Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932 Phone: 642-4251 Fax: 642-8082

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

Oscar A. Calvo
Commissioner

David J. Matanane
Commissioner

Michael J.B. Borja
Commissioner

Rita T. Franquez
Commissioner

Amanda L.G. Santos
Commissioner

Monte Mafnas
Administrative Director

REGULAR BOARD MEETING
AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Thursday, June 16, 2011; 1pm

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES
1. May 19, 2011

IV. PUBLIC COMMENTS

V. OLD BUSINESS
1. St. Lourdes Subdivision - Easement request on Lot 7128-3-1, Yigo

VI. NEW BUSINESS
1. Agfayan Incorporated - Termination of license
2. Tonko Reyes, Inc. - Use of CLTC property on Lot 10122-R17, Dededo
3. Pending appraisals/brokers price opinion
4. Barrigada Heights property request pursuant to existing lease

VII. DIRECTOR'S REPORT
1. Guam Resource Recovery Partners - Additional payment requested
2. Guam Raceway Federation - Mineral rights to be escalated
3. Guam International Country Club - Demand letter for latest billing

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT

Also discussed Hells Angels request to use rugby field.

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Acting Chairman

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Vice-Chairman

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Commissioner

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

COMMISSION MEETING MINUTES
Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, June 16, 2011; 1:10pm - 3:10pm

I. CALL TO ORDER
Meeting was called to order at 1:10pm by Acting Chairman Oscar Calvo.

II. ROLL CALL
Present were Acting Chairman Oscar Calvo, Vice-Chairman David Matanane, Commissioner Michael Borja and Administrative Director Monte Mafnas. Not present was Commissioner Amanda Santos.

III. APPROVAL OF MINUTES - May 19, 2011
Vice-Chairman David Matanane moved to approve the minutes of May 19, 2011 subject to corrections. Commissioner Michael Borja seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS
1. Frank Onedera Jr. & Frank Onedera Sr.

Administrative Director Monte Mafnas - Mr. Onedera's wife has an application and she passed on and we're in the process of assisting him. But Mr. Onedera's brother in law Mr. Mesa offered Mr. Onedera to utilize his farm and upon a verbal authorization he instructed him to use all of this land which equates to nine acres. And Mr. Onedera cleared it up and this is the subject lot is fronting Ysengsong Road going towards UR Market that area. He erected his fence and started planting almost a hundred trees.

Commissioner Michael Borja - Is this Machanao or Ysengsong Road?

Administrative Director Monte Mafnas - Yes. So I told Mr. Onedera that that was wrong and he doesn't have a lease or license and he went ahead and occupied that property for quite some time. No one was really complaining and then his brother in law started complaining at our department so I presented to give him an eviction notice effective yesterday and gave him 60 days to vacate the premises. So he asked if he can present his case as to what happened and that's basically the story of what transpired.

Commissioner Michael Borja - So the land is CLTC land under the name of Mesa, the brother in law.

Administrative Director Monte Mafnas - One half acre, brother in law but there's other Babauta family, other applicants, lessees other than Mr. Mesa.

Commissioner Michael Borja - Mr. Mesa only has a half acre and nine acres have been..(interrupted).

Administrative Director Monte Mafnas - That's right he purported that he owned nine acres so Mr. Onedera cleared nine acres.

Commissioner Michael Borja - And has been actively farming it?

Administrative Director Monte Mafnas - Yes, farming it and utilizing it and physically adversely possessing the property.

Vice-Chairman David Matanane - But there's no legal documents.

Administrative Director Monte Mafnas - No legal documents supporting it at this point in time.

Commissioner Michael Borja - But they have under the deceased wife an application.

Administrative Director Monte Mafnas - Yes.

Acting Chairman Oscar Calvo - But that application only states for half an acre right?

Administrative Director Monte Mafnas - No hers is an acre.

Acting Chairman Oscar Calvo - An acre within the same area?

Administrative Director Monte Mafnas - No because we haven't given it to her yet.

Acting Chairman Oscar Calvo - We haven't given it to her, okay.

Administrative Director Monte Mafnas - Yeah she was bypassed.

Acting Chairman Oscar Calvo - And the brother in law Mesa only has half an acre.

Administrative Director Monte Mafnas - Yeah so everything was pursuant to his verbal authorization.

Acting Chairman Oscar Calvo - But see the verbal authorization there is Mr. Mesa, Frank with all due respect your brother in law should only have been given half an acre by the Chamorro Land Trust and that's all he has and how he came upon saying that he own all that nine acres you know how he claimed that unless he can come up with some sort of documentation stating that all nine acres belongs to him.

Administrative Director Monte Mafnas - The general area are all half acres.

Acting Chairman Oscar Calvo - From looking from this yeah.

Administrative Director Monte Mafnas - So he's requesting if you can condense action today, he's not physically occupying any other places than highlighted in yellow which is probably three acres. So according to him no one has asked him to vacate the premises, no one has come up and told him off and told him to get out of my area. But I told him regardless there's still leases in effect we have to contact the owners of what they're intent is before anything can happen. So although Mr. Frank Onedera is a friend of mine I served him an eviction notice.

Acting Chairman Oscar Calvo - The problem there is if those properties they may have not called you or let you know Frank for that matter but those properties that's already been acquired or been given by someone else okay they..(interrupted).

Administrative Director Monte Mafnas - There are leases in effect.

Acting Chairman Oscar Calvo - Yeah so they're still in effect to that because we don't know these individuals whether they want to retain it or not.

Administrative Director Monte Mafnas - And we cannot assume that they're not going to retaining it or not that's right.

Acting Chairman Oscar Calvo - And for your brother in law why he came out with nine acres I don't know.

Frank Onedera Jr. - You know it was going on for quite a while, two years, three years my mom was still alive at the time but we didn't want to have that situation where if we were going to go ahead and do this would there be any disagreements along the way. We were kind of like postponing it we weren't really because it was a complete jungle area and it was hard there was no power, there's no water hookup there this and that. Although we did believe him that he had nine acres and within that nine acres the way we developed we've been transferring and transferring we've been using relatives property this and that and we've been getting ripped so I figured my mom's brother is the closest one we can rely on him. And to top it off when we went to see Mr. Monte about it because he was already having, he was choosing what site to take after we cleared six acres and developed it and beautified it and he wanted certain things to be done and we were like wow that wasn't part of the agreement. You just said if you need help because we had a problem a while back about getting robbed with our properties and our belongings and what we did is we even put a fence. We even put a fence up and I guess when he saw a fence he kind of figured that there's going to be restricted areas but I talked to him and I counseled him and I told him it's not to be restricted we can even give you a key but the thing is the fence is up just to be secure the things from stealers. Now along the way when we had this disagreement we contacted Mr. Monte to see what can be done. Apparently the property didn't belong to him in the first place so it's like we actually

developed a property that didn't belong to us and which also took, it kind of like figured us where whether he know about it or he didn't know about it. But he did come up a couple of times and he liked what was being done. I mean we spent about over twenty thousand dollars worth of labor and materials just to have a six acre development and if you come up there and look at it it's all about farming. We have some roosters up there. We've got complaints that there's illegal cockfighting going on. We don't cockfight up there we don't even have a business license to begin with. We're not going to do things like that to go against the law. It's just complaints probably from either him and it's just a misunderstanding. So we just want to like fix this problem before it gets any worse.

Acting Chairman Oscar Calvo - The problem that we have on this brod and by all due respect from your uncle I guess for whatever rational reason that he didn't inform you guys and I guess in trusting him in saying all of this here is my land and I think because right now first of all the Chamorro Land Trust it belongs to the people of Guam it doesn't just one owner. In fact nobody really owns a piece of property the Chamorro Land Trust to clarify that okay. Because that piece of property can be taken away today, tomorrow or next week okay. The difference to that is if you buy a piece of property at your own money then that is your property. But this particular property it belongs to all of us in here as a matter of fact. So ideally for that half acre that's all what's Mr. Mesa was really granted and the notion of this in the past brod was go ahead and farm don't worry about it that's mine. And believe me we have uncovered a lot of these issues now for that mere fact and yes you may have cleaned it out and so forth but I think when you start cleaning something out find out first if for sure it's your fathers or your uncles.

Frank Onedera Jr. - You know he also presented us a map and I was also sharing that with Mr. Monte that he had a map of his own a blue print and he actually had it highlighted whatever he owns this and that. So rather than even a verbal we still didn't go with that even if had a map to present. That's why we wanted to very if the map that he has matches the map with Monte and look at what happened it didn't. He was surprised when we told him Uncle Bill all you have is a half acre. He got all upset and said who told you this, all this and that.

Acting Chairman Oscar Calvo - Is your uncle still alive?

Frank Onedera Jr. - Yes he is.

Acting chairman Oscar Calvo - See that ideally he should have been here today too.

Vice-Chairman David Matanane - Does he have a lease, Mr. Mesa?

Administrative Director Monte Mafnas - Yes he does for the half acre.

Vice-Chairman David Matanane - Even the surroundings?

Administrative Director Monte Mafans - He does, yes.

Frank Onedera Jr. - And Mr. Monte had showed us because it's not to believe him or not this and that you know he's going against Chamorro Land Trust I don't know which to believe. I'd rather believe the department's own and see for my own self that you are only awarded zero point five acre.

Acting Chairman Oscar Calvo - And that's from what Mr. Monte..(interrupted).

Frank Onedera Jr. - And that's what Mr. Monte showed us so I felt at ease. I felt like okay even better but it's still going to be a total loss because we had developed it the damage is already done. You know we planted, we planted so much fruits and vegetables and hot pepper and coconut trees. I mean it's a beautiful place it's like a resort.

Frank Onedera Sr. - We got our pictures.

Frank Onedera Jr. - And we have pictures here to show you of how it was before and after. You know Mr. Monte was telling us just take pictures of what has been done this and that so we went ahead and we're really trying to go out of our way on this. I guess it's probably affecting my Uncle Bill to be making complaints.

Acting Chairman Oscar Calvo - And you're requesting for the whole 9 acres?

Frank Onedera Sr. - No only the place we're occupying.

Acting Chairman Oscar Calvo - Which is what?

Frank Ondera Sr. - Where my farm is that's probably three and half acre.

Acting Chairman Oscar Calvo - But that three acres is in the same.

Frank Onedera Sr. - Okay to what my understanding from Mr. Monte is that the middle area there is vacant. By the roadside is occupied by Navy..(interrupted).

Administrative Director Monte Mafnas - No it's vacant in use but there is leases in effect.

Acting Chairman Oscar Calvo - The problem there Frank is all these properties have already been assigned. Maybe that person could be in the States or somewhere and we don't know that until this individual because he has total rights okay.

Frank Ondera Sr. - Okay I do understand that but as far as LT and Department of Agriculture law stipulation of requirements by their law is for example right now if I can apply for Chamorro Land Trust and I'm granted for that privilege you mean to tell me that I can leave the island and come back within twenty years and I can still claim that property? I thought there's conditioning.

Acting Chairman Oscar Calvo - There's a period of time, there's a period of time okay.

Frank Onedera Sr. - That's my only question is that because I got witnesses from the Blas family in Machanao that that land was never been developed for fifteen years. They've been going back and forth not until I showed up and I cleared and I beautified Machananao. So that's my only question.

Administrative Director Monte Mafnas - It could have been an arrendo too a long time ago.

Frank Onedera Sr. - And nobody rises from here.

Acting Chairman Oscar Calvo - The most we can do on this Frank we have to look into this more in further more and see how we can but Monte has to really do a more research.

Frank Ondera Sr. - Please I appreciate it I even build a shrine for my wife because you know it's a family deal. I don't want to move, my wife applied and my son and they were given at least ten acres up in behind Wusstig's farm but you know the infrastructure is going to cost us a lot of money and I don't have that money.

Frank Ondera Jr. - We can trade it.

Frank Onedera Sr. - We can trade it from one acre to half acre. I don't mind if I get three acres as long as I don't move from that. That's all I need.

Acting Chairman Oscar Calvo - That can work.

Administrative Director Monte Mafnas - Put that in writing.

Acting Chairman Oscar Calvo - Put that in writing if your son is..(interrupted).

Frank Onedera Sr. - Yeah we're willing to exchange one acre to half acre.

Frank Onedera Jr. - I did a little research and it's actually in the back of my Uncle Ernie Wusstig's farm but to redo the road going in it's going to cost a lot and I was like wow.

Frank Onedera Sr. - It's going to cost us a lot of money and where I'm at right now..(interrupted).

Vice-Chairman David Matanane - He's going to exchange Chamorro Land Trust property to the Chamorro Land Trust property?

Administrative Director Monte Mafnas - That is correct.

Vice-Chairman David Matanane - He's not exchanging Chamorro Land Trust to Chamorro Land Trust because he doesn't own the property.

Acting Chairman Oscar Calvo - Actually what he's saying he's willing to give up he's got ten acres he's willing to give up.

Frank Onedera Sr. - For that three and a half as long as we don't move.

Vice-Chairman David Matanane - Who owns that ten acres?

Acting Chairman Oscar Calvo - His son.

Frank Onedera Sr. - My wife and him.

Vice-Chairman David Matanane - Personal or Chamorro Land Trust property?

Frank Onedera Jr. - Chamorro Land Trust you guys own it.

Vice-Chairman David Matanane - This is Chamorro Land Trust and you cannot exchange if it's not yours.

Frank Onedera Jr. - I know.

Vice-Chairman David Matanane - This is a sticky problem here we need to think about this because if you can do that then everybody can do that. You know this starts a precedence again and the other matter the previous one is if we did then everybody else too would want to. So there's a sticky problem here and you got to give us time to sort it over and have Mr. Mafnas do some homework. It's not that we don't want to you know we try to help out but it is a sticky problem and like you said you want to trade. You cannot trade when it's not yours.

Frank Onedera Jr. - If it was my own personal property I don't think I'll trade it for Chamorro Land Trust property. You would win in that situation a lot.

Vice-Chairman David Matanane - You understand where I'm coming from?

Frank Onedera Jr. - Yeah I understand sir.

Acting Chairman Oscar Calvo - I sympathize Frank where you're coming from but you know this is like what Mr. Matanane is stating here is if we start doing this it'll set precedence and they'll be saying we gave Mr. Onedera for that matter because it's not your land it's the Government's land.

Frank Onedera Sr. - I know.

Acting Chairman Oscar Calvo - Unless the Government unless the legislature..(interrupted).

Frank Onedera Sr. - No matter what it's still CLT you know no matter what it's just a privilege that we've been given to accommodate that. My only major concern is I plant a lot of plants. Three hundred fifty calamansi trees, four hundred coconut trees, avocadoes, mangos, name it. Eggplant, bitter melons all kinds of plants.

Acting Chairman Oscar Calvo - Frank I don't disagree and I know you probably did all this but..(interrupted).

Frank Onedera Sr. - I'm just one concerned citizen that I just want to farm and you know I know there's fifteen thousand applicants out there waiting to be on the list you know to get the privileges but I'm just asking because of what I had invested on that. I beg of you guys can I just maintain that property and continue what I'm doing? If any chance in the future I could if I could be given the privileges to transfer to business I want to market my vegetables so far and you know. Every since I retired in 1990 that's all I do is farm.

Commissioner Michael Borja - But it's occupying I mean all those other lots have all been assigned, they're all leased they're just not occupied.

Administrative Director Monte Mafnas - That's right.

Commissioner Michael Borja - And they're not being used by anybody. What's the deal with that?

Administrative Director Monte Mafnas - Yes that's right we will definitely visit this.

Commissioner Michael Borja - And these are all residential lots, these are half acres?

Administrative Director Monte Mafnas - No agriculture.

Commissioner Michael Borja - Half acre agriculture.

Vice-Chairman David Matanane - So you know move Mr. Chair to maybe come back to this situation and as soon as maybe Mr. Mafnas can give us some light at the end of the tunnel. But you know we'll look into it and then maybe Mr. Mafnas can give us some ideas as to how we can rectify.

Frank Onedera Sr. - Thank you so much. The only burden here for us is that we gather a big drum to obtain water to supply our plants you know that's the only hardship we've been going through now so later on in the future if I were to be granted this I want to apply for water and power temporarily for what I'm doing.

Vice-Chairman David Matanane - And you're concerned about the letter that you received already.

Frank Onedera Jr. - Yes, I just read it and let it went out the other ear because the only thing I can say for that is we don't have any authorization which I understand. We don't

have any authorization that we're using that property but if anything we developed it and we cleaned it whoever the original owners are if they came over and they saw it and they want to claim it now it's like thank you. It's like a thank you, you know.

Acting Chairman Oscar Calvo - Yeah.

Commissioner Michael Borja - Who's the one that brought this to the attention? Your Uncle Bill?

Frank Onedera Sr. - Yeah he came to me and approached me and offered me the..(interrupted).

Commissioner Michael Borja - No I mean who brought it up that don't want you to be.

Frank Onedera Sr. - Him after I cleared out everything.

Acting Chairman Oscar Calvo - Monte what's your..(didn't finish).

Administrative Director Monte Mafans - I will do my due diligence to research everything. I quantified the lots but I need to initiate further dialogue with them verbally but I do want to commend Mr. Onedera I suggest he should run for Mayor because that place has never looked so better than it has today and I really appreciate him demonstrating to the other farmers how to farm.

Frank Onedera Sr. - You know I encourage each and every one of you to pay my in fact this coming Friday I'm having a..(interrupted).

Frank Onedera Jr. - I feel sorry for you if you're going to work him. We call him the meat grinder.

Frank Onedera Sr. - I'm sixty five years old but I'm still going on you know so. That's what keeps up being alive you know.

Administrative Director Monte Mafnas -Thank you very much you heard what the Commissioners said we'll work okay.

Acting Chairman Oscar Calvo - But understand that it's the law that we have to abide to. It's sadden in some way or another because you know you're Uncle shouldn't have..(interrupted).

Frank Onedera Sr. - Yeah from now on I learned my lesson now and should never make that mistake.

Frank Onedera Jr. - You know I think he probably feels we're going to fight this or I don't know he just doesn't want to accept no for an answer.

Frank Onedera Sr. - I'm not encroaching Mr. Mesa's property I'm too far away from him. I don't know why he wants me to be evicted within that concerned area. To begin with I'm not invading his property I'm not encroaching..(interrupted).

Commissioner Michael Borja - Oh you're not even using his property?

Frank Onedera Sr. - No I cleaned his property for him.

Commissioner Michael Borja - He just told you that that part was his too?

Frank Onedera Jr. - The whole nine acres is his and we still haven't even cleared three more at least.

Frank Onedera Sr. - I even plant coconut, mango, avocado.

Commissioner Michael Borja - This is your wife's brother?

Frank Onedera Sr. - Yeah.

Vice-Chairman David Matanane - I know you're concerned about the letter that Mr. Monte sent to you guys.

Frank Onedera Sr. - Yes I'm very much concerned.

Vice-Chairman David Matanane - Since he gave you sixty days rest assured that before that sixty days Mr. Mafnas we can be hear again to go (inaudible) it.

Administrative Director Monte Mafnas - Yes.

Frank Onedera Sr. - Please I appreciate it a lot hopefully that you take it into consideration, give me that opportunity, thank you again.

Acting Chairman Oscar Calvo - Okay Frank but you understand our hands are tied.

Frank Onedera Jr. - Thank you Mr. Monte.

Administrative Director Monte Mafnas - Thank you gentlemen.

2. Jesus Quintanilla

Administrative Director Monte Mafnas - There's another interest that is being requested and that's Mr. Quintanilla. Mr. Feliciano Layao of Layao Enterprises has appointed Mr. Jesus Quintanilla to be his full power of attorney and act on his behalf and I would like to ask Mr. Quintanilla to step up to the plate. They're asking consideration of the termination of the lease which would expire June 30th this year.

Commissioner Michael Borja - This is when we extended for ninety days for them to move out.

Administrative Director Monte Mafnas - Right. But having said that I think it's only fair that they give back some of the area if the Board decides to receive clearing as good faith and continue the lease. They are presently occupying five acres and I think we should at least get four acres back. Depending on where the house is the structure is located and the piggery I think we should carve out yes that area and give them that and take back the rest. So I asked Mr. Quintanilla to present his case on behalf now acting as Attorney in Fact for Mr. Layao of Layao Enterprises.

Jesus Quintanilla - My name is Jesus San Nicolas Quintanilla and like what Mr. Mafnas mentioned on our last meeting or last month's meeting I did approach him and I also spoke to Mr. Layao at the end of the meeting what had happened and he's aware and he's willing to clean up and do whatever is necessary to occupy that place. So far we have taken out all the junk metals out of there. Right now currently we have a recycling person over there picking up all the metals and what not. So the tires are gone there's one working back hoe on that lot. Currently right now we're cleaning up the middle section and we're going to break down the middle section and keep the bottom one. According to Mr. Mafnas there's three structures, we did vacate the front with the tenants as well. There's nobody living in there but Mr. Layao and the wife. So, so far we have done a lot to clean the place up.

Acting Chairman Oscar Calvo - Did Mr. Layao remarry?

Jesus Quintanilla - Yes sir.

Acting Chairman Oscar Calvo - Okay because I know his wife passed away.

Jesus Quintanilla - Yes sir.

Acting Chairman Oscar Calvo - Now Mr. Layao lives in the front in that main building.

Jesus Quintanilla - The front there's three sections like Mr. Mafnas mentioned, there's on the front, the middle and the back.

Acting Chairman Oscar Calvo - I know but my concern the two in the back, the one in the front where the wooden structure there's people living in there. Is Mr. Layao staying there? Where, which building is Mr. Layao staying?

Jesus Quintanilla - In the middle sir.

Acting Chairman Oscar Calvo - In the middle okay so and that connects also with the piggery area.

Jesus Quintanilla - Yes sir.

Acting Chairman Oscar Calvo - So which adjacent to that is the second building with the piggery area.

Jesus Quintanilla - Yes.

Acting Chairman Oscar Calvo - And then far to the corner on the back where there used to be the rental.

Jesus Quintanilla - Yes.

Acting Chairman Oscar Calvo - To me how much of an acre because we can't give you that whole five acres there's no way I'll tell you that like what the Board says no way. And even if you act on beyond that okay it's limited time for that I think Monte okay until I hate to use the word when Mr. Layao expires that expires too.

Administrative Director Monte Mafnas - No it's a commercial lease that he has.

Acting Chairman Oscar Calvo - Yeah but see he's only but he's under the commercial lease is basically on Mr. Layao's company.

Administrative Director Monte Mafnas - That's correct and it's my understanding that Mr. Quintanilla is going to be partners with him. Is that correct?

Jesus Quintanilla - Yes sir and right now also Mr. Layao also notarized the issue that he's willing to give me the rights to that lot and no longer have his name on it so he has no control over that lot. If it's possible and I'll be the one to control it.

Vice-Chairman David Matanane - When did you become partners?

Jesus Quintanilla - Less than a year sir, less than a year.

Vice-Chairman David Matanane - Is there anything in writing or do you have a partnership agreement?

Jesus Quintanilla - Yes sir, less than a year.

Acting Chairman Oscar Calvo - Is that all in black and white?

Vice-Chairman David Matanane - But the mere fact that Layao Enterprises was the one that lease the piece of property up there that doesn't have anything to do with your partnership.

Jesus Quintanilla - That's okay sir I'm aware of that. Whatever you guys decide I'm fine with that. I'm just asking that if possible that I take over Mr. Layao's lease and I'll be the

one to farm and agriculture that place on that area too as well. That's what I'm requesting.

Acting Chairman Oscar Calvo - But his lease is under his former wife.

Jesus Quintanilla - I believe sir he changed that over to a commercial lease. I don't know what's the situation I don't know the full history. I just met Mr. Layao about a year ago and he's willing to hand over the lot over to me.

Vice-Chairman David Matanane - What has been done at the previous meeting should go on and let it ride then come in and request for that. Mr. Quintanilla you know where I'm coming from?

Jesus Quintanilla - Yes sir.

Vice-Chairman David Matanane - Alright so can we just probably table this and let what we have decided in the previous meeting let it go and then you can come in and state your case.

Administrative Director Monte Mafnas - In other words all those contingents shall be met, all those infractions will be removed and solid waste, encroachment issues, buildings. There's supposed to be only one building per lease not three, not two but just one.

Jesus Quintanilla - Yes sir we're aware, we are aware of that.

Administrative Director Monte Mafnas - If you do your due diligence and present it to the board.

Jesus Quintanilla - We are complying sir to all the rules and regulations.

Administrative Director Monte Mafnas - You are compelled to comply I appreciate that.

Acting Chairman Oscar Calvo - Then the Board can probably reconsider that.

Jesus Quintanilla - Yes sir.

Acting Chairman Oscar Calvo - But within the next ninety days whatever and then whenever the Board reconvenes then we then this and we will do a thorough inspection of that. We will go out because I am very aware of that place.

Administrative Director Monte Mafnas - Very good.

Jesus Quintanilla - Yes.

Acting Chairman Oscar Calvo - I just want to know though that that house that Mr. Layao where Mr. Layao stays there should be no other people living in that area.

Jesus Quintanilla - No sir nobody is living on that lot besides Mr. Layao.

Acting Chairman Oscar Calvo - Yeah because the two homes in the back I don't care..(interrupted).

Jesus Quintanilla - No one is staying there, no one is staying there sir Mr.Layao is complying.

Acting Chairman Oscar Calvo - And that also will not be used also as a junk yard area.

Jesus Quintanilla - No sir it's not going to be used as that.

Acting Chairman Oscar Calvo - Because that lease actually basically was really for a piggery.

Jesus Quintanilla - Yes sir.

Administrative Director Monte Mafnas - That's right.

Acting Chairman Oscar Calvo - So you better start raising pigs.

Jesus Quintanilla - There is pigs on the lot sir.

Administrative Director Monte Mafnas - And no cockfighting right?

Jesus Quintanilla - I'm a cockfighter sir but there will be no cockfighting on the lot I will raise chickens but I will not fight on the lot.

Acting Chairman Oscar Calvo - Oh don't worry we'll find out.

Vice-Chairman David Matanane - Premature, premature, it's not approved yet, I'm sorry sir.

Acting Chairman Oscar Calvo - Okay.

Jesus Quintanilla - Yes.

Vice-Chairman David Matanane - So you know where we're coming from and then you know after the fact then you can come in and probably state your case.

Jesus Quintanilla - And Mr. Mafnas I did deliver the three letters from Mr. Layao regarding the, his willing to deed over or give me the rights to that lot and what not and the issue of what we're going to use the lot for as well.

Acting Chairman Oscar Calvo - Actually he can't deed that to you.

Jesus Quintanilla - No I'm just saying that giving me the rights to his part to me that's all we wrote on the letter that way if anybody does want to use it I have the right to use it before any other individual uses it.

Acting Chairman Oscar Calvo - No, no you don't have any rights.

Jesus Quintanilla - According to Mr. Layao from Mr. Layao.

Acting Chairman Oscar Calvo - No even from Mr. Layao. Mr. Layao can't deed any property to nobody else.

Jesus Quintanilla - Okay.

Acting Chairman Oscar Calvo - If he's going to deed it he's going to deed it back to Chamorro Land Trust.

Jesus Quintanilla - Yes sir.

Acting Chairman Oscar Calvo - He does not deed that because that is a Chamorro Land Trust okay. Even ourselves here we can't deed that.

Jesus Quintanilla - Well not necessary deed sir the transfer of the title but rights to the place to utilize it.

Vice-Chairman David Matanane - No he doesn't even have the rights to give anybody else.

Acting Chairman Oscar Calvo - Nothing of that nature, okay?

Jesus Quintanilla - Okay yes sir. Thank you very much.

3. Pascual Artero Sablan - Good afternoon Mr. Chairman, Commission members, Mr. Monte Mafnas. My name is Pascual Artero Sablan, I'm sorry I don't feel too comfortable appearing before you today because I was heading down to Urunao this morning when I received a call from my wife that I have to be here this afternoon and being a very meticulous person I would like to come before to make a presentation but I don't have anything with me other than try to answer any questions and of course to plead for your consideration and approval on my daughter's request.

Commissioner Michael Borja - Can you tell us what that is since we don't have any documents on what it's about?

Pascual Sablan - My daughter was an unmarried woman and I believe that, she believe in good education so what she did is she went to University of Guam got her bachelor degree then after that she left the island then came back pursued her master and then

she worked for the Superior of Court of Guam for little bit of over two years. Within that two years while she was employed with Superior Court she got married and the husband is reassigned to California and since she got her master already and working at the Superior Court at that time I guess that's what really convinced her to further her education. She wants to study law and she left last Saturday morning to be with the husband at the same time she wants to pursue her education in law you know. And of course she's a recipient of the Chamorro Land Trust I helped her. She built a house she started out with a hundred twenty thousand dollars building and then an amendment of eighteen thousand plus after that she put a lot of investment and she's away and would like to ask the Commission for special consideration whether she can be allowed you know for at least five years time to lease out her house while she's away being with the husband and furthering her education. She believes in five years time, she's very confident that she can finish it in maybe four years but you know she's requesting at least five years and that special consideration so she can lease the house. Of course her sibling I have two daughters they're living right next to her they have their own house their own lot. My son is in Saipan staying there and I cannot ask any other kids that's all I have four of them to why don't you move in and lease this. I have a house myself you know and only my wife and my grandson is staying with us so we have a big house so.

Acting Chairman Oscar Calvo - So Tony basically what you're asking the Commission because it's a Chamorro Land Trust property and she built on that house and everything and you don't want to lose that. First and foremost you won't lose that.

Pascual Sablan - Definitely.

Administrative Director Monte Mafnas - I apologize I did speak to someone on Wednesday is that you misses?

Mrs. Sablan - No.

Administrative Director Monte Mafnas - I know somebody came up and talked to me with that and what we're trying to objective here is set up a policy to accommodate your daughter because she has met that criteria but I forgot who was the person I met with and I didn't receive anything in writing. But that policy I want to present to you and the Board that in consideration of an existing lease and because she's in the military it is my opinion that we should accommodate her.

Commissioner Michael Borja - She's in the military or the husband's in the military?

Pascual Sablan - The husband.

Administrative Director Monte Mafnas - But she travels with the husband so it's the same thing so all we need to identify is the timeline. I'd rather that we, my reasoning for that is I'd rather that we, I recommend that we give her the opportunity to rent the house otherwise if she doesn't pay for the house and the bank foreclose we're in deeper problems. So we either guarantied the loan or not. So basically this alleviates the

financial strain to Chamorro Land Trust. And she built a house and it's their funding not ours so I recommend that we consider the timeline to accommodate this situation. And I apologize I think it was Napu from Senator Pangelinan that brought this up.

Vice-Chairman David Matanane - I think it's better to have it reduced it in writing and put for a report for the Board to look into and then we can write up based on your asking for your daughter to rent out the house.

Pascual Sablan - Yes.

Vice-Chairman David Matanane - And please have your daughter write it out. Put it in writing, reduce it in writing then submit it to the Board and then the Board will decide.

Acting Chairman Oscar Calvo - Actually Tony I commend your daughter and you guys for doing that because you could have easily done that for not the Chamorro Land Trust but being coming up and being truthful to us.

Vice-Chairman David Matanane - Informing us and doing that.

Acting Chairman Oscar Calvo - You've taken that trust to Chamorro Land Trust because your daughter could have gone and you know and then two years down the line or three years down the line or whatever we find out you know. Which is that is good I commend that portion of the trust and being a Chamorro Land Trust and this is where it really gears up but like what Mr. Matanane stated is you know write it down.

Vice-Chairman David Matanane - Put it in writing have your daughter you know request for that.

Acting Chairman Oscar Calvo - And her husband where she's going to be because yeah.

Commissioner Michael Borja - She's the leaseholder so have her send it.

Vice-Chairman David Matanane - It's her lease and she's the owner of the house she should write a request too for her to..(interrupted).

Administrative Director Monte Mafnas - Consideration.

Pascual Sablan - Yes okay I will.

Acting Chairman Oscar Calvo - But you got to give us a timeline Tony on that okay.

Vice-Chairman Oscar Calvo - When can she submit that to the Board?

Pascual Sablan - I will.

Acting Chairman Oscar Calvo - Okay.

Administrative Director Monte Mafnas - I want to apologize to Napu because he was one who informed me but I did not have it in writing.

Acting Chairman Oscar Calvo - Honestly and truthfully I commend you for that okay and like I said we could have easily do that on the back door and see these is a lot of the transparency of other people do that. They build and then they lease it someone else. At least we know we have documentation that yes you did come to the Board and did tell that to the Board being truthful about it.

Pascual Sablan - Then I'll prepare all these things and submit it to Mr. Mafnas.

Acting Chairman Oscar Calvo - Yeah right.

Pascual Sablan - Thank you very much.

Administrative Director Monte Mafnas - Any objections Mr. Sablan? No objections?

Tony Sablan - I'm here to support my brother.

Administrative Director Monte Mafnas - Thank you very much I just want to quantify it for the record.

4. Dr. Bob Barber - Bob Barber, University of Guam, Project Director on our MOA. A couple of things I guess you know we're getting close to the end of this MOA and I wanted to make you all aware of a couple of things. We sent out seventy four letters of non-compliance so far. We anticipate another thirty in the next two to three weeks. We're reaching the end of the inspections. We did a hundred and fifty four site inspections over ten percent of your ag lands. In this, seventeen are going to need to be revisited because we didn't have data needed to make determinations of compliance or non-compliance so we have to return. But at the same time besides the thirty letters we're about to come out with we have data sheets that are not yet in the computer of the final thirty six that we did do. Now at this point in time this MO, even prior to the beginning of this MOU the intent was that we would be training people we'd be working with them and then positions would have been opened up and advertised so that the trained people have a chance to apply through Civil Service procedures. This hasn't happed yet. So you're still stuck with what you had at the beginning of this thing except that you have two people on your staff who have received some of the training. As noted yesterday in the MOA to work the three agencies under the MOA each has their representative had a role to do. In the second year of the MOA, UOG also assumed the role of the Department of Ag. So while your staff has been trained and what the Land Trust was supposed to do under the MOA they have not been trained in full ag monitoring. You have two who have a leg up on this but unfortunately your other agents have been denied this opportunity. I was going to suggest and I would like the Commission to discuss and then meet with Monte on this but I would like to suggest that in the last two months of this MOA that we do an aggressive training. First, an aggressive assessment of your existing agents and then aggressive

training of your agents as much as we're capable within two months. Just in case you don't get appropriations or whatever to hire the needed people. We've noted repeatedly you need at least six more land agents, you need an ag specialist II, you need quite a few of technical expertise and it will be a shame to let this thing end without you having at least some of that in house. So one of the reasons I'm here today is to suggest that maybe we focus a good bit on the end of training the other agents within Land Trust and utilize these seventeen follow up visits we have to do and thirty to thirty six more data forms to train the other agents and assess their capability of entering these into the computer and generating these reports that result in the letters of compliance and non-compliance. This would be very useful for the Land Trust in two different ways. It will document pre-training and post-training aptitudes to the agents and allow us to know where we're falling short in terms of expertise. So formally that's one reason I'm here today is to suggest that maybe we want to think about this. Of course Monte has an incredibility heavy workload for everybody in the Land Trust because obviously Land Trust is an agency that should have about thirty employees it only has about eleven. So we have to work the training around the needs of the Land Trust but I believe we can do that by picking one or two days a week where we take a half day and we focus on this stuff. So that was one thing I wanted to put on the table. Another thing I wanted to formally announce is the training schedule that we have developed for the Land Trust and we should have given this out to the people that were here, starting tonight with the training on the rules and regs relative to the ag lease programs. In listening to discussions that went on today the Land Trust staff is sorely in need of this training. Also I would like to conduct the same training we're doing tonight for the Land Trust staff tomorrow or sometime next week. But just to use one example you had two people come forward today with ag leases where the lessee was in violation of the Paul Bordallo rules and regulations and specific term was no one may enter into contracts covering lease lands. No lessee may without written approval from the Commission enter into any contract, joint venture, agreement or other arrangement with any third party for the cultivation. It further notes that violations of this are grounds for cancellation of the lease. There's other areas in the rules and regs that note that the lessee is responsible for any liabilities he incurs to the Land Trust. You have a man who put in an enormous amount of labor into planting trees and came before you today, the land agents should have just right off told Monte that you know we need to assess their Uncle for the value of this work so the Land Trust may pay these two gentlemen who did the work for the value of their work and then bill the Uncle forward and also start proceedings for the cancellation of his lease. I mean if you follow the law.

Administrative Director Monte Mafnas - That's off the record. Delete that statement that's off the record.

Dr. Bob Barber - Off the record okay.

Administrative Director Monte Mafnas - We're not going to pay anybody.

Dr. Bob Barber - The key issue was it wouldn't be the Land Trust that paid him but it was in a way they were here with the belief that the Land Trust had an obligation to them. It's

not the Land Trust that has the obligation it's the lessee that brought them into the land and that's the specific reason that they don't allow these arrangements without prior approval by the Land Trust and the Arteros are to be commended for coming forward and following the rules and asking for permission to do this. But my point is within Land Trust and within this project we uncovered many aspects because there's many parts of the law that apply here. You've got the Paul Bordallo rules and regs, you've got Chapter 75, you've got the lease itself and the multiple version of ag leases. And the land agents except for the two who participated in the MOA have not had that opportunity to be trained in it so they could advise people. So I wanted to announce these workshop series you know they're going to be every Tuesday, Thursday nights from 6 to 8:30 and Saturdays for the rest of this month and into the first week of July.

Commissioner Michael Borja - How is this being advertised?

Dr. Bob Barber - Well it was in Tuesday's PDN. What I was hoping we'd be able to do is actually these people who received non-compliance letters have the Land Trust staff call them and notify them. Since this hasn't been done I suspect the one we're doing tonight on the rules and regs we'd probably have to offer this one again and the University stands ready at any time to conduct workshops you need us to conduct.

Acting Chairman Oscar Cavlo - Monte I think because we did speak about this yesterday and I think it's really good for our employees to go this. They have to participate on this program. They may not like it but I think it's going to be part of their work and they're going to have to aggressively go to that listen in to or whatever knowledgeable thing that we can take out of that.

Administrative Director Monte Mafnas - At least the three out of the five because two have already been there.

Acting Chairman Oscar Calvo - Exactly yeah.

Dr. Bob Barber - Well even those two in our training we weren't focusing on making them follow the ag production stuff and to know the technical expertise to advise them in terms of ag so it would be beneficial for them to receive this too.

Administrative Director Monte Mafnas - Okay very good so noted.

Dr. Bob Barber - I would say for your agents and you know I think it would be good. The problem is because in order to meet your client's needs we're doing them at night and on weekends so I don't know what you can do with Civil Service. But if we need to we can include all of this material, we're doing trainings for the UOG green interns during day time at least the practices that are contained in these we're actually teaching them. So we'll be setting a schedule for the green intern trainings for the next month Friday I think and I can then provide Monte with day time possibilities for some who can't make night. The full trainings and just to have a presence of the Land Trust at these trainings since you're co-

sponsor of the trainings would be nice. But because some can't or unwilling to because of they say it's my job I don't have to come at night we can make available..(interrupted).

Acting Chairman Oscar Calvo - I think what we can do with this Monte and I think its very maybe it would because it's a forceful issue to but if they're going to be going on training we can conduct that training maybe try to work something at the Public Works compound.

Administrative Director Monte Mafnas - We call that flex time like you're saying you know.

Acting Chairman Oscar Calvo - Yeah but they have, that's going to be because of their position they have to participate and if they don't they're going to get write up for that matter.

Administrative Director Monte Mafnas - So noted I like that.

Acting Chairman Oscar Calvo - Okay. Are you in agree with this both?

Commissioner Michael Borja - Yes.

Vice-Chairman David Matanane - It's a must.

Acting Chairman Oscar Calvo - It's a must that they participate on this program and then for them that they take full knowledge to this issue.

Administrative Director Monte Mafnas - They as in land agents.

Acting Chairman Oscar Calvo - Right land agents. That is their title, that is their job and after all this is conducted they're going to have to go out there and perform this.

Administrative Director Monte Mafnas - Very good.

Acting Chairman Oscar Calvo - Okay. We're okay with that? So noted.

Dr. Bob Barber - Okay and then the other thing is as we did yesterday reviewing the issues we've identified with the ag program maybe a little bit later in the month we can then invite the Commission members to the University and do a presentation on our findings in terms of the commercial and what we believe in terms of staffing patterns and that would be the next topic. And then maybe later a third one to review again what we found with the multi-agency advisory committee. Again strongly would advise the Commission to aggressively pursue requesting the Governor to reactivate the multi-agency advisory committee. That was a very useful thing for talking about dealing with your bigger picture issues of land registration, subdivision plans and stuff like that. It was an enormous amount of expertise I learned every meeting I learned new things and I think it would be very useful to you.

Acting Chairman Oscar Calvo - It was very, very instrumental because I participated on a lot of those and that was one of our objective at the time because we like I said we brought in all the line agencies because at the time I told the Governor I need to know because the Chamorro Land Trust deals with everything. You know I mean not only from health to other issues. So it's not just giving a piece of property over there to anybody else but they have to follow all these criteria. So every line agency brought up their points, counter points and what not you know how we can go about it from tax to health to environmental issues and so forth. I think we you know maybe we'll try to right now..(interrupted).

Administrative Director Monte Mafnas - That will be predicated if can identify funding. Please be advised Commissioners that we are in cost containment measure, we are in an austerity program. Although we all agree that it's an enlightening for all concerned the bottom line is we just don't have the money at this point in time.

Acting Chairman Oscar Calvo - What we did with that Monte was the Governor did an executive order on that which it's not required any budgetary for that and basically we were only you know the Governor has to do that.

Administrative Director Monte Mafnas - If we can do it again so be it.

Dr. Bob Barber - It was an executive order that basically pulled the cabinet in and had them designate the members within each organization, Public Works and all the rest to deal with these issues that relate to the issues faced on the Land Trust. And we started out meeting every two weeks we later dropped back to a month given the new administration's need to face the issues it might be good to reactivate it. Because you have within the bureaucracy that is GovGuam an enormous pull of professionals who have been dealing with the problems created by the problems with the Land Trust for their own agencies and they all have pieces of the pictures and these are highly trained qualified professionals who are dedicated and who really want to fix the Land Trust and are willing to come to these meetings and they were coming religiously and doing homework and coming back with reports. It was a gift to the Land Trust from GovGuam in terms of having this expertise at the table and I think it was probably the most useful action we did in the past. Well no the most useful was probably pursuing the commercial leases but then following that and Monte I commend you I'm listening today you're doing I think a great job and following..(interrupted).

Acting Chairman Oscar Calvo - Bob on this scheduling work it out with Monte how we can you know with the employees that needs to be involved in this. Like I said if they're saying we can give them time off for that that.

Dr. Bob Barber - Oh you mean for the workshop stuffs.

Acting Chairman Oscar Calvo - Yeah workshop.

Dr. Bob Barber - Okay yeah we shifted away from the multi- agency.

Acting Chairman Oscar Calvo - But they must participate to this program.

Dr. Bob Barber - On the workshops Monte I'm sure can work this out I don't have any doubts but on the multi-agency thing though I think the Commission and Monte himself need to approach the Governor to reactivate because you're involving employees from other agencies.

Acting Chairman Oscar Calvo - Yeah okay so.

Dr. Bob Barber - Alright that's my report unless you all have questions.

Administrative Director Monte Mafnas - I have the executed copy of the amended MOU.

Dr. Bob Barber - The modification of the MOU, guys just for the record for you to know we're modifying the MOU to reduce the cost of the final two quarters to reflect employees that are no longer involved with the MOU and some of the work that I was doing we're going to do without charging. That will save you a little bit of money.

Commissioner Michael Borja - I'd just like to say for the record in the short time I've been on the Board I appreciate what has happened in the past in forming this committee or this group this MOU between the University of Guam and for you guys Dr. Barber for pushing it through with such vigor. I see a lot has been done and a lot still needs to be done and it couldn't have been done without the efforts that you guys have had..(interrupted).

Administrative Director Monte Mafnas - Especially the agriculture side.

Commissioner Michael Borja - Especially yes and you know the more I hear about it the more I realize just how important it was especially as a third party organization to be able to objectively assess what was going on and to give us some improvements and some recommendations along the way. So I kind of value what you guys have given and I think it's sort of important that we continue to have this kind of relationship to some extent as much as we can moving forward.

Dr. Bob Barber - And remember outside my involvement with the MOU you still have the University's Cooperative Extension advisor to the Land Trust. I've served that role for many years and it can be as much or as little as you wish in terms of involvement. I mean the extension service is very committed to seeing the Land Trust is the gem of the Chamorro people and it has to be protected. And the extension service and the University as a whole support the concept of protecting the Trust for future generations.

Administrative Director Monte Mafnas - Thank you Bob.

Dr. Bob Barber - Alright thank you.

V. OLD BUSINESS

1. St. Lourdes Subdivision - Easement request on Lot 7128-3-1, Yigo

Administrative Director Monte Mafnas - Under old business we have St. Lourdes subdivision it's an easement request on Lot 7128-3-1which is a 60 foot easement and here's the map that was submitted by the architect representing Tonko Reyes Incorporated.

Acting Chairman Oscar Calvo - Is there any representative on this today?

Administrative Director Monte Mafnas - No we requested their presence and none of them showed up.

Acting Chairman Oscar Calvo - Okay so since nobody showed up on this if they're requesting for that I think my personal opinion is we just table it until they show up and see ideally what they really want on this issue. Mike it's up to you.

Commissioner Michael Borja - I concur.

Acting Chairman Oscar Calvo - Okay.

Administrative Director Monte Mafnas - And I just want to inform the Board that this topographical survey is one foot contour so it enables whoever to build a building. It's very accurate and precise and it's all around their neighboring property everything abutting that belongs to Chamorro Land Trust. So that's a very considerable expense and exercise.

Acting Chairman Oscar Calvo - I want to know too what the Chamorro Land Trust is to gain out of this.

Administrative Director Monte Mafnas - I think this is part of the consideration.

Acting Chairman Oscar Calvo - Yeah.

Administrative Director Monte Mafnas - Because this is a..(interrupted).

Acting Chairman Oscar Calvo - Okay so why don't we just table it until we yeah.

Administrative Director Monte Mafnas - Very good.

Acting Chairman Oscar Calvo - Let's go to the next agenda.

VI. NEW BUSINESS

1. Agfayan Incorporated - Termination of license

Peter San Nicolas - Mr. Chairman, Director Mafnas and members of the Board, thank you for allowing me to begin. My name is Peter San Nicolas with Agfayan Incorpated. I just

want to ask the Board in reconsideration of termination of lease on Agfayan Inc. on previous so maybe I can answer some questions or anything at the moment.

Administrative Director Monte Mafnas - Okay thank you Mr. San Nicolas, Attorney Cunliffe and Agfayan Inc. presented a consideration on appealing the termination of lease by providing an appraisal from Government of Guam in the amount of two hundred twenty thousand three hundred dollars to offset the back rent. Now I did meet with Attorney Cunliffe and Mr. San Nicolas and I addressed that if in the event the Board decides yes or no the amount that, the appraisal amount that will be considered is only up to a hundred fifty thousand dollars and whatever the difference in delinquency he has to make good. He has a delinquent account in the amount of a hundred and eighty-one thousand at this point in time.

Commissioner Michael Borja - Can you give a real quick summary on where this land is and what's the history?

Administrative Director Monte Mafnas - Okay it's located in the corner of Marine Corps Drive and Harmon Loop road. It's partially zoned commercial and agriculture the first two hundred feet in, it contains an area of five thousand meters, it's right adjacent to the GTA substation and directly across the existing flea market that is and then as you go northerly its First Hawaiian Bank, Payless, etc., right. This is a very prime piece of property. It has a lot of exposure and daily traffic comes in the thousands of vehicles in and out. It's used seven days a week. Agfayan Incorporated has a license enabling them to run it as a flea market. So they don't need any written approval from the Board, they just rent and sublease the property as they see fit and that's what has happened. For a long period of time according to the lease he was supposed to pay thirty-five hundred dollars ($3,500) a month and somehow he was only paying seventeen to fifteen hundred dollars ($1,700 - $1,500). So that's why the accrued amount has succeeded a hundred and eighty thousand ($180,000) and this amount has been brought up the Board consistently and the last six months ago a letter of notice of termination was given to Agfayan by the previous Board and Director. And now Agfayan Incorporated Mr. Peter San Nicolas is appealing to reinstate the lease and his contribution will be cash and off saving the appraisal of the building pursuant to subsection 24102, Line F of the 11 Guam Code Annotated. That's the basis of their argument is we're going to give you the land, the house. CLTC owns the land they have a forty-two year lease and they want to give us the improvement as contribution to offset the delinquent amount. Is that correct?

Peter San Nicolas - Yes Mr. Director.

Vice-Chairman David Matanane - May I ask how many years is the lease?

Administrative Director Monte Mafnas - I don't have the lease in front of me.

Vice-Chairman David Matanane - Since when did the Agfayan lease the place up there?

Administrative Director Monte Mafnas - I think it's the year 2004 or 2005.

Peter San Nicolas - 2006.

Administrative Director Monte Mafnas - Okay so it's five years, the initial term is twenty one years.

Peter San Nicolas - Twenty one that's correct.

Administrative Director Monte Mafnas - And the option to renew is another twenty one years.

Vice-Chairman David Matanane - But you're only up to the sixth year.

Administrative Director Monte Mafnas - Yes sir.

Vice-Chairman David Matanane - You know the thirty five hundred per month and he's only paying seventeen hundred, give me a scenario Mr. San Nicolas since you're asking for the value of that building and you're saying that the amount of that building values two hundred and twenty eight three hundred?

Peter San Nicolas - Yes I have that appraised actually I got an appraisal with the Government Revenue and Tax and that's roughly come out about two hundred and five thousand two hundred appraised.

Vice-Chairman David Matanane - Okay I see it here but Mr. San Nicolas you know Chamorro Land Trust probably owns that building already because of the fact that you haven't paid us. That's one scenario I'm not saying that right now it's definite. It is a fact, it is a fact and Mr. Mafnas mentioned that you owe use a hundred and eighty one thousand. Why are we going to negotiate our own building with you if we terminate your lease? And compared to the hundred and eighty one thousand which Mr. Mafnas says you guys owe us and the building in itself will take only a hundred and fifty on that value?

Administrative Director Monte Mafnas - That is correct, yes sir.

Vice-Chairman David Matanane - There will be a thirty one thousand dollar..(interrupted).

Administrative Director Monte Mafnas - Cash value.

Vice-Chairman David Matanane - And what would you do with the thirty one thousand? Would you give us the thirty one thousand? This is only a scenario I'm asking. Do you have that money on hand?

Peter San Nicolas - We're going to deposit fifteen thousand upon approval.

Vice-Chairman David Matanane - Well Mr. San Nicolas like I said you know your lease agreement was for thirty five hundred and I see the reason why you're saying that half of

that now is going to come in but in your lease agreement you're supposed to be paying thirty five hundred that's the reason why you're behind. Why is that you know how long has he not been paying the exact amount?

Administrative Director Monte Mafnas - Five years.

Vice-Chairman David Matanane - Five years so you know I don't know why you're waiting around it keeps on going. Let's say we take the value of that house in this amount are you going to pay off and continue with the thirty five hundred on the lease agreement?

Peter San Nicolas - We've been paying thirty five hundred since last October and we've been paying current.

Administrative Director Monte Mafnas - That is correct after receiving the notice of termination he has been paying the monthly rent. Please be mindful Commissioner Matanane that Attorney Cunliffe said that if we don't accept this deal he will discuss with his client the possibility of taking CLTC to court.

Vice-Chairman David Matanane - Wow is that a threat or what? You know just based on that I won't agree with this. If the Board decides to terminate I believe we can set it in motion and we'll do it fine if that is a threat and I believe it is and if we terminate that lease that building belongs to Chamorro Land Trust. And we'll give you ample time to vacate it.

Acting Chairman Oscar Calvo - Mike you want to comment on this issue?

Commissioner Michael Borja - What is the intent of this letter from the attorney?

Administrative Director Monte Mafnas - To offset in the amount of a hundred and fifty thousand.

Commissioner Michael Borja - How are they offsetting? We're going to be part owner of the building?

Administrative Director Monte Mafnas - We will own the building in it's entirety. We will own the building in it's entirety but in real estate the improvements belong to the land and there's a section in the Chamorro Land Trust provision that says that it is up to the Commission to decide if they want to accept the land or not at the end of the term or at this time if the term is terminated.

Commissioner Michael Borja - And so if we own the building and we continue to lease do we not lease the building as well?

Administrative Director Monte Mafnas - We should generate a higher income because of that because now we own the improvements and the land that is correct.

Commissioner Michael Borja - And so what has the Chamorro Land Trust Commission done in regards to this? Have we given them notice to terminate already?

Administrative Director Monte Mafnas - Six months ago if I'm not mistaken.

Commissioner Michael Borja - Six months ago we gave him a notice to terminate the lease.

Administrative Director Monte Mafnas - Right.

Commissioner Michael Borja - Okay and so we're just going to follow up in terminating this lease.

Administrative Director Monte Mafnas - October I think was the first notice.

Acting Chairman Oscar Calvo - I think to this scenario I have a better picture to this issue. Peter we have sat numerous times with this even with the former Director when Mr. Borja was in and then of course even when Tom even when Mr. Garcia and we could have settled this dispute but you guys continuously just ignored the issue. And I think it's time for you and I've stated this it's time for you guys to take that responsibility because this is money that belongs to the Chamorro Land Trust and either you, you know we have given you more than enough time Pete. And I know that your legal counsel has stated that he wants to take us to court then that's fine. Think Pedro that you are the one that owes us not us owe you. If I'm going to offset that okay it sets a precedence for every other clients out there like the golf course or any other agencies would say well you know you offset that why can't we do it? I can't and I don't know whether these two the Board members agree to that because if I do that if I'm going to offset everybody then everybody, Chamorro Land Trust is gained nothing. Yet you profit out of this in some way or fashion. You made some money I don't know but if you did you know the Chamorro Land Trust is one that's left with nothing. And my position on this and you know that Pete I've always told you either you pay up because to me it's more than enough Pete, it's more. And if your lawyer wants to take it to court that's okay, that's fine. But to me personally and Board members I don't because I think if we do this we set a precedence on other clients that we have and say whether it be a dollar or whatever off of the figure giving you that opportunity, the next guys says well you gave Agfayan that opportunity why not give us because we spent two hundred thousand dollars or a million dollars on building up buildings. I told you fact Pete when you took this, this property because at the time when you couldn't have made it you could have written and settle this in many occasion. But now that you've been served notice not once, twice, too many times and the Board has given you that consideration so I think it's time to end the book simple as that. I don't know how the Board the two Board members want to continue on on this. Mike?

Commissioner Michael Borja - I concur.

Acting Chairman Oscar Calvo - You concur.

Vice-Chairman David Matanane - Is that a motion that we should terminate the lease Mr. Borja?

Commissioner Michael Borja - Yes.

Vice-Chairman David Matanane - Second, I second that.

Acting Chairman Oscar Calvo - Okay, I third.

Vice-Chairman David Matanane - And give him ample time to vacate the place.

Commissioner Michael Borja - We gave the other individual ninety days right.

Vice-Chairman David Matanane - Ninety days then we'll give him the ninety days that that place is to be vacated in ninety days.

Commissioner Michael Borja - What would be the end date of this lease? The end of this month?

Vice-Chairman David Matanane - And ninety days from the date.

Acting Chairman Oscar Calvo - Now if you come up within a period of ninety days then that's you know but ninety days you got to be out of there.

Administrative Director Monte Mafnas - Come out as to full amount or come out as to what amount?

Acting Chairman Oscar Calvo - To the full amount what he owes Chamorro Land Trust.

Commissioner Michael Borja - But taking the land or taking the building as a form of payment when it already is an improvement to the property is not really a form of payment but I agree with you it will set a precedence.

Acting Chairman Oscar Calvo - Yeah it will set a precedence. Okay Pete.

Peter San Nicolas - Thank you.

2. Tonko Reyes, Inc. - Use of CLTC property on Lot 10122-R17, Dededo
Item tabled no representatives present.

3. Pending appraisals/brokers price opinion
Administrative Director Monte Mafnas - Attorney Cynthia Ecube requested that this be tabled because she wants to have a meeting with me next week Tuesday at 2pm before we can present this to the Board.

Acting Chairman Oscar Calvo - This is for the..(interrupted).

Administrative Director Monte Mafnas - Younex.

Acting Chairman Oscar Calvo - Okay that's fine any objections?

No objections.

4. Barrigada Heights property request pursuant to existing lease

Administrative Director Monte Mafnas - Next on the agenda is a Barrigada Heights lease that was recorded in the year 2004 and this person Jeanette Crisostomo Cruz has been paying real estate taxes and she never got the map because the surveyor that was hired by her was not given the opportunity to work with a certain land agent. So that's CLTC's fault we have to readdress that but she has been making payments although the last board meeting we disapproved any more Barrigada Heights property but she has a lease already so that's why she's asking for consideration. Her lot has been shown but the map was never done.

Acting Chairman Oscar Calvo - You're not talking about Orlando I mean Orlino.

Administrative Director Monte Mafnas - No this is Jeanette Crisostomo Cruz, she has a lease already, it's recorded, she's paying real estate taxes, she never got the map.

Acting Chairman Oscar Calvo - But the map would be responsible for Land Management.

Administrative Director Monte Mafnas - She hired Ray Cruz but..(interrupted).

Acting Chairman Oscar Calvo - Yeah because we have no control over the map and the map has to go to Land Management they make that approval and I think in pursuant to that it would be Land Management that she has to follow through then ideally it comes to Chamorro Land Trust and everything is intact then you know you give that blessing that it's good to go. But or if it was a lot that was awarded to her and it's already done and surveyed so the map I think she has to follow through to Land Management.

Vice-Chairman David Matanane - What's the complete name again?

Administrative Director Monte Mafnas - Her complete name is Jeanette Crisostomo Cruz and the lot in question is a portion of Lot 5382-R7 in the municipality of Barrigada for one acre of property. This lease was prior to the Board's decision.

Acting Chairman Oscar Calvo - What year?

Administrative Director Monte Mafnas - It was recorded as of 2004.

Acting Chairman Oscar Calvo - 2004 but she was awarded the property.

Administrative Director Monte Mafnas - Already has a lease and recorded and paying real estate taxes. She just wants to make sure that she gets the map which is beyond us but you know we terminated all Barrigada inquiries and requests.

Commissioner Michael Borja - What's the purpose of this lease? Is it just for a home or is it an agricultural?

Administrative Director Monte Mafnas - Agriculture to farm.

Vice-Chairman David Matanane - We have approved the lease and we don't want to deviate from that lease. So the only thing missing from her file is the map. Give her ample time to get the map.

Administrative Director Monte Mafnas - Okay.

Commissioner Michael Borja - And she hasn't been delinquent on her taxes.

Administrative Director Monte Mafnas - No.

Commissioner Michael Borja - What does she owe on the land?

Administrative Director Monte Mafnas - She's current.

Commissioner Michael Borja - Okay so she's current on everything.

Administrative Director Monte Mafnas - She's current on everything it's just that her surveyor is not in sync with our land agents so we'll clarify that out but I just needed instructions from the Board or a decision from the Board.

Acting Chairman Oscar Calvo - She just has to follow up with her surveyor and also with Land Management because really that's where the ball right now.

Administrative Director Monte Mafnas - That's correct but she just requested to put it to the Board.

Acting Chairman Oscar Calvo - Okay.

VII. DIRECTOR'S REPORT

1. Guam Resource Recovery Partners - Additional payment requested

Administrative Director Monte Mafnas - I've been meeting with the attorney to discuss certain provisions of the lease as in additional payment upon execution of the original lease simply because they made a partial payment in the amount of thirty thousand dollars and upon receiving permits they're supposed to deposit an additional seventy thousand dollars. Mr. David Sablan I guess is the general manager and he's been stating in the media that they're getting the permits. So I just want to alert the Board that if that's

the case then I want to submit the Board's blessing a demand of the seventy thousand dollars inclusive also of the outstanding real estate taxes.

Acting Chairman Oscar Calvo - You know when they did the because I'm pretty much aware of that history of that particular Guatali issue when they did the appraisal value on that you know they appraised that piece of property only on the one lot and you know how much it was appraised?

Administrative Director Monte Mafnas - Two million five hundred thousand dollars.

Acting Chairman Oscar Calvo - Yeah but you know it was five thousand dollars per square meters or something in that. If you look into that I'm almost sure that's what the appraisal value.

Administrative Director Monte Mafnas - Twenty five thousand per acre but not.(inaudible).

Acting Chairman Oscar Calvo - Yeah something in that but also there is a problem to that lease and I keep telling Dave because also the Department of Interior is involved in it because you got the National Park there.

Administrative Director Monte Mafnas - That's correct.

Acting Chairman Oscar Calvo - Yeah so that's why these guys have to come from the back because the real way for them to go is really through Gorco. And that's what at least from what I understand from Mr. Paul Santos from Land Management because Paul and I sat on that that is really their but because they didn't want to spend because it would be costly for their part but you know yes it is that's their part and you know but if you need to go, go for it. I have no problems, I have no qualm.

Commissioner Michael Borja - This is still in pursuit of their incinerator project right?

Acting Chairman Oscar Calvo - Yeah.

Commissioner Michael Borja - You know there was a meeting held this week at the University of Guam something called Zeros and it was the exact same subject on waste to energy and from something I read they came to the conclusion that there's not enough ample waste on the island to be able to use the facility profitably here on the island. So I don't know what they're going for.

Administrative Director Monte Mafnas - Also I just want to interject that I have read also about incineration in the year 2000 all of the world has declared that to be illegal exercise. I mean they're not accepting any more incineration. It's either a plasma technology where you burn it higher because of all the toxins in the air or lesser but that's not accepted in the world.

Acting Chairman Oscar Calvo - And the incineration and the contract okay because if the contract really stipulates it's a landfill that is what but they kept alluding that it's an incineration and a landfill. No, because there's two different license to that and I told that to Mr. Sablan back then and I don't know if he remembers but you know and like you said it doesn't equate and fit where they're going to put that stuff in there. So basically it's a landfill that they're really requesting for that.

Commissioner Michael Borja - But the point here is that they're still pursuing it's still in active on their part for they owe the moneys.

Administrative Director Monte Mafnas - That is correct.

Acting Chairman Oscar Calvo - Right. You have any objections to that?

Commissioner Michael Borja - No proceed.

Acting Chairman Oscar Calvo - Motion to pursue?

Vice-Chairman David Matanane - Motion.

Commissioner Michael Borja - Second.

Acting Chairman Oscar Calvo - Okay passed.

Vice-Chairman David Matanane - I hope we get that seventy thousand right away.

Administrative Director Monte Mafnas -Thank you.

2. Guam Raceway Federation - Mineral rights to be escalated

Administrative Director Monte Mafnas - I met with Mr. Henry Simpson going up on the subject lot and we did a physical inspection of the area and I asked Mr. Simpson how much are they paying for mineral rights and he stated and quoted fifty cents per cubic yard. Which fifty percent goes to them, fifty percent goes to Chamorro Land Trust which equates to twenty five cents to Guam Raceway Federation, twenty five cents to Chamorro Land Trust. I told him well you know 1998 is a long time ago that's thirteen years ago and it's time we escalate. He does have mineral rights pursuant to his lease it's annotated and allows him to farm the area. But if you look at it it's more than farming it's more harvesting the minerals so they're actively and aggressively using all the hardfill on that subject lot. And I was just doing some research and I found out that in the minutes approved in May 23rd, 2002 that it's stipulated that he's supposed to pay a dollar fifty a cubic yard so that just justifies my increase. I discussed a dollar but it's in the minutes that he's supposed to pay dollar fifty.

Commissioner Michael Borja - And how did it come down to only twenty five cents?

Administrative Director Monte Mafnas - I have no idea. But I do want to go forward with this and that yesterday was yesterday but we have minutes annotated and approved by the Commission then that Guam Raceway Federation is supposed to pay dollar fifty per cubic yard.

Vice-Chairman David Matanane - Has he paid over to Chamorro Land Trust?

Administrative Director Monte Mafnas - Yes he has he has paid. Here is the payments and by the way for mental exercise I did request and Terese helped get the aggregates as sold by Perez Bros., Smithbridge and Hawaiian Rock. Per cubic yard it's average of about twenty six dollars a cubic yard so we're even less than 10% we're probably only about 7 or 8%. Of course that's raw material they take it they clean it up and then they sell it but still we're not even 10%. So payments have been made prior respectively speaking in the amount of twenty five cents per cubic yard to CLTC in the previous years.

Acting Chairman Oscar Calvo - But you did sat down and talked to him and was he in agreeable to the issues?

Administrative Director Monte Mafnas - He was considering amending the dollar he offered eighty cents and I told Mr. Simpson I don't have to, we don't have to do nothing we'll wait until we get our price. You know we have the comfort of ownership and comfort of time and it's time that they pay what's right. Now I suggest that we dictate the price. Why should they dictate the price to us? We own the land it is incumbent upon us to protect the beneficiaries of the Trust.

Vice-Chairman David Matanane - What is the latest payment they made for those minerals?

Administrative Director Monte Mafnas - Fifty cents I got many, many payments and I had this validated and certified with GEDA.

Vice-Chairman David Matanane - What is the latest payment that he made?

Administrative Director Monte Mafnas - The latest amount is probably it was two thousand, he said he's current. I have payments going all the way back to I guess eleven (2011) and this payment is about fourteen sixty five. One thousand four hundred and sixty five dollars.

Vice-Chairman David Matanane - What was the payment about three years ago?

Administrative Director Monte Mafnas - Three years ago okay, I have one in 2006 it's twenty six eighty.

Vice-Chairman David Matanane - I remember that trucks were flowing in and out of there a couple of years back when they were clearing for the race.

Administrative Director Monte Mafnas - 2005 was three thousand nine hundred fourteen, I'm just looking at it randomly. There's one point in time he was paying four thousand nine hundred and twenty.

Acting Chairman Oscar Calvo - So it varies from anywhere between..(interrupted).

Administrative Director Monte Mafnas - It varies because in amount that..(interrupted).

Acting Chairman Oscar Calvo - Depending on what they draw out of the raw material.

Administrative Director Monte Mafnas - By different companies, be mindful that Perez Bros. extracted, Smithbridge extracted and Hawaiian Rock extracted. So all of them paid to Guam Raceway Federation and they paid to Treasurer of Guam and provide all the payments to GEDA and this is our payment, our receipt of the payments.

Vice-Chairman David Matanane - Has Chamorro Land Trust everymonitor those extractions?

Administrative Director Monte Mafnas - Physically on site, no sir.

Acting Chairman Oscar Calvo - I think that was one of the biggest issue that we had and the rational part of that is how do you stage 8 hours 12 hours a day out there to really count the trucks. The accountability we just more or less base on what they really say ten trucks went out today and how do we know it's really ten trucks I think there's ways that we can identify.

Administrative Director Monte Mafnas - I agree Mr. Chairman I'm sorry to interrupt but mathematically speaking if we were to hire and engage a surveyor to shoot the transit identifying the meets and bounds the area the length the width we can establish a cubic yard.

Acting Chairman Oscar Calvo - How much can be taken out of there.

Administrative Director Monte Mafnas - How much tonnage is available.

Acting Chairman Oscar Calvo - Yeah.

Administrative Director Monte Mafnas - It's pretty accurate and maybe we can even hire a civil engineer to go through the numbers and come to a decision that this is correct. So if there's a million or two million cubic yards then that's what it is.

Vice-Chairman David Matanane - But the mere fact that he's still paying us fifty cents.

Administrative Director Monte Mafnas - At this date at this point in time yes sir twenty five cents.

Vice-Chairman David Matanane - Contrary to that minutes.

Administrative Director Monte Mafnas - Contrary to the minutes yes.

Vice-Chairman David Matanane - Well we can calculate and see how much we can demand from that based on the.(inaudible).

Acting Chairman Oscar Calvo - So what's your proposal to that?

Administrative Director Monte Mafnas - I think we should sit down with Mr. Simpson and go through this exercise and come to a fair arrangement but definitely moving forward he has to pay the new rate. That's my suggestion.

Commissioner Michael Borja - Well a new rate should be something that is at least a dollar fifty because that's what it's based on but what we should look at is what is, you were talking earlier down in somebody wanted to get mineral rights down in..(interrupted).

Administrative Director Monte Mafnas - That's the same exercise.

Commissioner Michael Borja - What is the price that we could get from that?

Administrative Director Monte Mafnas - Correct that's right and I wanted to get..(interrupted).

Commissioner Michael Borja - Now their business you know I mean they got heavy equipment and people operating them I mean there's cost on their side but still the mineral the cost of the material has to be paid.

Administrative Director Monte Mafnas - And the profit margin. I'm sure there's a hefty profit margin.

Commissioner Michael Borja - Oh he's not going to tell you that.

Administrative Director Monte Mafnas - Of course not but you know that's why 10% is not a bad number. I think 10% is a very good return of investment.

Vice-Chairman David Matanane - What's the date on that.(inaudible).

Administrative Director Monte Mafnas - The date was August 8, 2002.

Vice-Chairman David Matanane - How long has he been extracting?

Administrative Director Monte Mafnas - 98.

Vice-Chairman David Matanane - I don't believe the Chamorro Land Trust Board has approved it, their lease agreement it was the legislature.

Acting Chairman Oscar Calvo - Yeah that was a bill that was created by former Senator Kasperbauer back then that's how it really came into play.

Administrative Director Monte Mafnas - And he had an eight million dollar tax credit.

Acting Chairman Oscar Calvo - Yeah because what they did there was to offset companies like Perez Bros. and other companies to come in there and clear the place in exchange for tax in lieu to that.

Commissioner Michael Borja - So you might want to check the legislation. I bet you it might be describing the amount that's supposed to be paid.

Vice-Chairman David Matanane - Check back on the initial lease agreement when the legislature has approved that and what mineral rights or as to the amount for CLTC and then we can go through there.

Administrative Director Monte Mafnas - I did look at the lease Commissioner and I appreciate that thought there was no dollar value established at that date on the initial lease.

Acting Chairman Oscar Calvo - Because when Guam Raceway Park was established like I said it was ideally that was a bill that was proposed by former Senator Kasperbauer I remember that.

Vice-Chairman David Matanane - I don't think that they approved the lease and not consider the amount for the mineral rights.

Commissioner Michael Borja - Unless it's spelled out in the bill.

Vice-Chairman David Matanane - You got to check that first.

Administrative Director Monte Mafnas - I can do that I'll validate it I have the lease.

Acting Chairman Oscar Calvo - But in the minutes what year was that on the minutes?

Administrative Director Monte Mafnas - It's 2002.

Vice-Chairman David Matanane - Well I think Mr. Mafnas needs to look a little deeper but we're basing ourselves on that particular minutes there also establishing that it is one fifty for now and if there are any mineral things that have not come up to par then we should add up and bring it up to that amount since they're only paying fifty cents right now.

Acting Chairman Oscar Calvo - I think you're on the right track.

Administrative Director Monte Mafnas - Thank you gentlemen.

Vice-Chairman David Matanane - Bring it up and you know give us the total bringing it up to that one fifty.

Administrative Director Monte Mafnas - As long as we're fair right?

Acting Chairman Oscar Calvo - Yeah.

3. Guam International Country Club - Demand letter for latest billing

Kelvin Torres (GICC) - Good afternoon Commissioner, Board of members and also Director Mafnas for including me here for your agenda for today. Actually my, our biggest concern right now when I spoke to Director Mafnas last week is that if we could for the month of May maybe until September we could do partial payments on our lease until we get our other marketing to generate the revenue because we do have other venues that hopefully that will generate some additional revenue on our side starting next month. And our new promotions that we can get back on track until the market in Japan stabilize. We got derailed in the month of beginning in April. And I did receive the letter from Director Mafnas in March and I think that I went to his office and showed him all the payments that we did starting on September of 2010 when we did the promissory note. And I guess some of the book keeping was not done and what's stated on the letter was off. I think about four months of payment that was not recorded.

Acting Chairman Oscar Calvo - Monte when was the last, they were paying right now the original monthly payment but they haven't paid their arrears right?

Administrative Director Monte Mafnas - We have a discrepancy of about sixty thousand dollars. They have failed to inform us by providing receipt. When I came on board I demanded that they provide us a receipt. So we've been trying to consolidate and reconcile our statements with Mr. Torres but basically Guam International Country Club owes over four hundred thousand dollars. Almost two hundred thousand in back rent in delinquencies and about a hundred and eighty six thousand in delinquent real property taxes that have been posted on the books at Department of Revenue and Tax. And I brought it to their attention that this is the amount they owe about four hundred some thousand. And the burden of proof is still Guam International Country Club of providing all those paid receipts not mine. They have to justify based on our accrued statement they have to prove. The burden of proof is theirs to make sure that its current. But they're checking with their attorney to reconsider what transpired with the real property taxes that were due and that's their exercise not ours. So they also wanted to reduce the payment and make a prorated payment that is right?

Kelvin Torres - Just until September.

Administrative Director Monte Mafnas - That's why I asked Mr. Torres to come here before we have a final say you know the Board will say that, final say so that is I'm sorry.

Acting Chairman Oscar Calvo - So right now they're behind sixty thousand dollars besides the..(interrupted).

Administrative Director Monte Mafnas - No the total amount that they owe is way over in my mind at least a hundred and fifty thousand, a hundred and sixty thousand dollars.

Acting Chairman Oscar Calvo - Mr. Torres remember that we initialed an agreement for one year of that promissory note okay. How many months you paid out of that promissory note?

Kelvin Torres - Actually I do have the..(interrupted).

Acting Chairman Oscar Calvo - No but how much have you paid out of that promissory note? Just the promissory note.

Kelvin Torres - Well actually what we did with on the because my understanding when we did the promissory note is that we are actually we will do our best to pay the monthly dues of nineteen thousand some and then we actually tried to put in some money in the promissory note which is the remaining arrears of a hundred and sixty some thousand and then on that we actually paid about..(interrupted).

Acting Chairman Oscar Calvo - You should have been paying at the time with the nineteen thousand and we came out with a ball figure of about thirty five some grand something like that.

Kelvin Torres - Yes.

Acting Chairman Oscar Calvo - So the nineteen thousand so the balance of the arrears and remember I did state that at that time that it will be in a separate that this nineteen thousand is your monthly payment besides the arrears so in reality you should be giving us thirty five I think or thirty six thousand a month okay. And that's to encumber both but in this case you're only paying the nineteen thousand a month which it doesn't really resolve the issue. You're still setback to where you're at. We agreed to that promissory and we sat down with your boss and everything and you're asking us to extend that up to September?

Kelvin Torres - Yes just the umm because we actually did make some payment towards the arrears the remaining balance of the arrears from September was a hundred sixty five so it went down to a hundred thirty some, a hundred thirty thousand. So as much as we can actually pay our monthly dues and we have extra funds we make sure we put some in to the arrears for the Chamorro Land Trust.

Acting Chairman Oscar Calvo - But you see you know Mr. Torres we stated this in the previous board that that money that's been owed for years it wasn't just yesterday. In fact we gave you a break for that reason and I think it's incumbent that your company if they can't come up with that money then be blunt and be straight out to us. Because right now

you remember what goes in Japan that's Japan. I don't care about Japan what goes here is what I'm concerned.

Kelvin Torres - Yes sir. Actually when we were asked to make the payment plan we have a more realistic payment plan that we presented but was actually..(interrupted).

Acting Chairman Oscar Calvo - So hypothetically let's say that the board agrees for September okay, how much are you going to pay us in September? Remember there's going to be a phenomenal fee again.

Kelvin Torres - Yes.

Acting Chairman Oscar Calvo - So it's like you're asking us to extend till September. May, June, July, August, September that's four months okay. Are you going to be up to par on September with that? Are you saying that you're going to pay the arrears and whatever you are paying right now?

Kelvin Torres - I believe so I think..(interrupted).

Acting Chairman Oscar Calvo - No I can't go with that concept I believe so because that's something your company back there has to you know has to come up with the money because this is I mean you know I understand the economy and what's so forth but we have our own falls over here our economy too. And especially right now the Government needs money you know. This agency needs money too to operate. So I don't want to be too harsh about it but I think you know we sat numerous times you know that and I thought we came to that agreement when we sat up there at the club and I thought that we came out to truth to that issue. And remember you made that proposal and that was the agreeable of that proposal because if I had it my way you would have paid the board that time. But you know we took a consideration asking.

Kelvin Torres - We actually did revise the payment plan just for a year the remaining balance of a hundred sixty five thousand and we took up the challenge even though it's going to be very difficult. I think everybody knows that GICC has probably never made money from the beginning but the market was still there during that time. And when we said we will when we brought it to Japan's attention this is what's acceptable for Commissioner Calvo and also the former Director Garcia and we took up the challenge. We did a lot of our promotions, we realigned all our management staff to make sure that we actually commit to a lot of not only Chamorro Land Trust that we have promissory note but unfortunately not only because we are actually concentrating on our operation side. The ghost of the past has hunt us down not only the past of undesirable contracts and agreements in the past that had bind us to legal battle during the early part of 2010 and that money should have gone to payments to our promissory note not only to Chamorro Land Trust but some other agencies in the Government.

Acting Chairman Oscar Calvo - If you were to go on September hypothetically and we decide to go if this board decides to grant you that today okay that means in September

you got to pay us full amount. So you know you're looking how much would that be Monte?

Administrative Director Monte Mafnas - I don't know we should ask him how much is he proposing to pay. I don't know how much he's going to pay.

Vice-Chairman David Matanane - I think I'm bewildered because Monte mentioned four hundred thousand and one eighty six for real estate that adds up to five hundred and eighty six thousand. Now which one is correct? How much do you owe us?

Kelvin Torres - Actually when September..(interrupted).

Vice-Chairman David Matanane - No, no the total amount you owe us. How much is it?

Kelvin Torres - Right now it stands as of June it's one seventy six.

Vice-Chairman David Matanane - Only, what's this figure of the four hundred thousand, the one eighty six which is the real property tax that Mr. Mafnas is mentioning? Now aside from that the agreement, how much they owe us?

Administrative Director Monte Mafnas - According to him it's one sixty, according to me it's more than that it's two thirty five.

Vice-Chairman David Matanane - And we have a partially out the agreement.(interrupted).

Administrative Director Monte Mafnas - That's the difference of sixty thousand dollars.

Vice-Chairman David Matanane - But the total amount is one sixty though.

Administrative Director Monte Mafnas - According to him.

Vice-Chairman David Matanane - The total receivable that we should receive for Chamorro Land Trust how much is it? One sixty? The amount of payment that you will be making was the nineteen hundred plus a total of thirty six hundred, right? You're supposed to be paying.

Kelvin Torres - Thirty six.

Vice-Chairman David Matanane - A month.

Kelvin Torres - Yes.

Vice-Chairman David Matanane - Thirty six thousand and now you're requesting to bring it down to what?

Kelvin Torres - Just until September probably maybe half of the nineteen that we could actually..(interrupted).

Vice-Chairman David Matanane - No, no thirty six thousand a month right that you're supposed to be paying on the original receivable and the agreed amount the promissory note is thirty six thousand a month right?

Kelvin Torres - Yes.

Vice-Chairman David Matanane - So we cannot just eliminate the other one and not the other you know inclusive both of them the two receivables that you're supposed to be paying to Chamorro Land Trust is thirty six thousand. We agree?

Kelvin Torres - Yes.

Vice-Chairman David Matanane - Okay now you're asking nineteen thousand?

Kelvin Torres - Just for the..(interrupted).

Vice-Chairman David Matanane - No, no, just for the, but you said nineteen thousand and you're supposed to be paying thirty six thousand.

Kelvin Torres - Yes including the promissory on that.

Vice-Chairman David Matanane - So why nineteen, what's the magic figure of nineteen thousand? I'd like to ask you that. Why nineteen thousand?

Acting Chairman Oscar Calvo - Actually if you figure out thirty six thousand okay and you're asking till September you want to pay only less than thirty six thousand right?

Kelvin Torres - Actually it's less than the nineteen thousand.

Acting Chairman Oscar Calvo - That's what I'm saying, so what is your ball figure of that thirty six thousand? That's what the board wants to know. You're asking to cut that down okay that thirty six thousand, the nineteen thousand is your regular monthly basis then the balance of that ten thousand or twelve thousand is the arrears. But what you're saying is you want to cut that thirty six thousand to what? To how much?

Kelvin Torres - Actually my intention is actually not to go behind further than how much we owe the Chamorro Land Trust. But now realistically we don't have the money.

Acting Chairman Oscar Calvo - No but what the point of question to what Mr. Matanane is saying is how much are you going to pay in the next four months if we if the board chooses. How much are you saying you're going to pay in the next let's say for May? Out of that thirty six thousand how much are you going to put into the coffer?

Kelvin Torres - I would say we could come up to about ten.

Acting Chairman Oscar Calvo - Ten grand.

Kelvin Torres - Yes.

Acting Chairman Oscar Calvo - Okay so if you have ten thousand dollars, I guess what about twenty six thousand dollar balance..(interrupted).

Vice-Chairman David Matanane - That will be accruing again. So just up to four months then you go back to the thirty six?

Kelvin Torres - I think if it works if this new venture of us actually do work I think we're going to be in a better situation after September. Of course it's hard to say it's a business venture and as I said before even I told my GM that if this doesn't work I think we'd be done by the end of the year.

Acting Chairman Oscar Calvo - Closing shop.

Kelvin Torres - Yes if this doesn't work if the economy does not improve in Japan if our head office still faces the financial crisis I think..(interrupted).

Acting Chairman Oscar Calvo - And this is where I'm coming from if it doesn't work on your part you know okay at the end of the year you're going to walk away with four hundred thousand dollars that you would have owed the Chamorro Land Trust and to give you that break from September okay.

Kelvin Torres - I think it's not my company to actually run away.

Acting Chairman Oscar Calvo - Then you know what I think you know if your company really, really wants then send them here to come to Guam.

Administrative Director Monte Mafnas - Exactly, Mr. Chairman I just wanted to ask that question. Mr. Torres, are you legally authorized to negotiate these figures? Do you have such powers?

Kelvin Torres - Well those actually figures are..(interrupted).

Administrative Director Monte Mafnas - No the question is yes or no.

Kelvin Torres - No I don't.

Administrative Director Monte Mafnas - So why are we listening to you? Why don't you bring your manager as I informed you to do?

Kelvin Torres - This is actually the thing is with Mr. Koike, Mr. Yohei Koike, he's actually come back next week. He just acquired the L1 visa.

Acting Chairman Oscar Calvo - Okay so why don't we do this meet with Mr. Monte because we're really wasting time right now playing with ball figure because you don't really know and I understand you work for the company but I think that the President or the Vice President or the owner of the company should really be here in telling us what we need to know. Because you're saying we might and we might not okay.

Vice-Chairman David Matanane - You're guessing.

Acting Chairman Oscar Calvo - Yeah and I don't blame you I know that you're just representing. So I think when we do the minute your boss comes in call Mr. Monte and we'll set up with that okay.

Kelvin Torres - Yes.

Administrative Director Monte Mafnas - Thank you.

Commissioner Michael Borja - Has the Department of Agriculture placed any kind of rhino beetle monitoring pockets on your trees?

Kelvin Torres - Yes they did.

Commissioner Michael Borja - Have they discovered anything on your property?

Kelvin Torres - Yes they did.

Commissioner Michael Borja - And have they given you the result of what they discovered on your property?

Kelvin Torres - Yes they did.

Commissioner Michael Borja - Have they given you remedies on how to take care of those problems?

Kelvin Torres - Yes.

Commissioner Michael Borja - Have you resolved in removing and..(interrupted).

Kelvin Torres - We actually did, we did some part of the area to take out some of the debris as well as burning them but actually there are a lot of areas on the property that needs attention and we not only it requires a machine which is the back hoe and some manpower to get all these things done and I'm actually also waiting for Mr. Koike to get this all approved next week.

Commissioner Michael Borja - I think it's really very important that you work and pursue as diligently as possible with the active removal and eradication of the rhino beetle. That is a destructive creature that will do nothing but destroy all the trees that it loves to eat on that part of the island and beyond and to allow them to have a habitat where you are placing all your tree droppings is just not acceptable anymore. It's really quite serious. If the U. S. Department of Agriculture, the Government of Guam Department of Agriculture and the University of Guam and everybody else is looking at how destructive creature like this is spreading through the island and when we discovered it really does need to be taken care of as best as you can. Especially if you've been told that you have it present on the property and I would really hope that you guys can actively pursue that and please bring it to the attention of your bosses.

Kelvin Torres - Yes we have.

Acting Chairman Oscar Calvo - And from what I understand they have told you guys what kind of chemical to use and so forth there.

Kelvin Torres - Actually what Department of Agriculture said that they have not found any chemical to kill these beetles so the only way to eradicate is to get all these dead leaves and dead trees and put them in a pile and just burn them. They have not found any remedy or chemical to kill the beetles.

Acting Chairman Oscar Calvo - Okay so you guys have to start working because they came we spoke to them yesterday and they have informed you guys but they're saying you guys are not moving fast enough because you know you got to move fast otherwise then you won't have any more greens.

Kelvin Torres - Yes but those also have a cost and then the money that we really don't..(interrupted).

Acting Chairman Oscar Calvo - Well just to get back to that get your boss the minute he gets in, the minute you pick him up at the airport you let him know if he still wants to lease it or not because if not then it's going to go simple as that, okay.

Kelvin Torres - Yes sir.

Acting Chairman Oscar Calvo - Okay Mr. Torres thanks.

4. Guam Hals Angels Football Association

Acting Chairman Oscar Calvo - I notice on that letter for that Shiroma.

Administrative Director Monte Mafnas - Basically Mr. Shiroma, Ivan Shiroma submitted a letter requesting usage of Guam Rugby's field. Now because of his dad being involved, his involvement and a thousand kids but what happened here is as we all know when you use the football cleats on the rugby grass it tears it up so that's the problem. This issue

has been ongoing for how long? Several, many, many years and he's trying to push the issue, push the envelope to demand use.

Commissioner Michael Borja - He wants to have football practice on the rugby field?

Administrative Director Monte Mafnas - That is correct.

Acting Chairman Oscar Calvo - Actually he wants the entire lot.

Administrative Director Monte Mafnas - Right now it's just to use for five or six months.

Commissioner Michael Borja - The last Board meeting that I read it had to deal with this. That seemed like a heck of a meeting but..(interrupted).

Administrative Director Monte Mafnas - They had a lot of attorneys too.

Acting Chairman Oscar Calvo - The attorneys actually which at the time Mr. Clark and Mr. Brooks came into terms to that that they were willing and understanding that they were come to consideration and Mr. Brooks their legal counsel was in agreed to Mr. Clark. But we did come to terms in that Board.

Commissioner Michael Borja - I thought you guys did and he's saying that the problems have not been resolved and it sounds like he doesn't want to resolve it.

Acting Chairman Oscar Calvo - Doesn't want but what I said that day was okay Ivan if you don't want it then I'm going to cut it right down the middle. You stay on your right and you stay on the okay, if you can't simply and the Rugby really are willing to help him out.

Commissioner Michael Borja - I heard that and you know I personally have some involvement with the Rugby I've got a player, my son is and I've seen what the guys have done to the field. I mean what the Rugby Association has done to the field. They from my understanding have pretty much done most of the work in clearing the land and improving it for the use for football use and it's quite a bit and to rip it apart with cleats is not really a cool thing to do. You might want to call aerating it but that's not really aerating the land.

Administrative Director Monte Mafnas - It's destruction.

Acting Chairman Oscar Calvo - You know how much we gave him? We even gave him the lower part of that which is the baseball field to use as part of their, see when he came in there he asked us to use the field and I went out there personally myself with Mr. Garcia and I wanted to well first of all he abandoned that place so negligent wise it was his fault. So we ultimately tried to find him another field for training and he says well you know we spoke to Department of Parks and Recs we got a field to work he said well you know my guys they're going to have to travel to Barrigada. What's the difference you got guys playing down in Merizo and Agat or where ever they're going to travel all the way up to Dededo either way. So distance wise but we were really coming down to that terms

and you know it's just that at the end of last year we did and I simply I said okay Ivan you cannot have, you want everything for yourself. And the part of that he's always saying you know it's for our kids. No, to me it was all about power everything for himself.

Commissioner Michael Borja - Well it doesn't look like he even ran this past the rugby guys to see if they agreed with it. They don't know about this right?

Acting Chairman Oscar Calvo - No.

Commissioner Michael Borja - He's just trying to go under.

Administrative Director Monte Mafnas - Yes.

Acting Chairman Oscar Calvo - Yeah.

Vice-Chairman David Matanane - I move that we deny Mr. Shiroma his request.

Commissioner Michael Borja - I second.

Acting Chairman Oscar Calvo - Passed.

Administrative Director Monte Mafnas - Thank you gentlemen.

Commissioner Michael Borja - I won't be here next month for the meeting so I'll just pass the letter to you and I'll turn it in.

Acting Chairman Oscar Calvo - Actually we're going to be a problem with that that we have on the Board next month because Dave and I are also..(interrupted).

Administrative Director Monte Mafnas - By the way I just got a call from Telo Taitague, staff assistant and she said that her dad has been nominated by the Governor to replace Rita Franquez's position and he should be set up to be confirmed.

Commissioner Michael Borja - What's his name?

Administrative Director Monte Mafnas - Joe Taitague, retired Land Management planner. So I think he brings a plus to the table you know.

Acting Chairman Oscar Calvo - Especially he's a planning from the Land Management that specialty we need on that land issues. I got a question to ask (Napu) because ours expires too next month but the Governor is reappointing us.

Napu Castro - Okay.

Acting Chairman Oscar Calvo - That's okay?

Napu Castro - We have not received their package yet.

Acting Chairman Oscar Calvo - No, no, not yet but you know.

VIII. EXECUTIVE SESSION - None.

IX. ADJOURNMENT - Meeting adjourned at 3:10pm.

Transcribed by: Teresa Topasna: Topasna Date completed: June 30, 2011

Approved by Board motion in meeting of: August 18, 2011

Administrative Director, Monte Mafnas: Monte Mafnas Date: 8-18-11

Chairman (Acting), Oscar Calvo: Oscar Calvo Date: 8-18-11