the letter in the agenda there.

Acting Chairman Calvo – Because Hals Angels is not saying, they want to work together in this and they want to share that field just to work it out on days where today I work and the other day you work. But the Hals Angels wants to take over that piece of property which is rightfully because they were originally the first one there and I think either Rugby they have to comply with what we initially stated in our last board meeting.

Administrative Director Borja – I'll prepare the letter of response Mr. Chairman and I'll clear it with the Board before I send the letter out to make sure that is the will of the Board. They have minutes like I said that reflected it and I'm sorry it's not in the package I believe it was in January that the item was discussed and not in the February meeting.

3. PDJV

i. Letter of interest for hardfilling and processing of green waste and composting

Administrative Director Borja – PDJV which is a commercial business and with this particular letter I believe the lot number is incorrect in terms of what they're requesting. I believe it's Lot 5219 and it's a pretty short letter but it's pretty clear what they're requesting the property for. But let me give a little history on the property because the Commission at this point cannot do anything with the property because the property is under a notice of violation from Guam EPA. The previous tenant of the property has committed pollution and contamination on the property and was cited by EPA and is under EPA orders to develop a plan to clean up the property before anything can be conducted on the property at all, it's a clean up process. The previous tenant has already submitted a preliminary plan and I believe the first plan was rejected by Guam EPA and they're instructed to come back again and submit a revised plan to address some concerns that EPA had. This is the lot right next to Revenue and Tax in Barrigada which used to be a quarry years and years ago and which used to be years ago be cleared up by Perez Bros with the silt. The left over silt when you make the aggregate the fine silt and that's basically clean fill and it almost dries rock hard as a cement when it dries. The plan for the Commission originally years ago was to use that fill up to about 8 feet from the surface and then fill it with good fill material street level and develop that area into a commercial lot for that nice commercial area. However, previous Commission several years ago had authorized a couple of licenses on the property one by KoKo Recycling and Bali Steel and the other one by JR Mateo and both of those tenants actually there was tire fire there years earlier and there is large amounts of metallic waste on the property. The Commission staff has been working with EPA to hurry up with the clean up area and the neighbors are encouraging us. We get letters from Catholic Social Services because they are one of the immediate neighbors in the area to clean up the area. Like I said EPA is reviewing the revised plan by Mr. Mateo to begin the removal of the metallic waste in the area and also they are reviewing the plan by KoKo Recycling on the bottom there. We have informed EPA that we have found someone that would take the bundle tires but at this point the clean up of the area is under the jurisdiction of EPA and hopefully they'll

release the property to us when it's properly cleaned. But this is the lot that is being requested by PDJV and the response to them that I will prepare is basically the property is unavailable at this time because of the Guam EPA notice of violation.

Acting Chairman Calvo – Joe on that can you just go ahead and make a follow up on EPA on the status on these individuals what they are going to do about it because if they are not going to do anything about it there's other clients that want to clean that out and we can't just be holding up progress and have EPA follow through with them.

Administrative Director Borja – Okay and what I would like if I could and I know you're always open to this Mr. Chairman is when we set up the meeting with EPA I'd like to invite you along.

4. TOMSON, LLC

i. Request for land for recycling of tires and computer disposal

Administrative Director Borja – TOMSON Limited Liability Corporation is requesting for land up in Dededo for recycling of tires and computer disposal. The particular piece of property that they're asking after checking with them several times because it was unclear through the description is the area around the Dededo Solid Waste Transfer Station. This corporation is asking for land to recycle tires and disposal of computer parts and at least the computers have some highly toxic elements in them. But the property that this company is requesting is unavailable. It has already been committed even though if you pass by there you see some areas that may be open the entire area around that Dededo Solid Waste Transfer Station is two licenses from the Land Trust one occupancy by the Department of Public Works Solid Waste Transfer Division. In this particular case because the area previously even before the Commission received it, it was a solid waste processing area, metallic waste processing area as well as it had the metallic shredder there at one time, I would recommend that the letter that we send to this corporation is basically that the property is unavailable at this time. And like I said there are some open areas in there but that has already been licensed out by the Commission.

5. Senator Matt Rector

i. Request for information re: Chamorro Land Trust Commission properties

Administrative Director Borja – Basically he is asking for five things. Number one; is an up to date map of properties of Chamorro Land Trust on Guam and he's looking for an island wide map. We don't have one of those, Commission doesn't have the expertise to prepare an up to date map of all the properties that it owns. We do have a map of the properties that we own on Guam but it's not up to date and it's basically hand colored rather than a digital thing like that. But to inform the Commission though Land Management and the Bureau of Planning is assisting us and we are preparing a map for that. I believe it should be done in maybe two or three weeks according to Land Management. But presently we don't have that request that he is asking for. Number two; an up to date listing of properties under the ownership of Chamorro Land Trust containing information about acreage, location of properties, boundaries, updated survey information of properties, terrain and environment of said properties. Again we don't have an up to date listing. We do have a listing but it's not up to date and that listing like I said includes private properties, schools, Mayor's offices, Police Stations and things like that that I believe are inadvertently in our inventory. Number three; the number of current lessees of Chamorro Land Trust properties, acreage and location of lands held by said

lessees. We do have this report but it's really an evolving report. Every month or every three weeks actually staff prepares a report as to what we have now. What ever we have that the Senator needs we would provide for him. Number five; what type of leases have been issued to each individual current lessee. The way that we would handle his request because he's asking for it under the Freedom of Information Act is we'll invite Senator Rector and his staff member basically to come over to our office and look around ask what are those files and whatever files they want copied we'll make those copies for them free of charge. But we don't want to start making copies and then when we give it to them that is not what they want. We would prefer that they come over and we'll show them all the reports that we have and if they want a copy of that definitely we'll give it to the Senator. Other than that we would have to make these reports and under the Freedom of Information and the Sunshine Request Act we're actually not obligated to create reports but we are obligated to give them reports that we already have. Even though they are not up to date we would welcome the opportunity to give it to the Senator and we will respond to him by tomorrow and provide whatever things he thinks he may need to assist the Commission in its mandates and mission.

6. George Neil P. Valdes, Esq.

i. Proposed lease of Lot 7163 by The Guam Rocks, Inc.

Administrative Director Borja – This is a letter from Attorney George Valdes and this is a license lease application for Lot 7163 by The Guam Rocks and this is the group that Ms. Torres was talking about earlier. In addition to this letter and my apologies to the Commission that we couldn't get it soon enough to you the group submitted information for the Commissioners and provides the detailed information from their basically really a summary which this letter is really a summary of the application. But they've also submitted the details of their application. This is Lot 7163 and if you remember several months ago Mr. Torres had made an application to the Commission and I believe we had maybe two short presentations before the Commission and one large one, one lengthy one that we had in I believe in December or January early January late of the year. In any event at that hearing there was certain information that I felt the Commission felt that was not adequately given to the Commission or not adequately addressed. The package that you have in front of you now is an attempt to submit and is submitted to address those concerns that the Commission had at that time. If everybody has those packages that's basically the correspondence that has come in on that and I believe we have two people that have signed up under public comments as well as the issue being mentioned by one of the speakers of the public comments section and that's Mr. George Valdez signed up on the public comments but he deferred his comments until the correspondence came up on the agenda which is now. You have the package in front of you there and I would like to invite Mr. Valdez and Mr. Sanchez to answer any questions that the Commission may have on the request and then we have basically three other shorter items on the agenda.

Atty. George Valdes – Good afternoon, my name is George Valdes I'm a local attorney representing The Guam Rocks. We're here as a Mr. Borja stated to present our proposal for a commercial license on Lot 7163. The detailed aspects of the proposal are provided in the packet its pretty thick packet which also contains the articles and by laws of the corporation which also contains the specific requirements concerning transfers of ownership just to ensure that the ownership and control of the corporation remains in Chamorro hands. Present today with me is Mr. Tony Sanchez, manager of Guam Rocks along with two shareholders of the corporation which is Mr. Bordallo as well as Mr.

Martinez. Mr. George Torres who started this effort a few years ago unfortunately is not present today. Those three persons make up the entire ownership group of The Guam Rocks. Essentially, what's being proposed in short is essentially a turn key project wherein we've established a relationship with an Alaskan corporation named Knik Corporation which has over 30 years experience in remote site construction, grading, excavation and those types of activities. But I'd like to point out that what's proposed is not mining or quarry operations. What we're proposing is the grading, the survey subdivision of the property as well the construction of infrastructure. Our goal is to have over a thousand lots at the very end of this license term to have several thousand lots available for CLTC applicants. In addition as testified earlier today, mentioned early today there's problems with infrastructure it costs money. The Commission may not have sufficient income from lease of a dollar a year or the fifty dollar application fee. What we're proposing would help in that regard. Some of the highlights of our proposal include lease payments of at least five thousand dollars a month and up to twenty thousand dollars a month which would go directly to the Commission to be used at their discretion. In addition, as part of the grading process naturally there's accompanied by the sale of rock products. Again we propose that the Commission share in those sales to a tune of seven percent. We also don't intend to have this we intend to have this license if approved to go on for only as long as it takes to reach our goal which again is to basically render the property usable by the Commission and its clients. It may ten, fifteen years it may take twenty but we don't want to have this forever. We have a certain goal in mind and that's to have the lots available as well as the infrastructure. With respect to the lease payments as detailed in my correspondence with the Commission as well as the packet the payments would go up as the duration of the lease progresses and that would give an incentive for The Guam Rocks to complete this project as soon as possible but at the same time the longer it does go on the lease payments would increase. Some of the aspects of the plan is it's not just the creation of a subdivision or several subdivisions with lots there's also a lot of aesthetic elements to it parks and things of that nature. We've also taken into account the difficulty that the specific lot presents but we anticipate that lots can be made available within a few short years. As we go lower down to the more difficult areas that of course may take longer.

Acting Chairman Calvo – I know that Mr. Torres came in here a couple of months before and what the original agreement that they wanted here was for a quarry. Now grading too is basically and quote me if I'm wrong is basically because when you grade something it's just the surface part of the land taken away the soil and so forth and pretty much just to level it out and build whatever. But in this there's much grading involved here so the excess materials of this grading what is it being done for all the coral that's going to be pulled out and so forth.

Tony Sanchez – Obviously like they pointed out we will be selling some of the aggregate right but to no level of what we were asking. But what we have done is the Commission standard was two percent we've raised it to seven percent. Five percent above the previous standard not this Commission of course here you guys have inherited some leases. And two we are putting in infrastructure because that will help fund, finance the infrastructure so it's kind of a turn key thing and we want to be done we feel that with everything said and done the top portion we want to do in phases. (Depicting off map) These will be all acre lots and they will have roads, power and water to each of the acre lots. So we'll just do it in phases as we go through and as we utilize that that will help pay

for the infrastructure that we're putting in and we'll also give financial revenues to the Chamorro Land Trust. Because obviously like the first person who testified there are people out there and through no fault of their own that have inherited places that have no infrastructure and that kind of revenue can be used to help those people on that side to bring their infrastructure like the other guy was 10,000. Our object is to leave it as much as possible in the hands of you know everything will be returned to Chamorro Land Trust even though we say this is a park area there may be a time where people say never mind the park and we'll make it homes and all that. Part of this thing down here is where we have to be very careful it's very pristine and as we go down and maybe access down here this would be the difficult thing that we would have to provide the sewer too and that also becomes because then that is something of a trick thing and very expensive. This is what we will be turning over and we will be turning it over in phases. We hope to be out of there out of your hair within seven depending on the permitting of course and what we have to do to mitigate within seven to ten years except for down here where we have to be more and more careful because that's right next to water.

Acting Chairman Calvo – Tony as you go along you're saying that you are going to be providing the infrastructure, the water, power right as you grade along.

Tony Sanchez – Yes.

Acting Chairman Calvo – Because in reality your legal counsel stated that there will be no mining but actually you are really doing mining there.

Tony Sanchez – Well we're grading the property.

Acting Chairman Calvo – Grading and mining are two different things.

Tony Sanchez – We're only gong to be grading and its not really mining them. We heard what you said and like what Ms. Torres and what the Board said the last time. We were being over obtrusive and we should do just something for Chamorro Land Trust and leave it as quickly as possible. We would like to be seeing parts of this being turned over for use within a year or two years or within the next three years depending on permitting of course. We recognize that part of this is the archeological will come in and EPA will come in and so forth.

Acting Chairman Calvo – We're looking at phase one and phase two and I'm looking there one, two, three, four, five phases right.

Tony Sanchez – I know what we hope to do is we want to be out by year fifteen complete all together. We think the top will be done within ten years at the most. Because you know we're pulling out and putting in infrastructure at the same time. We're also working with the CCU to make sure that we're doing the right lines because this is a neighborhood that could be a thousand people in this neighborhood and for lack of a better term we call it Laguna Point and it's just a turn key thing where we provide the infrastructure and so forth and give it right back as quickly as it is available to you and its certified by Public Works and it could be utilized. So those are the permits that we will do on your behalf including you will share whatever we get out of the grading. Whatever we get out of the grading the Chamorro Land Trust will share that.

Acting Chairman Calvo – Well it's always been my take when we had this hearing with Mr. George Torres in the beginning he didn't come out clearly on what his plans are to be done and in fact at the time when he came here I specifically said that I do not want the land wasted. And that's my concern because I don't want a land that is just going to be a hole in it. And that's been my take is I want to make sure that the property is returned to that is property back to the Chamorro Land Trust whether it be a half an acre or an acre for residential but I just want to make, we want to make that, I can't speak for the other Board members by the way so what I want to make sure is as phase one goes even before you go to phase two you have to clear and say okay we did the infrastructure this is what we did and so forth. I don't want to wait till one, two, three, four and five.

Tony Sanchez – Exactly they'll all be returned that's our goal.

Acting Chairman Calvo – Because what's from preventing you if you run into problems that's what's the issue. I mean in phase one we don't know what problems you're going to run there as you excavate.

Tony Sanchez – Right and that's why the grading is better for us because it keeps us away from going to; you know its pristine land we want to leave it like that kind of thing. We want to make sure that it's almost like without comparing it to like almost like what they did with the dollar homes they put in infrastructure then they gave it the lots. We're trying to keep it as acre lots so that the Commission has the flexibility to do acre or whatever they do because when we do infrastructure you can actually take an acre lot and divide it into four house lots because it has all sewer and it protects the groundwater.

Acting Chairman Calvo – Keep in mind Tony when you do an acre lot there okay because if those are back to back property it'll probably go like a terrace type acre lot that's the one that you proposed that, you got to make it into a terrace.

Tony Sanchez – Right.

Acting Chairman Calvo – Not a back to back lot.

Tony Sanchez – No, no exactly.

Acting Chairman Calvo – Because then you have two ends accessible.

Tony Sanchez – Right.

Acting Chairman Calvo – So if you're on the first terrace but only on the first terrace and the second terrace you have a back road.

Tony Sanchez – That's why we would start on the easement side and work it in from there. We do recognize that there is government land adjacent to us so we will have because you know Chamorro Land Trust is basically for homes and tenants and farmers and things like that so that when we do build a major park or something we do it on government land and not Chamorro Land Trust land because you know that's where the municipality of the government.

Acting Chairman Calvo – The company that you're working out with from Alaska, how do they stand on this issue?

Tony Sanchez – They're very good about it they recognize the fact that it is just a grading thing and then they go in and they do what they have to do. They feel confident that we can reach the first goal of turning over some lots. It just depends on the permitting and the mitigation that we would have to do. We had to put in an archeological study and all the permitting with the EPA permitting and so forth. Just to rest assured we do want to do this we think it's a win-win situation.

Acting Chairman Calvo – And that's really what I look at is just on a win-win situation. I want to make sure because when it goes back it's going to benefit the Chamorro Land people okay. If I divide that into four lots or what ever for that matter that's a thousand lots its satisfactory back where now I can honestly say to Tan Maria or John here's a piece of property the infrastructure is all there that's the main thing. What assurance do we have really on the infrastructure but once you start grading and you may do the first phase and then you know things doesn't go right that's another point I want to see. You may be going into the first phase and you might have problems and run into those problems okay. That's an issue that you're going to look at if the land is only partially maybe in terms of what I'm saying is the properties you start to go down and you grade and so forth and you run into problems do you abandon the job?

Tony Sanchez – No.

Acting Chairman Calvo – That's what I want to know.

Tony Sanchez – No we will not. We're committed to it all the way through and we will be on a lease contract kind of a situation with the Chamorro Land Trust anyway. I'm sure Mr. Borja will make sure there are certain guaranties in there. We're not here to abandon we're here to fulfill our mission.

Acting Chairman Calvo – Another thing Tony it's always been my take here too in this Board that you know that regardless if it be an outside coming in the licensing issue would be local and Chamorro that has to be. I don't want that piece of property later on to be transferred to someone, you started out with the program you end the program.

Tony Sanchez – Yes and you know the owners too are very you know they come from public service for a lack of a better term and they understand the burden of what we are going to do and we will fulfill our mission. We have Guam on our name and we will not let it down.

Administrative Director Borja – Earlier Tony, Ms. Torres said that you made this presentation before the speaker?

Tony Sanchez – Yes we met with the Speaker.

Administrative Director Borja – Well I was going to mention that, I didn't know because I did meet with the Speaker on this issue she requested to be briefed with it and Mr. Torres

was in that meeting. But what I'm asking is was there another presentation, a much more detailed? Because when I met with Mr. Torres and the Speaker there was really no details on it so it was not that meeting that you are referring to.

Tony Sanchez – Yeah and it was just on an overview nothing to the extent of what we're doing now.

Administrative Director Borja – And that was that meeting that Ms. Torres was alluding to.

Tony Sanchez – Yes and just in response to her question there will be roads and because it is in Chamorro Land Trust hands there will be no hotels or anything like that so it goes back.

Administrative Director Borja – Also do you know if this information or the package was forwarded to Senator Pangelinan?

Tony Sanchez – Yes.

Administrative Director Borja – Oh so it was also forwarded to Senator Pangelinan as the oversight chair for the Commission.

Tony Sanchez – Yes we gave a copy and the Speaker also.

Administrative Director Borja – I must apologize to the Chair, I have a copy and I believe this is also a copy this is a letter sent to the Chairman from the Speaker wherein basically she says she had met with Mr. Torres and myself in one meeting and I did give him some advice and tips as to basically what I felt and what the Commission felt was lacking from his application and Madame Speaker is requesting that the Commission reconsider Mr. Torres's revised proposal. But since the December 2008 hearing Mr. Torres has basically reorganized his corporate structure group and has been working with staff as well as the legislature to obtain Commission approval of his application. I've attended a meeting with Mr. Torres and Speaker WonPat. At the December hearing and at the meeting with the Speaker, Mr. Torres of course was given all sorts of advice. He was advised to basically enlist legal assistance and expert assistance to develop his commercial license application and that he would need to establish a separate corporate entity and that the legislature at least at that time the Commission requested that or even recommended really that because of that complexity of the application and the enormity that the application should really be evaluated by the legislature. And I think Mr. Torres has basically scaled down his application and provided a lot more affinitive detail on what he plans to do and of course he was advised to make sure his application address the guidelines that were established concerning commercial licenses. Mr. Torres has now formed The Guam Rocks Inc. but it's basically a revised application of the application that he made and he's retained the services of an established contractor and provided much more detail and comprehensive information on their proposed plan. I just confirmed at least hopefully from Mr. Sanchez here that this information or that the plan the application and what they intend to do was at least forwarded for information purposes to Speaker WonPat and to Senator Pangelinan. And of course after the meeting with Speaker WonPat there was a subsequent letter from the Speaker and Mr. Torres has now submitted a revised and amended application for evaluation and review by the

Commission and at least at this time unless Legal Counsel says nay I think the ultimate decision on Mr. Torres's application still lies with the Commission. If you look at Speaker WonPat's letter there she doesn't seem to be wanting to accept the decision to make on Mr. Torres's application as a matter of fact she is very clear that she will leave it up to the Commission to make the decision on it. Major changes are in the new comprehensive proposal and from my review they do address the concerns that the Commission had. The new proposal is a mass grading plan and keep that term in mind because there is also another application before the Commission on mass grading and basically the difference between a quarry and mass grading, quarry you go in you dig a hole, you take the materials and see you later. With mass grading basically what you're doing is you're grading a big area. Hopefully to make it developable for whatever purposes the Commission may have on it. This proposal also that he did different from the beginning the first one where the options and the benefits that were being provided were basically refurbishing, rebuilding of JFK, building of a hospital unit and like that and my take on that is while Guam definitely does need that it's really not the mission of the Commission to do that. Our mission is to provide property hopefully with infrastructure and three of the people here today were with infrastructure complaints and I don't think any of them can be addressed readily. The Chairman knows that because we go to the utility agencies to get, take from these utility agencies. As a matter of fact we're trying to negotiate something with the utility agencies because they're constantly asking for easements; we have one letter from Waterworks. Waterworks you know can we give you the easement, put in the water line you know that might be a fair trade off. But now we can't do that with the easements. So this proposal that TGR has proposed is different in that sense is now the benefits are much more narrowed downed more in line with the mission of the Commission which is to provide land like I said (hopefully with infrastructure) and some planned community elements recognizing historical, archeological issues on the property rather than just an out right application. I think the plan there addresses that concern you know. The plan seems to propose to provide long term benefits to the beneficiaries of the Trust because the ultimate mission here is to lease land to Chamorros for as least amount of money as possible but to hopefully to be able to operate where you also provide property that they can develop, they can build and that means of course with infrastructure. The percentage in their offer is above what other previous commercial applicants have. The going rate for commercial applicants in terms of rent is six percent and some of our leases it has gone down like to three percent. But the biggest that we have is six percent. The big amount that we got several months ago in the meeting is really a spike from Tata Communications that's not rent money that's why that's a big amount but this one offers a larger amount. TGR seems to offer a larger percentage of the sales and has revised its plans not to conduct quarry operations. Again one of the issues that we had as well as members of the public had was the corporate entity that it should be noted that TGR is now Chamorro owned through its corporate articles and by laws. Applications are put in and they're developed, licenses are put in and they're developed which is there's a couple of items on the agenda on my report that we're negotiating to redevelop a license on two particular issues. So this is not anything new. Short history on this type and it's basically a turn key almost a turn key operation. Previous Commission had authorized a Mr. Michael Torres the jurisdiction over of I believe maybe four hundred acres in Dededo, Tract 1022 and basically at that time what the Commission did is it said Mr. Torres here's this property I want you to develop it to the point where you can come back and say Chamorro Land Trust we have the lots subdivided, we have roads in there, we have infrastructure, it's ready now for leasing.

That particular project and that particular effort did not pan through and did not work but it was an effort and the effort there at that point was to provide land for Chamorros. We don't have the mission to provide the houses but our mission is to provide land and if we are going to provide land then we have to provide land with infrastructure otherwise it's of no use. No water you can't farm it, no power you can't stay on it and one of the biggest obstacles that we have as the Chairman said is the infrastructure part. Never mind power, power we've worked it out if we have clients in there GPA will come in and we've made arrangements like Mr. Bautista said if we can group these people it gets cheaper to pay to get the power in. We're trying to do that with water, Guam Waterworks but they're a little tougher in their negotiations that we've been ongoing with the Chairman and of course sewer don't even think about sewer at this point because it takes a long time to do. It's very expensive and it's not easily engineered issue to install sewer. So no matter what the Commission may think or may decide looking at the big picture, the biggest problem the Commission will ever have never mind, not never mind but overlooking at least for the time being that we've by passed some people its that fact that the Commission cannot adequately provide the infrastructure to these lots. We're not even to the point of providing infrastructure because one of the projects that the Commission has directed me to do is to land register some of these properties but the properties that we have now very few of them have infrastructure on them, very few. I'm talking about basic infrastructure which is roads to the place. The Commission has done something about that and addressed that issue. We're working with some of our commercial clients for them to provide the heavy equipment and the labor to open up those roads as the Chairman knows and we meet with these people regularly to do that. We'll be doing the first one in Yigo and then another one in Yigo and then some others in Dededo where we will open the road. But still up at this point it's the water and power so we can find a commercial applicant, developer that somehow we can negotiate, we can work with to have them put in the infrastructure in the property that's a major, major, major step in accomplishing our mission in giving lands to these people. We've done this before on a smaller scale but nothing this big and really if you look at it relatively speaking it's really not that big because at least in their proposal there we're looking at one acre lots. The original first land for the landless Chamorro Land Trust subdivision was actually Malojloj Tract 212 and those lots were one acre kind of like the standard to do it is one acre for several reasons. One is density, you don't want to crowd too many people in an area and therefore you have sewage problems even if you do have a septic tank. So this application that they put forth is much more detailed and really it's different from the original one that they've proposed. Also I want to let the applicants know as the Commission has previous applicants is the license when given is the license to use the land. We're not licensing a subdivision they still have to get the permitting process to go through that. For example, when the Commission approved the license for GRRP it wasn't a license approved for a landfill it was a license for them to use the land as a landfill but they still have to go through the permitting process. If the permitting process is not granted then the license basically dies because the purpose of the license is for that. And there are several applicants that we have that we have basically called into the office and said hey you applied for a commercial license for this purpose you're not using it for that you're using it for something else and for some people we would like to seek some sanctions on that. But the license that is been given is to use the land. They still have to go through I guess obstacles of applying for a permit, DPW, Historic Preservation, Parks and Rec, Dept. of Agriculture and Building permits and all of that and hopefully those agencies would look at detail to see what they intend to do there although they are

licensed by the Commission is something that is allowed by Guam law and is something that is good for the environment. But this is one of the few opportunities because this is only the second time that a developer, applicant has come in and said that we want to develop some lots for you and in addition to that pay you for some of the material that would be accessory to the mass grading and put in infrastructure on the property. This is the presentation here it's something much more palatable at least to staff than the previous application that seemed a little too big and seemed a little bit too grand wise. This is something I think that can be worked out. There is still the issue of the reversionary clause and the caveat from the Federal Government when they release and returned the land to Government of Guam for those two purposes but if the ultimate decision of the Commission is to designate this area in the master land use plan that we have pending as well as the like I said the ultimate use of that land is for homestead which is what the application seems to be to develop those lots in the properties and those properties become available with infrastructure then the other part that we have to work with is to get the housing program to get those people on. But my experience with the Land Trust and Mr. Jackson said I've been here four times I think I've only been here three times but its very rare to find the opportunity where an applicant comes in and does that. Now is it a guarantee that it will be done, nobody can guarantee that but in this particular one as Mr. Jackson it seems that the pieces are together in the puzzle. The concern that I had at the last meeting was the caveat and that reversionary clause and that document but if the application and the license is tied in to the ultimate goal of providing land for homes for Chamorros then that's the mission of the Land Trust number one. Secondly, that's the intent that was the purpose that Uncle Sam gave that property at least this one to GovGuam and subsequently to the Land Trust which is to provide homestead to Chamorros. Now if the government would have done this years ago you would not have any problems about non-Chamorros and like that because right after the war and up to after the Organic Act for several years who was on Guam? It was Chamorros. So it was much more easy to do but for whatever reason I believe the local Government of Guam was really neglectful in it's obligation to do this and years and years later decades later it is now left to the Chamorro Land Trust Commission to provide land for these homestead. And today the Commission may have had two speakers concerning infrastructure and water down at the office we get that maybe twenty five times a day. You gave me this darn lot and I don't have water on it what am I going to do with it now; now I'm worried about losing it because I'm not farming it. We even get from Waterworks of why are you giving out this land if there is no water if there's no infrastructure don't give it out. I think the Commission prefers to give it out and let the Chamorros hold on and have the land in their possession even though at least at this point it doesn't have water and it doesn't have power but at least they have possession they have occupancy of the property and maybe the Land Trust can work something out concerning infrastructure. But for your information Commissioners with my past experience and my apologies to the Chairman if we're going to wait for GovGuam to put in the infrastructure on this I can't give you a time frame on when that would happen on it. But this is basically a private public partnership that the application is in. I ask the Commission to look at the details and seriously consider it because opportunities like this and applicants like this come few and far between. Although me going out in the public it seem to be at least some people told me personally that it seemed that I was being real contentious and getting on the back of the applicant at that time. I think the issues that the Commission raised at that time were valid and that this application at least for the issues that I had which was the reversionary clause I believe it does address it. And to let you know I was in contact with at least with

the Speaker of the Legislature and requesting reconsideration of the issue but to let the Commissioners know that the reconsideration is not for the old submission. It's a definitely revised plan and upgraded one and concerns that the Commission had previously raised at least from my reading were addressed at that time.

Acting Chairman Calvo – Tony I just want to make a point on this, when Mr. Torres brought that application a couple of months ago that was originally basically what I always initially wanted. I don't want to give something away where nothing is going to come back but in this case I know that it's a win situation because now I can honestly say okay I open it for the infrastructure and everything is there but what I want to do on this is we're going to work it out if we the Board approves it we'll work it in phase but as the phase goes through it will turn over then the next phase.

Tony Sanchez – Yes we will.

Acting Chairman Calvo – I just want to clarify that and also at the same token when you open these roads and you do the infrastructure its going to be paved roads.

Tony Sanchez – Yes, paved roads.

Acting Chairman Calvo – I don't want coral.

Tony Sanchez – No, paved roads and underground power. We will do the underground power thing and we'll work it out with CCU and Public Works and Mr. Borja of course and the Chamorro Land but you will know how it works out.

Acting Chairman Calvo – Because that's been my take from the beginning and I told George on that and I made that clear to him because I don't want a call five, ten years from now and saying we're done. What am I going to do with a big hole? I told him that I want that place to be reusable and it can be done and it's going to be worked out as a terrace. Like what Mr. Borja said if we're going to wait for the Government you know its never going to happen. Look at this afternoon that one customer here and I sympathize with Mr. Bautista that we did give him property but I can't give him water because I don't have the infrastructure. But a company that is willing to do that I'm all for it because I can honestly say now that if we get fifty, a hundred acres out of there I can give a hundred acres out to the people knowingly that when they get that piece of property there's water and power there and that's the key to this issue. But that's my concern, that has always been my biggest concern is how do we get back because I can give all the lots to Chamorros but they're going to come barging in everyday to say because I've gone out there many times out there people come to me like what Mr. Borja says Calvo you get them a piece of property and I can't even get to my road why? Because it's a jungle. So I'm looking at the issues that we can solve and we both can work on this and that's what I want to do is to really help the Chamorros at the same token that when I distribute this property two years from now, three years down the line I can honestly say okay I'll award you, you can drive off in a nice smooth road now, you know. That I have no qualms on this at this Commission but it's got to be done properly in this meeting and as time goes on I would like to see the developer because in reality that's what you're doing is developing it.

Tony Sanchez – Right, we're phasing it and we can work it out on the scheduling on with the details on the licensure or leaser agreement what ever is there Mr. Chairman. You can put the time frame on the phasing in. We'll try and meet these time frames because like you said we might have a permitting problem on certain areas.

Acting Chairman Calvo – I know that when you get that permitting it's not just going to happen over night. There are certain criteria that you have to go through.

Tony Sanchez – Right so there are certain areas that's why we feel comfortable on that side where the road comes in because it will probably be the least intrusive area and then when we go to the other side we'll have to be a little bit more delicate because it depends on the EPA and archeological people.

Acting Chairman Calvo – Well it's up to the Board on how they feel on this.

Vice-Chairman Matanane – You know Tony when the first time this application came in I was really kind of down about it but looking at this one you know I think we're heading in the right direction. Where the Commission feels that hey get something out of it and we'll also have it permanently you know giving it out to the people of Guam.

Acting Chairman Calvo – But we still get our seven percent huh?

Tony Sanchez – Yes, the public auditor will make sure. Absolutely, we're up front.

Commissioner Tajalle – Mr. Sanchez the first application I'm explaining myself I was not comfortable because everything was general and I need specifics. Now with this submission on a different level you got your facts. You show your planning from infrastructure to financing to going levels phase, turn key where its both the Government, the people and the business. So this is a better presentation and it makes me feel more comfortable because I see your vision and see how it benefits the people and Chamorro Land Trust altogether. So this is a lot more better and more presentable than the last time.

Tony Sanchez – Thank you ma'am.

Commissioner Gumataotao – I share the same sentiments as the other Board members. The initial application was just not, I mean we requested for a business plan, there was not. We requested for names of the investors, it wasn't provided. Actually it was provided with a lot of hesitation so in looking in detailed here it is a lot better than the initial one. I was just a little I guess bothered by from the initial application for a quarry and then the vision shifted to something totally but I see the focus. There's a lot more that came into focus this time and you did pretty much pan out the details. I am a little concerned however in the event there is any in the middle of all the grading if there is any ancient remains, historic sites, that's what my concern is.

Administrative Director Borja – Before they can do any work they have to get that clearance from them definitely.

Commissioner Gumataotao – But then I know Mr. Chairman mentioned also about I guess reviewing it in phases. I'm a little bit more comfortable with that because this is a large piece of property and I don't want to make any mistakes. I'd like to read up on it before I even make a decision on it.

Acting Chairman Calvo – In other words Tony too when I said phases, I don't want you walking out and having this bright idea that I got that whole stake of lot.

Tony Sanchez – No, no, no, we'll do phases by phases and we understand that.

Acting Chairman Calvo – And I want to make sure that you understand that.

Tony Sanchez – And that's the check and balance with you guys too.

Acting Chairman Calvo – In the past the previous mistake was that you got this tract of property but it was not divided to where it's supposed to be.

Tony Sanchez – No, it's in phases and we understand that because it's a good check and balance to the Commission too that you hold us to phases.

Administrative Director Borja – Mr. Chairman, Attorney Valdes did mention that Mr. Torres was not here today but I also notice Mr. Martinez and Mr. Bordallo the other two incorporators are here.

Acting Chairman Calvo – I'm glad Mr. Martinez and Mr. Bordallo you guys do understand on what we just talked about on how we're going work it out if it pans out and passes.

(Mr. Martinez & Mr. Bordallo both acknowledged the Acting Chairman by nodding yes.)

Vice-Chairman Matanane – Motion to accept the application of The Guam Rock Product, Mr. Chair.

Commissioner Gumataotao – I second the motion.

(There were no objections)

Acting Chairman Calvo – So be it passed.

Tony Sanchez – Thank you very much.

Vice-Chairman Matanane – And work out details with Mr. Borja then?

Acting Chairman Calvo – Yes. One last thing before you go the legal fees will be paid by.

Tony Sanchez – I beg your pardon?

Administrative Director Borja – Legal fees, if the Commission incurs any legal fees relative to your commission other than litigation but in terms of reviewing and preparation of any license or document that the applicant will absorb that cost and not the Commission.

Tony Sanchez – Okay, yes absolutely.

Vice-Chairman Matanane – And the details will be worked out with Mr. Borja and we will also see the progress on that particular…(didn't finish).

Administrative Director Borja – On that particular license. One thing I do want to add and it doesn't really concern Mr. Sanchez specifically but it's on the next item concerning the public auditor concerning these commercial licenses. We have met with the auditor on several occasions and one of the things that the auditor has asked is when the Commission authorizes the Director to negotiate is that the Director comes back to the Commission with those negotiations and not just sign the license without reporting back to the Commission on what the results is on those negotiations and details. I've sent a memo to Legal Counsel to do that. There has been one occasion where previous Director has approved a license without Board approval and subsequently amended the license concerning moratorium on payment and deferment of rent payment without approval of the Commission. This Director certainly doesn't do that but I do want to put it down in writing as recommended by the public auditor that when the Commission authorizes the Director to negotiate details concerning an approved license is that before the license is signed and as a matter of fact send it back to the Commission and then request that the Chairman signs it as the final approval of the license.

7. Office of the Public Auditor

i. Draft Audit Report

Administrative Director Borja - We do have an update on the audit that the public auditor is doing. They have completed the draft as you can see by the letter and this is the audit that they are doing of the commercial division and once they have completely finished that they have given us the draft, the staff and we can provide that to you if you want. And they are going to give us a chance to respond to it and then finalize the audit and then send it to the legislature which requested that in the beginning. It's a good audit at least the draft is. Audits are never good but it's a good audit in the sense that I think it does identify the problems that we have in the commercial division and it gives us some recommendations as to how we can hopefully make that better.

8. Senator Ben Pangelinan

i. Notification of regular and special board meetings

Administrative Director Borja – Basically this is addressed to me and I do want to apologize to the Commissioners and I will send an apology letter subsequent to this meeting for not getting the package to you earlier. We had problems with our copier at the office and we couldn't make the packages in time to send it out. But hence forth from now the meeting packages will be available at the time that the meeting is announced. It hasn't been in the past but it will be from now on standard operating procedures to provide copies of the meeting package to our oversight chair Senator Pangelinan prior to the meeting. Not prior to the schedule meet date as the same time that you guys will be given your packages Senator Pangelinan will be given his package. As a matter of fact I've told him that we will give him previous meeting packages since the beginning of the year since the beginning of the 30th. He is our oversight chair and we are quite fortunate that not only is he our oversight chair he is also the chairman on the committee on budget. So when we talk to him we can communicate on two very important and different issues

on it. So that's the notification and it will be standard operating procedure that the Senator the oversight chair gets notification of any meeting that the Board may have on it.

9. Winston & Strawn LLP

i. March 12, 2009 White House Meeting on ARRA

Administrative Director Borja – This is a letter from the White House to Governors of the Territories indicating to get your shovel ready projects list to the administration and hopefully they can provide some money into it. We're having a cabinet meeting right now concerning this issue. There is going to be some stimulus money available to Guam and we want to see what kind of advantage or benefits we can get from that stimulus package relative to the Chamorro Land Trust Commission. They're throwing around large amounts of money but this is just a copy of the letter instructing the Governors to go back home and get your wish list together for the shovel ready projects relative to the stimulus funds being provided by Washington D.C.

10. Guam Hal's Angel Football Association

i. Lot 10057NEW – clarification of boundaries; sublease request; renewal/extension process

Administrative Director Borja – This is something directly related to Item no. 2. They're basically asking three issues here. One is clarification on the boundaries of what was licensed to them. Number two is a sublease request from a church group concerning the lot there and that I think might be a little bit premature. I think we need to clarify the issue first with Hals Angels and the Rugby field before we get another party on the lot. And number three is basically the renewal and extension process that he's asking for. Renewal and extension process is pretty much clear it's in the license. It's a certain amount of time that you have to submit the extension request before the expiration date on it. As some additional information I know Hals Angels, there was a bill introduced at the legislature to provide some funding for the repair of the field. I'm not sure of the status of that bill is, it was passed by the legislature and I think it's at the Governor's desk and they're having trouble identifying the funding for that passed bill. Also the association is also looking at applying for some community development block grant from GHURA. GHURA has some federal money that they use to build recreational facilities such as the Dededo Skate Park. That Dededo Skate Park was a five hundred thousand dollar expenditure by the federal government through GHURA to provide that skate park up in Dededo. So GHURA does have money for applications like this but in this one I guess they had some problems on their license. And the reason for that is the license was approved so many years ago but by the time they signed it, it was twenty-one years or the license term was not long enough for GHURA's ratification to take part in the program. I'll provide a response to that and again I'll run it through the Commissioners before I make that response the same as the item number 2 on the Rugby Club.

11. Layao Enterprises

Administrative Director Borja – Just to inform the Commissioners we did meet at the last meeting some action was taken concerning the licenses for Agfayan and Layao industries and at that time Legal Counsel was basically directed to terminate it. Legal Counsel has come back with the recommended procedure. The Director is basically asking if I can go back and negotiate with these people because I think the Commission really does not want these people to go out of business but I think the Commission wants these people to do what they're supposed to do under the license. And in some cases where money has

been received through this subleasing effort that the Commission would like restitution on that issue. I've met with Mr. Peter San Nicolas the principle in Agfayan Enterprises and with Mr. Feliciano Layao and Mr. Ron Sarmiento his representative concerning Layao Enterprises and I think Commission staff is working towards acceptable compromise for one of them to continue doing business and secondly to provide whatever sanctions and restitutions that the Commission request at that time. As a matter of fact at the time with Mr. Layao we had asked Mr. Layao if there was any agreement between him and M Electric Corporation and he indicated to him and Mr. Layao willing provided a copy of that lease agreement which was not surprisingly but basically was exactly what he told us. The situation was that yes M Electric Corporation was leasing the property. They are leasing it for a yearly rental of five thousand dollars and it was a one year license that he issued. Mr. Layao has also submitted along with that information he submitted a check in payment of five hundred dollars as well as a promissory note for the balance and the request of course to amend the commercial license that he has to make sure that he comes into compliance with what he's doing today. The reason why I'm bringing this up is the Commission already has an approved motion on the floor for termination and I'm asking the Commission to I guess revoke those two terminations and allow the Director to work and negotiate with these two entities to see if we can come to some sort of acceptable compromise and it has been working that way. We called them in for an appointment and they both came. Mr. Layao especially has provided all the information and restitution that we had requested and I would just like some time to review his amended application request before I can come back to the Commission with a recommendation for approval or disapproval. Like I said Mr. Layao has complied with all the requests that we've made and we are working with Mr. San Nicolas and at least at this point Mr. San Nicolas has also complied with information requests that we have asked from him. But because there is an approved motion on the floor to terminate the license I would like permission from the Commission from the Board to continue to conduct negotiations to see if we can get some sort of report that would come back that would show that these people are in compliance with what they're doing now. But they have been very helpful and they have been very cooperative of getting the information so that I can report back to the Commission. That's on the Layao issue which is Number 11 but I also put in there the report with Agfayan Inc., Mr. San Nicolas and I'd like the Board members to know also that in that meeting the Chairman was at the meeting so I appreciate that.

Vice-Chairman Matanane – My problem here Mr. Borja is we are starting a precedence here already with this particular case. If you have a lease agreement already on a Land Trust property then everybody else that have a commercial license will tend to lease it out too. I mean we don't want to start a precedence on this. We have the lease agreement here of course, he's provided all the things that we've requested but there's a precedence already that we are encountering if such a corporation is leasing Chamorro Land Trust and then sublease it to somebody else I don't think that's proper. That's my concern, thank you Mr. Chair. Yes of course they are complying with everything we asked of them but what do we do with this lease the one that he leased out?

Administrative Director Borja – The one that he leased out if I'm not mistaken it's a one year lease and I think it's expiring in May.

Vice-Chairman Matanane – Expires okay, then that's fine then. I hope that he doesn't re-lease it. That's my concern really because we're starting a precedence when we have any other commercial guys leasing the Chamorro Land Trust and then start subleasing it, that's my concern. I'm really upset about that but I didn't notice it was only a one year lease and I hope he doesn't do it again.

Administrative Director Borja – Yes, if you look on page two it's a one year lease and the amount of the lease is five thousand and I haven't really looked at the detail but Mr. Layao is looking at restitution. His very basic major concern is that he not be evicted from the property and I think Mr. Layao is willing to work out something where if it comes down where the Commission wants a direct lease from M Electric without Mr. Layao involved in the enterprise that's the Commission's call also.

Acting Chairman Calvo – What is the size of the lot?

Administrative Director Borja – The size of the lot is about four point seven acres about four and three quarter acre.

Acting Chairman Calvo – How much of that has been used?

Administrative Director Borja – For the operation that's being used I would say probably about three acres maybe three and a half acres for the operation by M Electric. There is still a portion of the lot that is not being utilized by the operations of M Electric so that if the Commission so wishes that the portion not being used by M Electric being retained for Mr. Layao personally and the instruction of the Commission is to go and work something out with M Electric directly then there's room in the lot for that type of set up.

Acting Chairman Calvo – Because we're looking at an asset of about a twenty million dollar company and for five thousand dollars a year that's highway robbery. Also the company took an advantage out of that and I think we should also serve notice to this company to hire that statement of they initially would have paid out in the market. I really would like to see that and maybe we can discuss this more with legal counsel on how we can work with that and address the issue.

Commissioner Gumataotao – Joe you mentioned that they're showing compliance. Can I ask how? What have they done already?

Administrative Director Borja – Well maybe not this particular one Layao but they're showing compliance in a sense of at least they came up clean. They gave us a copy of the lease agreement that shows that yes it was five thousand on it. Now the compliance in the sense that we are working with them they are providing information which we didn't have before. But in terms of whether they are in compliance in the sense that they leased the land they licensed the land for a piggery and there is a piggery there but the majority of the land as I told the Chairman is not being used for a piggery. So they're not in compliance in that part and maybe that was a wrong choice of word for this particular situation. Compliance in the sense that they've provided all the information we requested and when the documents come in what they told us from the initial meeting was true. Chairman and I just found it hard to believe that it was being rented out for five thousand dollars a year. That's like five or six hundred dollars a month for four and a half acres.

Especially for that type of not only commercial use but that's basically an industrial use. That type of property M1 is not easily found and the lease rent for that type of property is far and above over something residential, agricultural or regular commercial. So in that sense they're not in compliance totally, I agree with the question.

Commissioner Gumataotao – Only because that's supposed to be for agricultural purposes and if he's using it for commercial or industrial what stuff is being stored on the property? Are we able to reuse the land again? To lease it out again? Should they remove all the debris or whatever it is they are storing on there? I mean is it usable? They are destroying the land while we're talking here and they may be in compliance they may have provided paperwork but that stuff is still sitting there.

Administrative Director Borja – That's true Commissioner.

Commissioner Gumataotao – That's my concern if, you know we can't lease it out to people who are waiting for property.

Administrative Director Borja – I know EPA conducted a check on it like I said and unfortunately we didn't bring photos of the area. It is a M1 use which is industrial use which includes an above ground storage tank for diesel, a heavy equipment repair shop so your concern of are they conducting activities in there that may possibly contaminate the land. The answer to that is yes.

Commissioner Gumataotao – Because we can talk about them trying to negotiate so that they can keep the property but how are we going to if the land is not usable it's useless. There's no use trying to negotiate if we can't use that property again.

Administrative Director Borja – Understood. That's my report on the two enterprises and without any direction from the Commission…(did not finish).

Vice-Chairman Matanane – How about if you're saying we can probably work it out by getting that other corporation involved let's sit on the table and discuss it.

Administrative Director Borja – And maybe the ultimate result of that other corporation might be get out because what you're doing is endangering land. That might be the ultimate result on it. But I haven't met the M Electric Corporation the person that was subleasing from Mr. Layao.

Vice-Chairman Matanane – I suggest Mr. Chair that the Director can go ahead and see what they can come out of this and report back to us and then we can make the decision when he makes his report concerning the two.

Administrative Director Borja – So meet with Layao Enterprises and meet with M Electric Corporation?

Vice-Chairman Matanane – Yes.

Acting Chairman Calvo – But their contract is going to be out in May about two months from now and quote me if I'm wrong on this there's some legal fees because he basically

signed the lease agreement with that company but what we're saying here on the Board is he has to terminate if he wants to cooperate with that issue.

Administrative Director Borja – Well Mr. Layao is very cooperative but we haven't met with the thing and you know what I misread the lease agreement and I think we should meet with the corporate guy here because my apologies I misread the lease agreement and it's ten, it's not one year. The deposit is to be held for one year but it is ten years with an option for five. So I take back and my apologies to Commissioner Matanane but I misread the lease it is a ten year lease with an option for five.

Vice-Chairman Matanane – Because he will be breaking his lease.

Administrative Director Borja – Yes, he has some problems with breaking that lease although it is what we consider an illegal sublease.

Vice-Chairman Matanane – Yeah it's illegal anyway.

Acting Chairman Calvo – But there is an illegal activity to that on the electric company.

Administrative Director Borja – And that's what Commissioner Gumataotao is alluding to that if we allow the illegal activity continue and what is the illegal activity? It's conducting M1 use on property that is agricultural use on it. The effects of that are long term and quite serious if something does happen in terms of that. So I think at the very least we should call the M Electric Company in to meet with the Director and the Chairman and then possibly to come before the Board to be informed to let them know exactly what is happening and what type of situation they may be in and the concerns of the Board and what are their plans. Because now that the Board terminated Mr. Layao's license on that or if things stands out they basically have to move out the electric company unless they can work out some sort of arrangement with the Commission. So nothing changed in terms of the direction I will work with Legal Counsel on those issues.

Acting Chairman Calvo – Work with the Legal Counsel.

Benny San Nicolas – Mr. Chairman and members of the Board if I may I ask your indulgence, Peter San Nicolas is here, maybe some misconception that was given to the Board members earlier on, he's here. Please allow him to speak on this issue because the media is here and somehow the Director is lumping the other person that is in violation with Peter San Nicolas lease. Peter San Nicolas from my understanding is not in violation. So please, he's here can you just ask him to say what he has to say if he's in violation then you question so that it can be clear.

Administrative Director Borja – I don't think the Commission will have any problem with that I wished Mr. San Nicolas would have signed in on the section but you know Mr. San Nicolas when you say that the Director has given false impression to the media about non-compliance you know I have pictures of that area where this Chinese company was selling vases on the property and that is not part of the license. We can bring up that issue unfortunately I did not bring those pictures here but the alleged violation that I am alluding to is that there was a Chinese company operating on that lot in that building on that property selling vases. Now is that in compliance with the license? I don't know. But

the license was not to sublease or not to let that Chinese company occupy the building and sell those vases. That's my report to the Commission. Now is it a violation or not? I think so but I think Mr. San Nicolas we've met with him several times but if the Commission, I request the Commission allow Mr. Peter San Nicolas to speak definitely. Members of the public were allowed to sign in and to speak on what ever subject they wanted to. A couple of them deferred until their issue came about but I don't believe that this Commission would ever not allow any person to come and speak before the Commission. So I'm requesting that the Commission allow Mr. Peter San Nicolas if he wants to please come up and talk. I'll just say one statement, the issue that I brought this matter before the Commission was because of the fact that when I went up to the site I went into the building it was occupied by Chinese businessman, businesswoman. I talked to them they said they were leasing the building. They had all these pottery there which I did not think was the sale of agricultural products and that's the report that I made back to the Commission. That's what I'm saying now whether he's in compliance or not then somebody else decide that issue. But that's my report and it's not a verbal report. I have photographs and dates on the photographs on the visit that I made and I had several staff members with me also. If you go up there now there are no vases and there is no Chinese company. They sell tilapia and products as they are supposed to. Are they in compliance now today? Yes. Last night? Yes, I went there last night they were in compliance, they were opened late. I think they turned off the lights and shut off the building maybe 8 or 9 o'clock but they were still operating business. Now the business they were operating last night was it in compliance with their license? Yes, the products they were selling, yes. But when I visited that place several months ago, no. There were Chinese businessmen in there the only Chamorro that was in the store at that time was me and another staff member and what they were selling and it's not just inside the store I mean it's outside maybe even on the roof on the back. I can provide pictures to the Commission if they want that. Were they in compliance at that time? I don't think so. Today, last night, yes.

Benny San Nicolas – Thank you for the opportunity. I just feel that it's good to hear the other side of the story too when somebody makes accusation.

Administrative Director Borja – Yes, we did meet with Mr. San Nicolas and three of his aunts.

Benny San Nicolas – All I'm saying is please be fair and I know you are fair and I know that you want to do the right thing. And also if anybody make mistake and the person made that correction whatever mistake it is I think also that person should be given that opportunity. But I just want to thank you for allowing me the opportunity. I'm not here to challenge Mr. Borja.

Administrative Director Borja – You already did.

Benny San Nicolas – But what I wanted to ask the Board members is to please allow Peter San Nicolas or his representative here to speak.

Administrative Director Borja – He's more than welcome to Mr. San Nicolas. You see that when you made your first presentation I did not bring up the details about the alleged non-compliance but you challenged, you brought up the issue and the issue was at the time

that I made the inspection documented by pictures it was not in compliance with the license.

Acting Chairman Calvo – You know I just want to bring a point of argument to that. I was in that meeting with Mr. San Nicolas and his sisters that day when we had that meeting and the situation that day although he explained that they weren't doing anything but like I told him it wasn't our eyes that was looking, it was the public's eyes. And when the public comes out and the media comes out my Director has to respond to those issues. And it was not a false statement that he made on that and I supported the Director on that too. In other occasions and I have gone up there too myself a couple of weeks and like what Mr. Borja said about two or three weeks ago I did stop by there and yes, he was selling fish. Was he in compliant at that time? What we were talking was initially what was in the past and this is basically and I made that clear to Mr. San Nicolas at the time that it is the public's view, the public's eyes that really put you guys in a situation. And I have to defend my Director and I saw that for myself in the past.

Administrative Director Borja – And what I'm asking is to come back in spite of that motion that approved motion to terminate I'm asking to come back to see if we can somehow work something out where Mr. San Nicolas continues with his thing. I'm not coming out here I'm coming out here for the exact opposite. The Commission can come back and say as Mr. Matanane did you know Director we already told you what to do and you haven't done it. I'm taking a chance and coming back here and saying hey Commission can I work with Mr. San Nicolas and Mr. Layao to see if we can work something out where we don't drive people out of business but we continue and comply with whatever they're doing. That's all I'm asking. I'm not asking to terminate his license. I'm actually asking the direct opposite is to allow me although there is a motion on the floor and the Commission is my boss the direction to Commission is termination. I'm coming back and asking please can I go back and negotiate with these people and see if we can because as the record stands now what is on the record? Termination of license. That's what's on the record. I shouldn't be out there trying to negotiate to save the license because officially legally at least Board action is already terminate the license. But working with Legal Counsel and working with the applicants the licensee themselves as well as staff and see if we can work something out. As a matter of fact like I said as late as last night I was up in the area. I may have not stepped in the building but as late as last night I went up to check the situation so that I could make a report back to the Commission. Because if I come back to the Commission and say you know what lets give Mr. San Nicolas another chance and do the license and then you guys pass by there tomorrow and the vases are still there, you know what's the Director trying to do and like that. But you know I made "an inspection" as late as last night to be able to come up to the Commission and say you know what he's complying, he's doing what he's doing and Saturdays and Sundays. Can the Board reconsider the motion to revoke that as well as Mr. Layao and that's why I'm bundling it down because they were the first two. Is the situation the same? No it's not the same. Is Mr. San Nicolas conducting any activity that may pollute the property? Maybe if his car leaks oil but that's about it. On the situation with Mr. Layao is there any activity being conducted that may potentially contaminate the property? Yes there is. But the common thing between the two of them is that the Board has already terminated both of their license and we're trying to work out the legal process now to terminate those license. But I'm coming back to the Board saying can we save these licenses? You know a lot of people come and say why are you spending so much time on

commercial? I like to remind the Board and the public that what pays my salary and the salary of all these other people are the commercial licenses. It's not the dollar a year. What's my budget this year, what's the Commission's budget? It's whatever is collected the previous year from the commercial licenses. If you collect ten dollars, that's your budget. If you collect a million, that's your budget. What can you do with ten dollars? Probably a whole lot less than you can do with a million. Is it allowed under the rules and regulations? Yes it is. You know Ms. Rose came up and said the Land Trust is for residential and agricultural leasing. Yes it is it's also to generate money for the Land Trust it's not just for that.

Trini Torres – Excuse me please, if you're to allow this kind of violation isn't it going to set a precedence for later on that everybody can violate and keep on doing it? Because somebody did it and they were forgiven. You know we have to follow the law. Right? Your policy. The land is for our people not to be abused by others who are using it for in the first place you're leasing it and you're out to make good practice of business right not to show us that you're abusing the land. Yes because you're responsible Commissioner and I'm sorry Joe but.

Administrative Director Borja – And I agree with you Trini and Commissioner Matanane but I'm also the mindset as an Administrative Director and if it's not within the policy of the Commission that of course we can go out and terminate all these people the commercial ones that are not complying. But if I'm going to do that then the Commission should ask me to do the same and direct me to do the same for those commercial agricultural and residential ones. Because we have our own Chamorros also that lease land from the Land Trust and then sublease to a non-qualified. There's a saying that says we have met the enemy and he is us. Well I'll tell you the majority of the problems that we have out there that Pagat said, Danny Jackson, is not caused by outsiders, it's caused by our own Chamorros by our own applicants. It's not being caused by Filipinos, Haole or Koreans or like that. The majority the great, great majority of the problems where we go out there the Micronesian citizens are occupying our property and we talk to them they leased it from a Chamorro. They didn't just come in there, they had some sort of permission from a Chamorro to come in there. They don't just go in there and do it you know. And again I'm of the mindset the license is developing so what terminate everyone that come? Why can't we work with them to see if we can save the account? So what do we do for example with Mr. San Nicolas, terminate the license, see you later Pete, goodbye?

Commissioner Gumataotao – Yeah Joe but I believe that when they release the agreement it's an agreement between both parties, the Chamorro Land Trust and then the applicant okay. That's where I mean it's an agreement.

Administrative Director Borja – It's a contract.

Commissioner Gumataotao – That's right it's binding from what I understand. I understand, you understand the limitations the restrictions the rules and I can lease this you these are the rules that we follow this is why as long as you remain within that criteria then this will be allowed to be leased to you. Now should the other party fail to uphold that well is it in violation? Yes it is.

Ron Sarmiento representing Mr. Layao – When we were here at the last Commission meeting we did address the fact that there was a mistake that was done by Mr. Layao not being in compliance with his license agreement. Bottom line here the Commission is saying okay you are not in compliance and you are in danger of being terminated then of course even the lease agreement that Mr. Layao signed with M Electric is not legal. So if the Commission says well you guys have to chase them out and stuff like that, bottom line Mr. Layao doesn't want to be terminated from that property. Now if the Commission says you're in violation so either we terminate your license agreement or these guys have to get out then of course Mr. Layao will have these people move out. My understanding at the last meeting we were going to work out some sort of an arrangement if there was any way of trying to find a resolution to this problem then we would try to work that out. Now if there is no way to work it out and the Commission just wants those people out M Electric or Electronics then we'll advise them that they would have to leave the property. So the bottom line is that Mr. Layao just doesn't want his lease terminated. Another thing is that we also mentioned that there was a possibility of working out a modified license agreement so that those types of activities would be allowed on that property and as far as lease agreements if we're going to go into sublease agreement in the future we know that we would have to get permission from the Commission prior to doing that. So the Chairman did mention yes it seems like an honest mistake on Mr. Layao's part so now what we're trying to do anything that the Commission is requiring us to do to try to rectify this problem.

Acting Chairman Calvo – Ron when I made that statement okay and I specifically stated that it was an honest mistake but at the same token he was also held responsible for that.

Ron Sarmiento – Sure we understand that.

Acting Chairman Calvo – And that doesn't mean that he's on the clear.

Ron Sarmiento – No, I understand.

Acting Chairman Calvo – For whatever reason he made that mistake and like I said when you have that contract when he got that piece of paper well I got this lease agreement I can willingly do what I want not knowing that the contract really only provides him of what he can do on that property.

Ron Sarmiento – Exactly, yes.

Acting Chairman Calvo – So I just want to make that clear to you that when I made that statement to you that it's an honest mistake. We can hash it out here and there right now I think it is more wise for us to give to the Legal Counsel and then we'll get what the Legal Counsel's advisement and then if the Legal Counsel's advisement says this is the proper way to do it then I think that's the best way.

Ron Sarmiento – Okay that's fine with us. Thank you.

(Commission took a break at 3:45pm to 3:57pm)

VI. DIRECTOR'S REPORT

Administrative Director Borja – I have a short Director's report. Number one is just to let you know the continuing by pass project that we have every Saturday we are opened for certain applicants who's names were previously printed in the paper and out of a target number of by passed applications of 3,000 we will be seeing the 1,100 range. So we've already met with some of the first one-third, first one thousand of that by passed applicants. We want to let the Commissioners know though that whenever we print a hundred names on Wednesday, on the average we get about twenty-nine the following Saturday so it's only been a thirty percent route. And the other seventy names though a lot of times there are adequate explanations as to why they were by passed. Sometimes it's a second application or like that but we are addressing those people. Sometimes we by passed them because they were not qualified under the Land Trust law. But we are going through each and every name and we're up to the 1100 to 1200 range so we're about one-third of the way on that. We continue to be open on Saturdays but only for that purpose. Only for those not for general information and then in the afternoon staff tries to catch up work on it.

Administrative Director Borja - Secondly on our FY09 budget as you know our budget was $500,000 initially and then we discovered another $240,000 which the legislature in FY09 authorized us to use and so our total budget for FY09 was about $740,000. If you remember the Commission had basically directed that "extra money" for some particular projects. Number one was to try and get some staff to address the commercial division because we don't have anybody in there and we need to conduct an aggressive collection effort as well as review these commercial licenses to see if they're doing what they're doing as Commissioner Gumataotao and Commission Matanane mentioned earlier. Also on the commercial division the auditor will be coming in with the report for that. The other project that we were working on to spend some money on was the compliance review. We allocated approximately $100,000 of that in a memorandum of agreement to do compliance inspections and recommendations for those agricultural lessees working in conjunction with University of Guam College Extension Service and Dept. of Agriculture. That has been going on we expect to begin the first inspection actually and the training in the first week of April. We had some problems transferring the money from our budget because it was I guess DOA is not used to cash money as opposed to as to appropriated money. But that's being processed and I have a meeting this Friday with Bob Barber of the College Extension Service and the Attorney General's Office we need some guidance in case we go out there and we see some illegal activity we want to provide a process by which we report this to the Attorney General's Office. So we're meeting with them Friday to finalize that part of the inspection. On our FY2010 budget the Administration, BBMR has allocated us a ceiling of $523,000 so again BBMR is saying spend only $523,000. Actually it was an increase because a couple of weeks ago they said they were only going to authorize us $501,000. I am fighting that issue on the budget. I refuse to sign the budget because it's not adequate to support the running of the Commission so BBMR has submitted on behalf of the Commission the ceiling budget to the legislature. And as last year as the Chairman would know we're going to have to fight for our budget. Let me just say first that previous years FY06 we collected $497,000, FY07 we collected $626,000 and then FY08 we collected $520,000. Now there was a spike there the $626,000 that spike was because of collection efforts that the staff made on collecting back due rent from the golf course. The Golf Course paid us a $150,000 lump sum check. So that year we collected $626,000. This year right now we're tracking to collect $786,000. So what

should our budget be? $786,000 that's what we're fighting for that's what staff is fight for. We have already collected the $250,000 check from Tata Communications, it cleared the banks so it's good on that and the Alupat Island lease has been paid current I think it's $15,000. So by the end of the fiscal year we expect to collect $36,000 and the $250,000 which we did not expect last year. In addition to that of course we expect to collect more than $500,000. We average basically $500,000 on our regular leases. If we had gotten one of these guys earlier the collection people the staffing people from our money we could probably collect a lot more but we do expect to collect maybe normally we collect $500,000 we expect to collect maybe $580,000; $80,000 more. That's just with the staff we have now but we really wanted to hire staff from that extra money that we had but BBMR and DOA says that we cannot hire classified staff because that money that came in was a one shot time the $150,000 from the golf course. But we've already collected that same amount from Tata so that next year we'll even have bigger money and Chairman Calvo and I have been down to BBMR and down to the Governor's office to see if BBMR and the Governor's Office could ease off and give us a higher ceiling and instruct DOA to authorize us to hire people to do that. Absent that I think the Chairman has gotten has an agreement out from the Front Office that they would provide us with some staff help. Presently we have one person Mr. Ed Artero assigned to our office helping out immensely with our projects and if we could get at least two more especially for the commercial and the agricultural side it would really have some production to show. I'm looking at if we hire somebody in the $40,000 range I expect that person to probably collect $100,000 to probably $200,000 that his salary would have been well worth it. So that's what we're looking at in our FY2010 budget. The staff the Commission at this point does not agree with the level that BBMR has set and when we don't agree that causes all sorts of problems to us at the legislature where then the legislature has to pay special particular attention to us. But we're confident that the legislature would try and help us out for two reasons. Number one is our oversight chair for our particular agency is also the budget committee chairman so at the very least our committee chair knows in detail what our problems are and what our trials are over here so I'm hopeful that will translate into some help. He's already requested Revenue and Tax and the Public Auditor to conduct an audit on money that was collected by Revenue and Tax on behalf of the Commission. And that money a lot of people don't know it but Chamorro Land Trust property is taxed once you get a lease and like that. So we need somebody in the commercial division to start contacting all these commercial guys because they're not only obligated to pay the rent commercially they're also obligated to pay the tax on that property. And when Revenue and Tax collects that they put that in a special account it's not dumped into one account. So Senator Pangelinan has already requested the Auditor and Revenue and Tax to see if they can find out what that amount is. In my meetings with him last week March 12 he has indicated that if that money comes back, the amount comes back, the information comes back and it's a sizeable amount that he will see somehow that the Commission gets that money so that it can be used for what purpose it's being collected for. So he's been very helpful in that sense.

Acting Chairman Calvo – Joe I know that a while back I believe on the taxes we talked about this with Mr. Art Illagan on seeing how we can get all that money.

Administrative Director Borja – I hope so, we don't know what the balance is which is what the Senator's asking.

Acting Chairman Calvo – Yeah if that really goes through because like what Joe says too and that's really been my goal when I got on this Board is the law was passed and it says that there's tax for people who have a business or residence for that matter. The reality part of that we're paying property tax and why can't John Doe too pay the same property tax.

Administrative Director Borja – So we do expect some money on that.

Acting Chairman Calvo – It's just nobody really ever checked into it.

Administrative Director Borja – So Senator Pangelinan assured me and as of last Monday I know the public auditor responded to him but the public auditor is asking if he can ask Revenue and Tax for that report rather than the public auditor. But that's the efforts we're getting relative to our budget so we might see something else in our budget other than just the collection we've made from the licenses and the collections we've made from the leases. There might be some other money that might be available for that and he's saying that if it's a sizeable amount he'll have that money deposited in the bank to be used as collateral so that our clients can apply for home loans and the half a million dollars that we have in the bank now that that be released for our operations use. Because that's the intent of collecting those taxes was to put it into a security account that we don't spend but the bank holds and then the lending institutions loan money to build houses and that's the collateral in case they default. But the money that we have in there now holding that collateral is a half a million dollars which really is from our operations. But in order to issue some mortgages, VA and Guam Housing and HUD we had to have that money in the bank. They weren't going to issue any mortgages without that money in the bank so that's in there in two certificates of deposits. We don't spend that money in there. It's sitting in there which is why I think the Senator would like for us to use it and replace it with the money from the tax collections.

Administrative Director Borja - Item number five just to let you know that the land registration proceedings for about eight lots that has started. The research has started on it and hopefully we'll get the survey started on those issues but it has started and we should be seeing some productivity from that in the next couple of months. And this is we have some property but they're not registered, we have to have them surveyed and we have to have them land registered and that's one of the other expenditures that we hope to put money into our account so that we can finance that land registration project.

Administrative Director Borja - The memorandum of understanding with University of Guam and Dept. of Agriculture like I said the money should have been transferred by now. We have already begun the initiating, the transfer it should have been transferred by now. I am meeting with UOG and the Attorney General's Office tomorrow and we will be doing our first inspections out in the field probably about the first Wednesday of April.

Administrative Director Borja - We have not yet procured conflicts counsel. There are a couple of projects that are awaiting legal services, the Ypao Towers is one of them, Younex Corporation is one of them and a couple of other ones. But we have not yet procured, the request for proposals would have to come out through GSA but we pay for the publication and of course we ultimately pay for the contract when it is given.

Acting Chairman Calvo – Joe on that contract on the legal counsel the conflicts counsel you have to go to GSA for that?

Administrative Director Borja – It has to be through GSA for an RFP.

Acting Chairman Calvo – Have you submitted that?

Administrative Director Borja – No not yet. What we're doing right now is we're just typing out what we call the scope of work what these counsel attorneys are supposed to do with us because it's not like our Legal Counsel where it's just basically general legal services. These conflicts counsel have a specialized job to do and I think there were like four situations. So each of the scope of work for each of those are all different and that's being done now.

Administrative Director Borja - Next one is the commercial rules and regulations, I've met with Senator Pangelinan on March 12 and Senator Pangelinan is highly recommending that we bifurcate the commercial rules and regulations and changes to the regular rules and regulations and what bifurcate really means is to separate the two. If you look at the rules and regulations that we had the public hearing on and that we prepared that bill actually does three things. Number one is it establishes the rules and regulations it allows changes to the Paul Bordallo rules and regulations and then it made some changes to the Paul Bordallo rules and regulations. I'm actually inclined to agree with the Senator because these are really two different issues which previously we had tried to put together. And because of the complexity I guess of the commercial leasing program as well as the commercial licensing program Senator Pangelinan is recommending that we separate the two issues and submit them separately and then of course still maintain the process that we have which is through the Administrative Adjudication Act. Now in terms of the Administrative Adjudication Act the only guidance I have in terms of rule making was a booklet that the Attorney General had back in 1987 and I asked the Attorney General's Office if they have an update on that and they said they didn't. But they basically gave me an outline a summary on how to process things through the Administrative Adjudication Act and the last thing that I have to do before I submit it to the legislature is provide some legal review on it. We're transmitting that proposed rules and regulations to our Legal Counsel to make some sort of legal review on it before we turn it over to the Legislative Secretary and that will kick off, trigger that ninety day period where they can do something about it. I hope to meet with Legal Counsel sometime next week to prepare the rules and regulations to review it with her legal review and to prepare to transmit the rules and regulations to the Legislative Secretary separate but at the same time with the proposed rules and regulations. And the proposed rules and regulations you know if you really look at and most people do not recognize that part of it really is just for the commercial leasing. There's another part there concerning changes to the rules and regulations, the Paul Bordallo rules and regulations which basically applies to the residential and agricultural one. And that's what Senator Pangelinan is saying since those, they're all rules and regulations but since that part of the package really address residential and agricultural and this side addresses commercial that it would be a lot clearer and simpler to separate them and transmit them separately. So I'll meet with Legal Counsel next week and transmit that.

Acting Chairman Calvo – The Senator wants; that would that be in two different hearings at the legislature because the bottom line is it's going to go in their court.

Administrative Director Borja – And I'm not sure, I don't know, they have public hearings for different bills at some time. They might have one hearing date but hear two different items and not just one of them. Before I meet with Legal Counsel I want to go back to the Senator after informing you and without objection to do it that way to get more guidance from the Senator on how we should submit it rather than just throwing the whole package.

Acting Chairman Calvo – Because I remember Ben, the Senator and I spoke about that quite a while back and what he wanted was to and I specifically told him that the regulations was written back then by Ron Teehan and everything and what we have taken in the events of the public hearing in December 24 and what we put there in the agenda at the time what the public input will also be a part of that package.

Administrative Director Borja – I did mention to him I said the Commission thought about the idea whether we should incorporate the changes that were put at the public hearing into the rules and regulations and I told him that the Commission decided to just submit the legislation as is. But of course we are obligated to package the whole thing everything that came in there written or oral that has to be submitted so that the legislature knows the public comments on it and of course I assured him that would be in the package as actually required by the Administrative Adjudication law that even if you don't agree with it you have to submit it over to the legislature and then let the legislature decides. And basically I told him the reason why the Commission wanted to present it like that is the Commission felt that no matter what form and what thing we put in the rules and regulations when it comes to the legislature the legislature of course always has the option the law making body to change to add or something like that and that if the legislature does change it and the Commission does have a very, very serious concern about any changes they made I'm sure the Commission would speak to the legislature about that. But his idea of separating it is I think a good one and I think is a necessary one so that we don't complicate the issue. Because the basic thing is that its rules and regs for commercial leases but included in that package are also amendments to the regular rules and regulations. That's the way that the package was prepared not by us but by the previous Commission and we decided to have the public hearing like that.

Commissioner Gumataotao – That makes sense too because if you're going to make changes in the residential and agriculture the commercial is still…(didn't finish).

Administrative Director – Is still the same. So I'll meet him once again but like I said my recommendation is to follow his recommendation on doing it separately just so that it's a lot more clear especially in the public. Because if you've read the rules and regulations and the law you know pretty much that its separate but sometime the general public doesn't read the whole document and knows that it is separate.

Administrative Director Borja - The last item on my report is we are continuing with regular lease processing. We do have about I think about six phone numbers for the office and it is true I think it was Mr. Bautista who said there are occasions where people would call the office and the phone would ring and nobody would answer it. You know I have to admit that that's true but that's because that person sitting in that phone is either out of

the office or like that and we don't always answer the phone a hundred percent of the time. So what he's saying he's correct but we try to avoid that as much as possible. Of course if the number he's calling is for one of the Land Agents and the Land Agents happens to be out and other people in the office are not quick to answer so there is occasion like that. But we are still open, we're open 8 to 5 and on Saturdays we're open 8 to 12 but only for those by passed applicants and like that. And the renovation of the office I guess I'd say restarted but there's been substantial progress in the last couple of days to renovate the office. So that's basically my report Commissioners. We don't have any pending business at this time I think we took care of it under correspondence. I don't know if Commissioner Matanane had earlier requested an executive session or a break but really I don't have anything in the executive session.

Vice-Chairman Matanane – Then we'll forgo the executive session then.

VII. PENDING BUSINESS
None.

VIII. EXECUTIVE SESSION
None.

IX. ADJOURNMENT
Vice-Chairman Matanane – Move to adjourn Mr. Chair.

Acting Chairman Calvo – Meeting is adjourned at 4:21pm.

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

Approved by Board motion in meeting of: May 21, 2009

Administrative Director, Joseph M. Borja: _____
Date: _____

Chairman (Acting), Oscar Calvo: _____
Date: 5-21-09