



*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

*Amanda L.G. Santos*  
Commissioner

*(Vacant)*  
Commissioner

*Monte Mafnas*  
Administrative Director

# Chamorro Land Trust Commission

## (Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

Phone: 649-5263 ext. 651 Fax: 649-5383

### COMMISSION MEETING MINUTES

#### Guam Housing Corporation Conference Room

#### 5<sup>th</sup> Flr., ITC Building, Tamuning

#### Thursday, February 16, 2012; 1:06pm - 3:41pm

#### I. CALL TO ORDER

Meeting was called to order at 1:06pm by Vice-Chairman David Matanane.

#### II. ROLL CALL

Present were Acting Chairman Oscar Calvo (1:09pm), Vice-Chairman David Matanane, Commissioner Michael Borja, Commissioner Amanda Santos and Administrative Director Monte Mafnas.

#### III. APPROVAL OF MINUTES (January 19, 2012)

Commissioner Michael Borja moved to approve the minutes of January 19, 2012. Commissioner Amanda Santos seconded the motion. There were no objections, **MOTION PASSED.**

#### IV. PUBLIC COMMENTS

1. John K. Peredo, Jr. - I was here last month on the 19<sup>th</sup> regarding the property of my dad and as of now they chased out my younger sister and brother from the property where my dad was staying at.

Administrative Director Monte Mafnas - Who chased out?

John Peredo Jr. - My uncle.

Administrative Director Monte Mafnas - Your uncle, what's his name?

John Peredo Jr. - Frank Kawamoto.

Acting Chairman Oscar Calvo - If my mind serves me right Monte, we haven't signed no..(interrupted).

Administrative Director Monte Mafnas - No we haven't signed no lease.

Acting Chairman Oscar Calvo - So he can't ultimately chase you out because he still has no legal rights.

John Peredo, Jr. - Now he authorized other people to stay there.

Acting Chairman Oscar Calvo - No as long as that lease is not signed there's nothing he can do.

Rev. 06/13/2011

John Peredo, Jr. - Right now I really don't know where to go about whatever, I need a document stating, showing him he has no authorize to do that.

Commissioner Amanda Santos - Is the lease agreement under your dad?

John Peredo, Jr. - Yes ma'am.

Administrative Director Monte Mafnas - What we'll prepare for you Mr. Peredo is a new addendum to the lease to put in your name. Unfortunately your Uncle Mr. Kawamoto is listed as the beneficiary but with the addendum your name will be there. So he will not have complete rights in evicting or chasing away your siblings.

John Peredo, Jr. - But as of last week because I don't stay there on the property because I stay with my, I got my own family to deal with, I'm thinking about my younger siblings you know my younger brother and sister. Now I hear that they're staying somewhere else which I don't know where they stay and they're showering in places you know where I don't know.

Acting Chairman Oscar Calvo - I know as for him Mr. Kawamoto doesn't have the fully right right now because we never signed a lease or anything to release. So technically he can't claim anything right now, he can't and I don't care what he says. He may have that document because like I said that still warrants to go for a legal counsel issue.

John Peredo, Jr. - Because I don't want it to go any further because right now I'm thinking about these kids my own dad's own younger kids, younger than me. I'm not thinking about myself. This guy they allowed somebody else to stay there which my other brothers and sisters you know I don't know where they're staying and they're going to stay on a house, you know they got clean clothes and stuff like that. I don't know if my other siblings have clean clothes you know I don't know where they're staying. I have no idea.

Commissioner Michael Borja - Has anyone made contact with Frank Kawamoto? Is he present? So I think we probably need to formally contact him regarding his appearance here last month at the Board meeting and inform him that he may have had the beneficiary and we haven't signed anything over yet and because of the dispute with the immediate family member we need to discuss this issue which we probably need to refer it on. But I think also we need to state to him that he cannot proceed with anything in evicting any existing residents on the land until this is fully resolved legally. So we could suggest that the Commission please contact Mr. Kawamoto.

Commissioner Amanda Santos - When he chased out your siblings is he angry or what?

John Peredo - I really don't know because my sister just stays right next door and she's the one informing me about this stuff. I went down and I verified it and sure enough they're no longer staying there.

Administrative Director Monte Mafnas - Another point of concern is there are two structures on that one lease. So eventually one of those structures has to go. You can only allow only one structure per lease.

Acting Chairman Oscar Calvo - Well for one thing already like what he's saying he already has someone living in there. You have more rights than that individual, I don't care what Mr. Kawamoto says. Monte, I think like what Mike said just get this thing and you know.

Vice-Chairman David Matanane - Mr. Chair I think the Director can put out a letter stating the facts and have him in to see us. A letter will be sufficient that we had notified him that he has no rights to chase anybody out from that piece of property until the lease is signed. Other than that he has no jurisdiction to chase anybody out. A letter will do that, do you have the address for him?

Administrative Director Monte Mafnas - We'll have him served.

Acting Chairman Oscar Calvo - Okay, thank you.

John Peredo, Jr. - Thank you.

Commissioner Michael Borja - Please follow up with the CLTC Commission office.

Administrative Director Monte Mafnas - Come and see me in the afternoon about maybe 3 o'clock tomorrow.

John Peredo, Jr. - Okay.

2. Raymond Cruz - My name is Raymond A. Cruz. I'm a Professional Land Surveyor, I'm here to represent Ms. Melissa V. Torres on her request to lease Chamorro Land Trust property. Like I stated earlier Ms. Melissa V. Torres wanted to ask the Board if she can lease the Government property based on the sketch that I gave you guys. It's actually an old easement within the fractional lots in Agana which is actually composed now within the block system.

Commissioner Michael Borja - Where is this located at in Agana?

Raymond Cruz - This is right across Calvo's Office right behind Bank of Hawaii.

Vice-Chairman David Matanane - This would be a commercial lease.

Administrative Director Monte Mafnas- Yes it is a commercial.

Vice-Chairman David Matanane - Duly noted and maybe put the name and when we do give out the commercial leases then we will entertain it but as far as right now we can't issue out commercial leases right now.

Administrative Director Monte Mafnas - Actually we self imposed that restriction pursuant to the rules and regs that we have submitted three times to the legislature and we are working with GEDA to take it forward and resubmit. But Mr. Cruz does your client understand that number one all survey costs will be borne by her?

Raymond Cruz - Yes that's correct.

Administrative Director Monte Mafnas - Number two, that you need two appraisals. Number three, this is a 99 year lease.

Raymond Cruz - Correct.

Administrative Director Monte Mafnas - Number four that the payment shall be a one-time like fee simple sell except it's a 99 year term.

Raymond Cruz - So in other words the payment will be for 99 years.

Administrative Director Monte Mafnas - One time.

Raymond Cruz - One time based on the appraisal.

Administrative Director Monte Mafnas - Right based and accordance with the appraisal. The appraisals are two pursuant to public law. And again as Commissioner Matanane said we will contact you when we're ready to engage in this transaction. We'll keep you posted or you can call me.

Vice-Chairman David Matanane - As you mentioned Mr. Mafnas we have self imposed that ourselves, until such time that we decide. So I'm glad that it's clear that we are not barring by any law or any regulations stating that we can or cannot issue. Just to state that clear.

Administrative Director Monte Mafnas - On record yes. Okay Mr. Cruz.

Raymond Cruz - Okay, thank you.

Commissioner Michael Borja - The lots are really diagonal, they're not parallel with the road?

Raymond Cruz - Based on the fractional lots before it became the block system in Hagatna now fractional lots are now encompassing portions of blocks within lots.

Commissioner Michael Borja - So these are dirt roads Hessler and Corona you know those dirt roads between the buildings.

Raymond Cruz - Actually they're not dirt roads they are just vacant properties right now at this point in time. It used to be something like the bull cart trails before way back.

Administrative Director Monte Mafnas - This is the old Agana fractional lots all over and that's why the military under the Naval Government tried to enforce a lot and block system for organizational purposes. So this is all left over sliver, remnants of the old access the old roads whether it be bull cart trail in nature or not. But this is actual roads when you have a name like Corona Street, Hessler Street that's the old lot and block system that they're trying to square it off. But yes Commissioner you're right a lot of this is in angles because back then the ownership was 300 square meters and you can build. Today you need 500 square meters to build anything otherwise it will be substandard. So it doesn't serve anybody any good unless you're an abutting, adjacent, contiguous lot owner.

Vice-Chairman David Matanane - I would like to remind Ms. Torres that when the day comes up that she will state her proposal as to what she's going to do with the lot and all that. Her plans so we will go right to it other than that I guess I don't know if the new Agana renovations or the Agana restoration would conflict with this particular lot which is 162 square meters. Would it Monte?

Administrative Director Monte Mafnas - Actually if hypothetically this was to move forward it would allow the lessee the ability to build a building which is costly, which will generate income, which will also generate real property taxes for the Government. Just historical information there was one Bagabon who used to live here and consequently he passed on in this subject lot. So there used to be this hamburger stand there that was a vehicle and they used to congregate here and one person did end up passing on. Now this lot is cleared and goes from Martyr Street to Archbishop Flores Street. So eventually it's my understanding that they're going to build a commercial building so this will only create a better value for the city of Agana.

Vice-Chairman David Matanane - Which brings to mind looking at that graph here this portion of the Corona Street..(interrupted).

Administrative Director Monte Mafnas - That was purchased in the past. What about this dotted line how come it's cut through?

Raymond Cruz - That dotted line there Mr. Commissioner is a line between Lot No. 5, Block 2 and Lot No. 6, Block 2. In other words portions of that fractional lot 1179-1-1 is within both lot systems.

Commissioner Michael Borja - Which lot is Ms. Torre's lot?

Administrative Director Monte Mafnas - Everything outside of the red.

Commissioner Michael Borja - Everything on both sides?

Raymond Cruz - As a matter fact if you see on the left portion there under Lot No. 16 it says portion of Corona Street within Lot 15, Block 2 that was purchased already he has a title on it already and then further down it is portions of Hessler Street again that was purchased

and was titled. So they're trying to utilize that small portion there from the Government that they can utilize like for parking when they build their structure.

Acting Chairman Oscar Calvo - You know on that lot 140 and 179 I notice here you got a dotted line basically wasn't that supposed to be a solid line?

Raymond Cruz - Actually that's a solid line based on the lot and block system now but since we're going in for land registration on 1179-REM..(interrupted).

Acting Chairman Oscar Calvo - Because I noticed it shoots up all the way up here okay but I'm just thinking that are we looking just to cut it to here and up forward or all the way back to this?

Raymond Cruz - The entire Corona, the one shaded in red.

Acting Chairman Oscar Calvo - Because the dotted line basically means also at the same token the property is not really I mean and you have to I guess really block that off to make it a solid line now technically now that block. So what is this block number here this dotted line here? This portion so this will basically disappear?

Raymond Cruz - Yes it will disappear once we consolidate the lots.

Acting Chairman Oscar Calvo - Okay. So the reality right now really this is where your property is on this dotted line.

Raymond Cruz - Actually in reality the property is in the fractional lots, it's just that it falls in between two lot systems.

Acting Chairman Oscar Calvo - But see at this point right now if you look at it hypothetically here from here it's solid but then you made a cut here which is an imaginary line, I'm assuming that's what it is, so when you do cut that and redo your cut then the lot number itself will change.

Raymond Cruz - Actually what's going to happen here sir is once we get a title for the portion of Corona Street on the upper right hand corner on 1179-REM and also portion of Hessler Street on the bottom once we get that title we're going consolidate the entire fractional lots within that block itself and then that line in the middle will disappear.

Acting Chairman Oscar Calvo - Yes that's what I'm trying to say so the whole lot becomes basically incorporated with Lot 180. So Lot 180 otherwise would be bigger coming up to the red line.

Raymond Cruz - No sir.

Acting Chairman Oscar Calvo - Because you got that imaginary line and once you get this then the lot number would change.

Raymond Cruz - Okay the reason why I showed the imaginary line on this is to show the division between the block on the left and the block on the right. But in actuality the lot itself is a fractional lot within the block system. So what we're going to do later on after we get the title for the portion I was telling you earlier is that we're going to consolidate everything within this whole block into one whole lot.

Acting Chairman Oscar Calvo - So this portion here would that red line disappear? It would have to because then you attach this property from point a to point b down here. So the property itself will be bigger.

Raymond Cruz - Yes.

Acting Chairman Oscar Calvo - We got to keep intact that, they're only leasing or the portion of that 182 square meters.

Administrative Director Monte Mafnas- 162.

Commissioner Michael Borja - Who owns Lot 5, Block 2?

Administrative Director Monte Mafnas - That's a private owner is that correct?

Raymond Cruz - Lot 5, Block 2 comprises of fractional lots within that block system.

Commissioner Michael Borja - Then why are we trying to obtain something that is within this red triangle that's going to further make this other block of land fractional?

Administrative Director Monte Mafnas - Not necessarily Commissioner, they're trying to square it and prevent gaps and overlaps and encroachments. So from this imaginary line down there's a lot and block system. This imaginary line up is a lot and block system but again there's gaps and overlaps in all the slivers. So that's why they have not expressed any interest, they're using the property, this person is trying to lease this property and pay for it that's the difference. One is using it for free and the other one wants to use it by paying for it.

Commissioner Michael Borja - So we're going to take what is an existing triangle land and..(interrupted).

Administrative Director Monte Mafnas - Correct that has no income at this point in time to the Government.

Commissioner Michael Borja - But it will be divided up as a triangle and lease it all over so they can lease this odd shaped piece of slivered land then it will make Lot 16 and Lot 5 odd shaped for years for 99 years too.

Administrative Director Monte Mafnas - Correct but in the same token Lot 5 has not expressed interest, has not done their due diligence, has not offered anything. This exercise was promulgated by Department of Navy since 1950. It's now 2012 so you can see how difficult this exercise is of squaring all gaps and overlaps and encroachments.

Commissioner Michael Borja - Like a lot of these empty lots in Agana there's like 60 survivors of the original owner wandering the world somewhere and so nobody was able to deal with a definitive answer and that lot is probably just vacant because they never have been able to get together to talk about what they want to do. I think that's what happened to most of it then.

Administrative Director Monte Mafnas - As a landowner you're subject to paying taxes. You should know your property and you should know who your neighbors are and if the Government is your neighbor then you should express interest to purchase or lease the property to square off your lot. Now it's incumbent upon them to do that due diligence just like this person here who's trying to do her diligence and all they're asking is to create a value of a Government sliver that has no value at this point in time. Now purchase gives us an income. Consolidate it build a building, generates real property taxes, income again for the Government. At this point in time if we don't start addressing these issues it will continue to perpetuate forward. So it's time and it's incumbent upon this Commission to do the right thing. These gaps and overlaps and encroachments are history. We should clean up all this mess. We have the power to do that and if we don't exercise that power then this goes forward and does nobody any good.

Acting Chairman Oscar Calvo - The only difference here Mike is this portion now as right now can't encroach once these people really lease this because right now it's an open. So he can come up there himself but once they lock this in then he stays in his own boundary line. So this one here you know whatever you decide to put here but right now Lot 5 can always say to Lot 180 I have much right as you are until this point is done.

Administrative Director Monte Mafnas - Correct.

Raymond Cruz - Yes that's correct.

Administrative Director Monte Mafnas - I just want to go on record too that the funds should be held in escrow if and when this sell is consummate with the lease simply because I think the Guam Museum or the Restoration Committee has first rights to it. If not then it goes back to Chamorro Land Trust.

Acting Chairman Oscar Calvo - I guess Monte will check into that whatever needs to be okay.

Administrative Director Monte Mafnas - Yes.

Raymond Cruz - Thank you very much for your time.

## **V. OLD BUSINESS**

### **1. USDA MOU**

Joe Diego (Area Director, USDA Rural Development) - Mr. Chair, Commissioners, Mr. Director, thank you again for giving us the time. Just as a summary we're here again to discuss the amended Memorandum of Understanding that we initially executed in 2005. It was since canceled last year in lieu of this new MOU that's now in front of you. Going back to the MOU this document essentially lays the foundation for USDA to do our affordable mortgages and in some cases grants on Chamorro Land Trust property. In comparison to land in Guam our programs are only available currently to one-third of the island. When you consider one-third is federal, one-third private, one-third government so we would like to see if we have an opportunity to stand this to another third so we can expand our base to two-thirds. Basically just to give you an idea our mortgage programs targets the very low to low income families. We have the ability to bring mortgages down to 1% amortized over 33 in some cases 38 years to make it affordable to families. Basically we've had a lot of success with this program outside of Chamorro Land Trust with the challenges, with the spikes in values of the real estate in the private sector we think that there's huge opportunities with expanding this program to Chamorro Land Trust. Basically since we can't take mortgages on Chamorro Land Trust we're offering this MOU which essentially uses a mechanism whereby in lieu of a mortgage we get a deed of trust from Chamorro Land Trust stating that they will serve as trustee for a mortgage that we will do on Chamorro Land Trust. So that facilitates the security issue in the event of default instead of us taking over the property we present the deed of trust back to Chamorro Land Trust who will reimburse USDA the principle and interest and I believe there are some other fees should it become necessary. So that we get reimbursed with our investment and CLTC retains the property and sells it to another eligible applicant whatever mechanism you use to replenish what you've paid to USDA. So that's really the mechanism in a nut shell that we are proposing here. We use this MOU in Palau, CNMI, FSM and the Marshal Islands because we have the same challenges in that we can't take mortgages. So we've had a lot of success with this and we want to see if there's opportunities again that the CLTC Board would like to consider. We're here to answer questions. Aside from our mortgage financing which allows for construction or purchase on Chamorro Land Trust we also have a home repair program that for existing lots on Chamorro Land Trust we can do repair loans and grants. The grants for the elderly families to make their home safe, decent and sanitary. Basically for that program what we provide on the loan side is 7,500 and above. We would again need the deed of trust mechanism to secure our mortgage. Of course the grant is for free and the loan on that program is fixed at 1% so it's very affordable for the very low income families.

Commissioner Michael Borja - What mechanism does the Chamorro Land Trust Commission have to reimburse in case of a default?

Administrative Director Monte Mafnas - Basically it's a guarantee in writing number one. Number two, we have about 14,000 names, we will pull out a name that's been prequalified for a certain amount. I'm sure over 14,000 names we can bring somebody within our beneficiaries of the Trust to replace that person.

Commissioner Michael Borja - But the way you're discussing it is that we would reimburse for the default including some service fees and then the Commission would re-coupe that with the resell of the property to another applicant.

Administrative Director Monte Mafnas - At that point in time we would own that structure. The land is ours perpetuity wise right? So we can make a decision, the Board would have to make that decision to either resell it to a constituent or beneficiary of the Trust or rent it out as long as it becomes income producing.

Commissioner Michael Borja - But the applicant he says in order to be prequalified so whoever's going to be the lender has a trust in that individual, we're not just picking people who are going to most likely default. They're going to be people who most likely are going to maintain their mortgages.

Administrative Director Monte Mafnas - Very good question Commissioner, if I may, I see the President of Guam Housing Corporation here and he's a very astute gentleman, maybe he can answer that question because I have given him over 3,000 names.

Martin Benavente (GHC) - What was the question?

Administrative Director Monte Mafnas - The names qualifying, quantifying the names.

Martin Benavente - Yes.

Commissioner Michael Borja - So you have a good list of names.

Martin Benavente - Yes we do.

Commissioner Michael Borja - Of individuals who are eligible. In the event that we have to come up with moneys and you're talking hundreds of thousands of dollars in default or maybe a hundred thousand dollars doesn't matter but CLTC is going to have this transfer of funds and then get reimbursed by the individual.

Martin Benavente - You would only have that problem in the first default.

Commissioner Michael Borja - You said you're doing this in the CNMI and FSM, what's the failure rate?

Joe Diego - Well CNMI is a unique situation we currently are working with the Northern Marianas Housing Corporation to settle, you know their economy is really taking a hit. They can't afford to pay us but we're working with them. In that case the first effort we did is all the accounts we need collection we tried to collect principle and interest but we can't do that so we discounted that at 70% and they're going back out to the market to see what they can do to kind of recover cost at 70% of what they owe us. They were successful in some degree, there's still some that again it's just the market conditions and we're very sensitive to that. But as far as Palau their delinquency rate is only 2%. Marshall, they're at about

8%. The FSM, I don't oversee that area but their delinquency rate are a little higher and just really fluctuates depending. But if I may to answer further to your question within the MOU it does require that CLTC open up an escrow account and fund it with a half million dollars just as a good faith effort to show that you will honor this. That doesn't mean that we're going to restrict our lending activity up to a half a million we can go above and beyond that. When you talk about the CNMI their escrow account was at that time only \$250,000 but our foreclosures amounted 2 million dollars. So that's why we're trying to work with them to try and resolve that. You know we may eventually write off losses. Further to the question about you brought up a good question again about foreclosures, you know our servicing regs are very borrower friendly. We're not like a bank where the minute you're in default we're going to foreclose. We understand that families encounter a reduction in pay, reduction in hours. We can adjust their payments again down to 1%. We also have the ability to give you an example, Typhoon Ponsonga that hit us a few years ago we gave our borrowers a moratorium where they didn't have to pay us for 6 months so that allows them to recover from the damages and everything. So it's really almost a last ditch effort when we have to say okay CLTC we've done everything we can, we can't collect. We even look at their families if they can take over the loan those kinds of things. There are so many servicing tools we try to work with the delinquency on before we foreclose.

Commissioner Michael Borja - So how do we create this escrow account? Is that going to be a line item funding from the budget or is that going to be some kind of money from another source?

Administrative Director Monte Mafnas - I've been thinking long and hard about that and I've been working very closely with Department of Revenue and Tax by identifying all licenses and lessees to assess and pay so that everyone that signs a lease they're compelled to comply as stipulated and annotated in the lease pay their taxes. Now I suspect that we should be getting about close to \$800,000 dollars minimum from Department of Revenue and Tax. That account has been specifically assigned and is called Chamorro Home Loan Funds.

Commissioner Michael Borja - So property taxes paid on those properties will go into our account not the general coffers.

Administrative Director Monte Mafnas - No it's not, it's specifically for our account pursuant to leases given to them and maps that we're digitizing at this point in time to accompany the leases so that they can make physical inspection to make sure that when the assessment is done that they assess it correctly.

Acting Chairman Oscar Calvo - Mr. Diego going back to the same line of question what Mike Borja is saying is if the individual defaults for whatever rational reason and on the lease agreement he or she has someone to take over that can laterally be done to let's say maybe his son but has to be also a recipient of the Chamorro Land Trust at the same token. In other words if it's his son and he's probably going to be the one to inherit that piece of property the only thing that I have from that one is if it does come down to that state if that son already has inherited a piece of property you know. I'm just trying to visualize that part

of that default of that payment. I like the idea because you would give them an ultimate opportunity and you probably told Mr. John Doe and says look you're behind 3 months, 6 months whatever for the payment and maybe he would have lost his job for that matter. In cases like that how do you guys, do you wait a period of time or do you give them heads notice within 30, 60 days or 90 days and says you're way behind on payment?

Joe Diego - Like I said our servicing regs are very borrower friendly. If they respond to us we're going to take everything they respond in account. We do have regulations that allow us to do the transfers and same rates and assumption transfers to an eligible family member but before we do that we're obviously going to work with CLTC to make sure that they're eligible because that's the basis of this MOU. We just don't want to give it to anybody that's not eligible that meets the CLTC requirements and even if we do that I believe the deed of trust may have to somewhat go through an amendment if it's transferred to somebody. So that would engage us to meet with CLTC to say we need to amend the deed of trust to reflect a different borrower.

Administrative Director Monte Mafnas - How many loans have you foreclosed on Guam? Just approximately over how many decades of your existence.

Joe Diego - I'd say annually over the last 5-6 years we foreclose on an annual basis I'd say about 15 homes maybe 20.

Administrative Director Monte Mafnas - Is that about 1% or 5% or 10% roughly?

Joe Diego - Our delinquency rate is about 12% here on Guam. The thing about it is on the open market it's so hot that when we foreclose you've got realtors that buy it up real quick. We don't have no inventory property, there's probably one that we have because it's an environmental issue where the family buried batteries and stuff in the back yard so we got to clean it up but that's the only inventory that we have. Going back to servicing we all know that families are struggling now with health care where if someone has to go off island for medical expense or undue expense we give them a moratorium when they don't have to pay us. You know those are common things that we experience especially the low income that they need help with and we're not there to foreclose we want to see them become successful homeowners. So that's what we really try to do. Sorry if I didn't answer your question. I guess we just wanted to make sure that it's okay and if it's okay with CLTC to do the same rates and assumption transfer to an eligible family member.

Vice-Chairman David Matanane - Let's say it goes to through the motion the collectability of some sort of a mortgage right, in the end where does the land go?

Joe Diego - CLTC. I also address the issue of revenue generating and Steve pointed it out to me that the MOU allows the CLTC of course affordability is the main issue but you can charge a 2% trustee fee and in the Marshall Islands and Palau I believe they also attach a packaging fee. So those are ways you can use this.

Acting Chairman Oscar Calvo - How much are you charging now in Palau and Saipan?

Joe Diego - Well the MOU states 2% of the loan amount that can be charged as a trustee packaging fee and we understand that there's a lot of administrative expenses associated with this so that's why we allow the trustee that opportunity to do that.

Acting Chairman Oscar Calvo - On the trustees, what's the highest loan that they ever borrowed with you guys?

Joe Diego - It's different markets, about \$80,000 because we're only building the homes.

Commissioner Michael Borja - What's our next step what do we need to do with this?

Joe Diego - I guess the MOU and you provide evidence that the escrow account is there and then it's just a matter of signing it.

Vice-Chairman David Matanane - Has our attorney looked into the MOU?

Administrative Director Monte Mafnas - Our attorney will be looking at this.

Commissioner Michael Borja - I think we already moved to proceed towards..(interrupted).

Administrative Director Monte Mafnas - Yes accepting it.

Vice-Chairman David Matanane - So what's the next step?

Administrative Director Monte Mafnas - A couple of things, our attorney reviewing the MOU and giving us the approval to sign off and number two, identifying the half a million dollars which will be an interest bearing account which will be our money. Correct? Whose money is it?

Joe Diego - Well it's going to be part of the escrow but if you need to withdraw if you could give us a courtesy and get our concurrence and it's only because of the situation in the CNMI where we didn't have any control of the interest and they used it and now we're in a situation where we're just stuck with the principle. So it's just a safety precaution we don't want to get caught in that. We're not saying you can't do anything with the interest just let us know so that we're aware of it.

Vice-Chairman David Matanane - We can roll it right?

Joe Diego - Yes. And Steve actually brought up a good point, we're going to be providing you our delinquent list every month so you'll see who's one payment, two payments, so you won't be caught off guard in terms of where we're going.

Administrative Director Monte Mafnas - So the half a million is consistent with the program or is there any draw down any reduction as we go forward?

Joe Diego - It's primarily consistent but I guess down the line you could ask if we had a success in zero delinquency and nothing to really concerns us and we can consider that.

Commissioner Michael Borja - I guess what we need to have on this escrow account is policy set on where the interest goes and what we do with that interest if it's ever going to be withdrawn. I guess the best thing to do is to let the escrow account grow and then at some point if it's let's say a hundred thousand dollars is what it's grown into as interest then you determine how to use that money for future uses.

Administrative Director Monte Mafnas - That is correct but with today's interest rate that amount is not substantial at this point in time.

Commissioner Michael Borja - What amount is not substantial?

Administrative Director Monte Mafnas - The interest rate.

Commissioner Michael Borja - Oh the interest yeah five hundred thousand is going to get you two cents.

Administrative Director Monte Mafnas - Exactly but we just need to go on record that that's still our money.

Acting Chairman Oscar Calvo - But like what Mike said to just roll over on that interest and that way bring it in and that way we'll have a well accountability of that.

Commissioner Michael Borja - Wouldn't the escrow go into some title?

Administrative Director Monte Mafnas - We can go to a title company. Bring in but not to exceed half a million. We don't need to go over.

Joe Diego - Well aside the interest you can negotiate that if that's something that you want to bring up at this point because it's just a draft right now. But I know the other MOUs require the interest be retained as part of your escrow so I guess in your books it probably shows a restricted account. But again you'll see in the escrow that should a drawdown be necessary for anything above the half a million then just let us know and more than likely we'll concur.

Vice-Chairman David Matanane - You touch the interest first before the principle.

Joe Diego - That's correct.

Administrative Director Monte Mafnas - My concern is half a million doesn't mean seven or eight hundred thousand dollars.

Joe Diego - No see if it gets that high you need to drawdown, just write us a letter. There is a reference in the MOU that does talk about the interest earned so maybe take a look at

that if you have some issues but it does say that we have no problem doing it just let us know and again we'll look at the status of the MOU and delinquency and everything else. Keep in mind this is a hundred percent financing program.

Administrative Director Monte Mafnas - Pursuant to the amount of loans you will book, correct?

Joe Diego - That's correct.

Administrative Director Monte Mafnas - As long as there is some fairness and equitable in that. That's my concern.

Joe Diego - We're the Government and we're here to help.

Administrative Director Monte Mafnas - Very good just like us.

Acting Chairman Oscar Calvo - So what do we have to do next Monte?

Administrative Director Monte Mafnas - Well number one we need to all sign the MOU after our legal counsel approves it. Number two, we have to identify the funds and then alert USDA that funds are available. We have to identify a title company to open up the trust account.

Joe Diego - And if I may because part of this MOU does require some of the basic packaging be done by our trustee which is CLTC. The initial 2005 MOU I think we threw Guam Housing into the picture too because they have the expertise to do that so it was a tri-party agreement. But in this case it might have to be a separate MOU between Guam Housing and CLTC to do the packaging and on that note if you would like to whether we sign the MOU or not if you need to get a better picture of pre-qualifications I know our colleague there does have some information but we've been going out and met with the public after hours to do pre-qualifications. I mean maybe not on a large scale maybe we'll start with 40 or 50 at a time just to kind of get an idea of how much they're qualified for. Just to give you an idea we have about 180 on our waiting list and their eligible amounts are very low compared to what's out in the open market. So with CLTC property you're probably looking at just construction cost for the family so that really becomes a lot of affordability issues that can be addressed for the very low income families.

Administrative Director Monte Mafnas - We expect to be your number one customer. But yes we will revisit our MOU with Guam Housing. Well Mr. Diego and Mr. Cruz I really want to thank you gentlemen for enlightening us and affording us this venue because this is historic and really great news for the constituents of the Chamorro Land Trust. It's never been booked, no loan has ever been made.

Joe Diego - We came close.

Administrative Director Monte Mafnas - Came close but now we're going to effectuate these loans. So we appreciate working hand in hand and this opportunity to get loans for our beneficiaries of the Trust. Thank you very much.

Joe Diego - Thank you for having us.

## **2. Younex International Corporation, Inc. settlement documents**

Administrative Director Monte Mafnas - There is the settlement documents for our review. Basically they memorialized the policy that was passed by the Board. Number one, they make a payment in the amount of \$100,000 via a cashiers check. Number two, they will fence the front entrance area. Number three, they will clean out those rocks, boulders that they left behind. So they have the release here but because of the legality and judicial concern I want an attorney to review this. There's a lot of verbiage here that's not really necessary.

Acting Chairman Oscar Calvo - She used a lot of those legal words.

Commissioner Michael Borja - I just don't want to see that there's some hidden meaning but I think in good faith they're trying best to just close this whole issue.

Acting Chairman Oscar Calvo - Actually by good faith start off with that boulders and the fence start showing case right now.

Administrative Director Monte Mafnas - That's my understanding that we requested for them to perform the work first.

Commissioner Michael Borja - And they haven't done it?

Acting Chairman Oscar Calvo - They haven't done it.

Administrative Director Monte Mafnas - No.

Acting Chairman Oscar Calvo - So call back their legal counsel to have them remove the rocks, put up the fence and when that's done to bring the hundred grand.

## **3. International Bridge & Construction Marianas, Inc. - payment status**

Administrative Director Monte Mafnas - International Bridge & Construction Marianas and I have met and Mr. Toelkes, if you look at the memorandum of understanding requested that we review his concern. His concern is that we agreed back last year in October for him to pay \$100,000 cashiers check. Well he came back and he gave us this memorandum of understanding. What he's saying is he did an in-kind services in the amount of \$433,000 back in July or 2008 and amount accepted by the Board. Mr. Toelkes of IBC Marianas Inc. does not have a lease or license or anything in writing to that effect and is using currently 12 acres or 48,552 square meters. He's claiming that the old Board, Administrative Director and the Board approved a \$7,000 rent credit to be off-set. Now I did ask Mr. Toelkes to provide us that in writing and I don't have anything in the minutes to that effect. He did

attach on his November justification a letter from Mr. Joe Borja the former Administrative Director granting him a utility authorization for water, power, telephone, building and clearing permits July 15, 2008 but failed to attach the \$7,000 rent to agreement by and between Mr. Borja and himself. They did comply by Mr. Borja's request to provide an appraisal from Micronesian Appraisers and the appraisal amount was 3 million dollars for the fee simple value of the property. So that's the appraisal amount that has been used. What Mr. Toelkes is saying that to date he's requesting that we give him the rental would be \$8,333 per month beginning on July 2008 to 2018 that IBC Marianas has paid in exchange basis for 52 months. After the 52<sup>nd</sup> month IBC will no longer pay or exchange basis with paid cash in the amount of \$8,333. This is his current offer as of yesterday. So what I did is I ran the numbers of course on behalf of the Board although the Board makes the final decision. What I did is I took the effective date of July, I also took the lot number of 7154-R5 municipality of Yigo and containing the same area and I even took their figure in the appraisal value of fee simple wise at 3 million dollars. When I first met with Mr. Toelkes I was telling him I wanted to use the capitalization rate of 10%. The cap rate determines the leasehold interest. But if you look at the bullet point number 2 I used what CLTC has been using in the past a cap rate of 6%. So 6% of 3 million dollars equals a \$180,000 per annum that is and amortized over 12 months is \$15,000 per month. So in my mind that gives IBC Marianas a credit of \$43,300 and that's the bill that was submitted and accepted by CLTC. More or less I think it could be \$435 or \$433, let's use \$433,000 so if you divide that by 15 months that equals 29 months of prepaid rental value up front. The point of beginning is July 2008 because that's when he received the authorization to hook up. Again IBC has no lease, license or written authorization that I have seen and our Board secretary has abstracted everything available and we have nothing in file. So based on July the authorization made to November 2011 that equals 39 and a half months so less 29 months of credit he already got he still owes us 10 and a half months. So 10 and a half months times \$15,000 per month based on their own appraisal as submitted by IBC he owes us \$157,500. Now the reason why I pecked it at November is because in November we asked him to come in with \$100,000, October actually. So he came back with a letter in November requesting consideration and that the rent agreed retrospectively with Mr. Borja was \$7,000 and he wanted to reduce the area to 30,000 square meters not the whole 48. So in other words from 12 acres he's reducing it to 10 and a half. So he's saying okay at a \$100,000 then therefore you should give me a credit, based on Nick Captain's appraisal okay. In June 2011 IBC got an appraisal from Nick Captain, Hutapea and Associates in the amount of \$13,467 per month as the leasehold value. So going back on the bullet points I took that and made the adjustment of instead of 12 acres down to 10.5 so I divided the \$13,467 by 12 months so that's \$11,022 per acre times 10 and a half acres so the monthly rent then therefore is \$11,783.62. So from July 2011 to February 2012 that's 7 months. I pegged it in July because their appraisal submitted was as of June 2011. So we're okay there right? So from July to February that's 7 months times \$12,783 that's \$82,485.37 so approximate amount due to CLTC if you add the original appraisal shortfall \$157,500 and this is \$239,000. Now this is in my mind what IBC owes. I met Mr. Toelkes up till about 5:30pm, from 4pm to 5:30pm last night running numbers but I was just listening to him but this is the numbers I just ran in my mind to be fair based on appraisals not figures from the air but pursuant to an appraisal submitted by Captain and Company and appraisal by Micronesian Appraisals.

Acting Chairman Oscar Calvo - Has he seen this?

Administrative Director Monte Mafnas - No but he said he cannot get out of his meeting with attorneys today and to go ahead and present his case and he'll listen to our case. Now I think I'm being fair and equitable and it's up to the Board to decide.

Vice-Chairman David Matanane - In the first place when he first started and IBC's been utilizing the land without no lease?

Administrative Director Monte Mafnas - That's correct.

Vice-Chairman David Matanane - He's occupying that piece of property and we in fact give him credit for what?

Administrative Director Monte Mafnas - Actually I have to give credit to the last Board and Administrative Director that's thinking out of the box.

Vice-Chairman David Matanane - I'm trying to picture this how can IBC Marianas use the land and with no lease, no documentation and we're saying that based on the appraisals and we're coming up with this.

Administrative Director Monte Mafnas - This is what he submitted in fact he says he still has another 52 months that we owe him.

Vice-Chairman David Matanane - But how can he say that when he doesn't even have paper works?

Acting Chairman Oscar Calvo - When this thing came out with Toelkes back then okay and we, when Mr. Borja was the Director at the time and that's why we don't want to do the in-kind services now because at the time we were being hammered by the legislature. And one of the rational reason at the time is we agreed that they were going to get a license but then it was halted by the legislature because we didn't have the rules and regs and so forth. But if the legislature would have passed that rules and regs then it would have been granted back then. But the work that they did has already sufficiently and quote me on that Mr. Monte the work that they did in Yigo and Agat okay with that 480 encumbered because it was more than that that they encumbered and to me hypothetically this amount of \$239,000 is within.

Vice-Chairman David Matanane - Okay I think it's coming to mind now.

Administrative Director Monte Mafnas - I commend the Board and the Administrative Director for thinking out of the box although they did not get a legal opinion but the end result was a 100 plus people received the lots and gained access ingress and egress to their lots. If those two roads were not punched in and taken care of properly those 140 people are still waiting. As I mentioned to the Board last meeting I did prepare a letter to

the Governor requesting his consideration for additional in-kind services, IBC again and Global Recycling and JR Mateo to help clean up all the properties but the Board shut it down. So I never sent the letter to the Governor you guys did. So I know for a fact based on a legal opinion by the AG that in-kind consideration is acceptable to the Governor of Guam and nobody else. But because the Board did not want to go forward and actually I like that for accountability and transparency, you perform the work you submit us the bill and then we analyze it then we pay it. As opposed to in-kind consideration basically it's padded. Also not only is it padded he commenced the work when it's convenient for him. So if he has a down time with his men and equipment that's when he does work so it's not on a timely basis. So no one questioned the amount submitted by IBC so we accepted that but if I had it my way I would charge him 10% capitalization rate. But because it's never been done I just used 6% and that's \$180,000. That's based on an appraisal and we must work with an appraisal pursuant to the new law. In the past it's been done like that but also the new law submitted by Senator Duenas.

Commissioner Michael Borja - So where does he stand on this?

Administrative Director Monte Mafnas - He said he'll look at my figures after this Board convenes if they can consider his request.

Commissioner Michael Borja - So basically he's saying he thinks he owes \$8,333 a month and you're saying it's \$11,783.

Administrative Director Monte Mafnas - Right, a month. I put in here \$10,000 right below \$8,300 that that's all he can afford. But I also told Mr. Toelkes that he just occupied a piece of property that's really zoned agriculture and he's using it as light industry because that's the only way you can have those types of heavy equipment and activity on the site. So he's not only winning from location purposes fronting Marine Drive, easy in, easy out, but also utilizing the highest and best use of the property which is M-1. It's a lot of win on his side I just think it's fair and I know it's fair that he cough up all this money too.

Commissioner Michael Borja - Where did we start at on the amount?

Administrative Director Monte Mafnas - We started at July 2008.

Commissioner Michael Borja - No but when he came forth we had a monetary amount established, he said he owes (inaudible) dollars?

Administrative Director Monte Mafnas - That's me tweaking the numbers.

Commissioner Michael Borja - But what was it?

Administrative Director Monte Mafnas - It was coming back at \$100,000 but I was coming back at \$300,000 because \$300,000 plus the \$433,000 was \$733,000 that's what I'm saying he owes us. So instead of coming up at paying \$300,000 he offered a \$100,000 and the Board accepted.

Acting Chairman Oscar Calvo - Now he's backing out on that.

Administrative Director Monte Mafnas - Now I'm back at \$239,000.

Commissioner Michael Borja - He's backing out of the hundred?

Administrative Director Monte Mafnas - Yes he's backing out of the hundred right and he's saying we owe him many more months based on this memorandum of understanding. Fifty two more months that's what he's saying.

Commissioner Michael Borja - And he has no documentation and we have no reference in minutes or anything like that on that \$7,000 dollars.

Administrative Director Monte Mafnas - Yes. But that's not the point of concern or contention at this point in time it's what's submitted from an appraisal point of view establishing the value. That's what we have to follow pursuant to the law.

Commissioner Michael Borja - So he has to know and he's the one that got that appraisal.

Administrative Director Monte Mafnas - Both of them.

Vice-Chairman David Matanane - I kind of like your figure and your rationality of the value, the monthly.

Administrative Director Monte Mafnas - What we can do I suggest to the Commission is I'll meet with him again and justify my numbers versus his numbers.

Acting Chairman Oscar Calvo - But basically we're not going to settle with that. We don't owe him anything he owes us.

Administrative Director Monte Mafnas - What do you think Commissioner Santos? That's true right he owes us?

Commissioner Amanda Santos - Yes.

Vice-Chairman David Matanane - Explain to him your figures here and see what he comes up.

Acting Chairman Oscar Calvo - Actually what you can explain to him the consensus of the Board is the Board feels that he owes us for that matter himself and the figure that he gives this is what and if he's willing to come back to the chair that's fine.

Commissioner Michael Borja - So he comes up with this 52 month, he comes up with that period of time with an amount that he figures he..(interrupted).

Vice-Chairman David Matanane - Dreamed up.

Administrative Director Monte Mafnas - And he is generous because his figure is using Mr. Borja's \$7,000 so he feels he's being generous. I'm going to pay a \$100,000 a year, divide that by 12, that's \$8,333.33 that's where he's alluding to.

Commissioner Michael Borja - And where does the \$7,000 come into play?

Administrative Director Monte Mafnas - That was the amount per month that was agreed by him and Mr. Borja.

Commissioner Michael Borja - So basically he's supposed to pay about \$15,000 a month and they gave him a \$7,000 dollar discount so it comes out to \$8,000 dollars is that what you're saying?

Administrative Director Monte Mafnas - No he's supposed to pay \$7,000 a month, times 12 is \$84,000 per annum commencing July 2008.

Commissioner Michael Borja - He was supposed to pay \$7,000 a month.

Administrative Director Monte Mafnas - That's what he says, we have nothing in writing supporting that but he's willing to pay now.

Commission Michael Borja - But how come he's saying it's \$8,300?

Administrative Director Monte Mafnas - That's based on the \$100,000 I thought he was supposed to pay us before we talked about moving forward.

Vice-Chairman David Matanane - Why did he back out on that \$100,000 that he mentioned?

Administrative Director Monte Mafnas - It's a new year.

Vice-Chairman David Matanane - Well he's dreaming another figure.

Commissioner Michael Borja - Now it's gone to \$239,000.

Administrative Director Monte Mafnas - That's my figures that's the way I see it.

Commissioner Michael Borja - So now he didn't accept the hundred so now it's two thirty nine.

Administrative Director Monte Mafnas - That's right and my numbers are substantiated by the appraisals, by two appraisals which is date and time all facts.

Commissioner Michael Borja - This 10 years worth of exchange work, that's a lot of work. Can he quantify that amount of work?

Vice-Chairman David Matanane - How much an hour?

Administrative Director Monte Mafnas - He did but the average per hour was ninety bucks.

Commissioner Michael Borja - He paid someone \$90.00 dollars an hour. One person or is that like a group?

Administrative Director Monte Mafnas - One person well that's the average. One engineer was a \$120 or a \$130 an hour. I mean we're not talking nuclear science here we're talking about civil work, road. No structural concern or calculation analysis just road.

Acting Chairman Oscar Calvo - Anybody that can be more proving to that is also Eileen was at the job site on many occasions. I myself was at the job site and I watched that work done both Yigo and Agat. So if Mr. Toelkes is going to make a point of argument to that I can attest to that.

Commissioner Michael Borja - Is this the same guy who built JFK?

Administrative Director Monte Mafnas - The son.

Acting Chairman Oscar Calvo - So if he's saying that he spent a million dollars of scope of work and on top of that it wasn't a full 8 hours at that time because I did take time many times especially with down in Agat.

Administrative Director Monte Mafnas - Commissioner Borja that's what I did I had him validate that he does not own IBC by himself that IBC Marianas is totally his by virtue of stock, purchase, sales agreement and certificates. I just wanted to make sure that we're not talking about the same company.

Acting Chairman Oscar Calvo - Okay just get with him and then just given what the sentiment of the Board that the Board gave you that opportunity now if he doesn't like the figure of that \$239,000 and what he was willing and able to you that hundred grand but since you persist you got to prove all that documentation.

#### **4. Agfayan Incorporated - status**

Peter San Nicolas - Mr. Chairman, Mr. Director and Commissioners, thank you for allowing me to be here. My name is Peter San Nicolas, President of Agfayan Inc. I just wanted to briefly describe the area and where I'm situated at is up in Dededo, Lot 10063-REMPORION-3. It's kind of directly across the Flea Market on the corner of Marine Drive and Harmon Loop Road. I know I've been given a few months, now five months from the last meeting. But from the last meeting I've not just sat back, I actually have been provided the documents like for the Revenue and Tax that I've paid this Trust that they asked from him from Mr. the Director and I have copies here also I will give to the members here. First

of all that place originally was just a vacant lot and when I was given I had cleared it and graded a little bit to make it usable. So I've taken that Chamorro Land Trust property and actually developed it to its current use. I still intend to try to develop it more to make it more valuable and usable for Chamorro Land Trust. So it's actually a lot that I've made it developed and successful and useable for our business and in the future it'll be more benefit to the Chamorro Land Trust. The challenge actually that I've encountered from the very beginning having this lot is one, having a Chamorro Land Trust it's very hard to go through all the agencies. I have a big problem going through Land Management just trying to show that I could build buildings here. I could do these things and up to this present time I still encounter problems because although I was given a lot for commercial area and allowed to build building permit at the end I cannot get a building occupancy because now the lot I have to do is change it. Because originally they said originally when they gave it to me it was commercial but now they said it's not commercial so I'm stuck with my buildings that I have to build. And I'm losing income from that because I cannot have people rent, I mean use the space or anything like that. So even if they apply for their business or to get a business license they'll get stuck either at One Stop because it's not a commercial zone area. So as far as that that's the challenges I'm encountering. And also for the members here since we had settled the arrears previously as to the amount I've been making the full payment to that particular lot and that's from 2010 all the way to current.

Administrative Director Monte Mafnas - Your payment is how much sir?

Peter San Nicolas - Full payment is \$3,500 a month.

Administrative Director Monte Mafnas - So the \$3,000 is for your rent and \$500 is for accelerated payment for the past due rent is that correct?

Peter San Nicolas - Every month is \$3,500.

Administrative Director Monte Mafnas - Have you made any payments on the delinquency?

Peter San Nicolas - Not particular because the thing has not been officially settled as to the original agreement where we're supposed to exchange the arrears to the building which valued more than \$228,000 in previously to you being the Director. And that had some records that actually for the attorney that we have met before with the previous legal counsel and that paper had been drafted but as far as the signatures they said that it's not in Chamorro Land Trust but I did have a copy unsigned. The second part and if you recall we met also at your office with the Chairman regarding selling the lot by accepting the building and 10% off the old amount which is about \$170,000 and to put up 10%.

Acting Chairman Oscar Calvo - Peter I got to hold back I never said that.

Peter San Nicolas - Okay. I did from if you recall we met in that area that we're going to do that and you asked me to get an appraisal and I did get an appraisal for that building.

Administrative Director Monte Mafnas - Then we had you present it to the Board, correct or not?

Peter San Nicolas - It was presented to the Board but it's based on your opinion saying that the building cannot be exchanged without the legal advice or anything. And for my side our side on the legal side they said that the building can be exchanged and Chamorro Land Trust can use it at the end and I have to like to protect it, keep it. That was the last thing but as far as exchanging the property I want to ask the Board to do that.

Administrative Director Monte Mafnas - Mr. San Nicolas let's take it to the point of beginning. You researched this lot and found it to belong to Chamorro Land Trust is that correct? How did you know this lot exist and who owned it?

Peter San Nicolas - Originally for information I've been moved around to about three different lots and kicked out of three different locations because Chamorro Land Trust said this is their lot and the first lot I expend close to \$5,000 later on to find out that the Mayor asked me to move out otherwise I'd get policed. So I did move out after spending that. I got relocated to another location further down on Route 3 and that is just a buffer zone and Chamorro Land Trust said that was theirs in the beginning. So the third lot they gave to me really to be honest with you is across Johndel and on the map it did say public market but after I guess these past experience I decided to research it myself and find out that the lot had never been transferred officially from the Government and I don't know where it is maybe it's still not Land Trust but it's still under the federal government not properly transferred. So I opted out not to take that. I was offered this particular lot where I'm currently because originally I was selling on a portion on the front of that particular lot on Marine Drive so that's where the lot is.

Administrative Director Monte Mafnas - And then you created your master plan your vision in building.

Peter San Nicolas - Yes.

Administrative Director Monte Mafnas - Did you check the zoning?

Peter San Nicolas - First it was, I was given a license for commercial because Chamorro Land Trust said it was a commercial lot. I did hire an appraisal and the appraisal said that it's zoned for business and I was authorized to do business. And up to now I've been operating as a business.

Acting Chairman Oscar Calvo - When you did that, that was back then right?

Peter San Nicolas - Right.

Acting Chairman Oscar Calvo - Okay when you first started up there right and like what Monte said okay if you knew that property you're already to invest money Pete because this has been a lingering between you and I Pete okay and I'm really sick and tired of it already

to be honest with you. You know that you had a problem even from day 1 and by the way it's not \$3,500 you're supposed to be paying okay. When we came on the last Board and Mike Borja here initiated that it was supposed to be \$5,000 to be paying every month and we agreed with your legal counsel and you guys and to provide all the documentation to the Chamorro and to this day I don't know Monte whether you have any of those documentations.

Administrative Director Monte Mafnas - No I don't and that's why I was asking Mr. San Nicolas if he can present us a paid receipt because once it's paid down at Department of Administration it takes us a long time and we've tried to go into the AS400 to identify it. But I just wanted Mr. San Nicolas to answer the question did he confirm and validate the zone prior to spending any money because I would do that before I build anything. I would want to know that characteristics of the property as to ownership, as to zoning, as to length, width, topographical before I even build anything. But the question is you still haven't answered it sir. Did you check on the zoning?

Peter San Nicolas - I believe if you're given a license from Chamorro Land Trust that gives you some faith. Second, I did hire as required for the appraisal, Micronesian Appraisals and they did mention that but unfortunately I did not go to Land Management to ask specific that lot.

Administrative Director Monte Mafnas - Did you get any certification of zoning?

Peter San Nicolas - Not that I recall for that. I was allowed to build through this whole thing, just now that I'm encountering this situation.

Administrative Director Monte Mafnas - What I'm trying to establish sir, is the due diligence should be yours prior to spending a dollar. Just because you hire appraisers they make mistakes believe me we're all human beings we're bound to make mistakes. Just because you hire an appraiser doesn't mean that that zoning is correct. What you need to do is validate the zoning prior to commencing construction of any activity. I'm just saying for the record at the point of beginning the due diligence was yours to complete to satisfy yourself to feel comfortable in expending hundreds and thousands of dollars and that's where you're at, a quandary self imposed by you not by CLTC. CLTC does not validate zoning only the Department of Land Management Planning Division can validate that. I'm just trying to press upon you that this problem began with you. It just didn't begin with us. You're saying just because we gave you a license, the due diligence has to be done by you. And a lot of these mistakes could have been corrected if you did your due diligence. So the second question was are there any paid receipts in the amount of \$5,000 dollars sir?

Peter San Nicolas - Not in the \$5,000 because I wasn't aware exactly that that amount exists now to start the payment of \$5,000. I'm not sure exactly because from my understanding it's either the building with the 10% of the total amount and that was the last part from the last meeting.

Administrative Director Monte Mafnas - Mr. San Nicolas you've been to the Board and the Board's been trying to work with you but you have to man up and be responsible for your own actions. Didn't the Board say we'll give you six months and you were supposed to accelerate the payments? And to date have you done any of the exercise? Have you made the payment?

Vice-Chairman David Matanane - By the way where's your attorney? He was the one that said yes we're alright with that when you calculated the, and you were mentioning \$3,500 you're paying \$3,500 and we agreed that \$5,000 is supposed to be until six months later when you come upon us then we will decide whether. What was that I mean you know I don't have the minutes but I'm recalling it and it's a whole different story Mr. San Nicolas because I do remember when Mr. Borja calculated it out of his phone and it says \$5,000 and you agreed and you're attorney agreed.

Commissioner Michael Borja - Well I think the attorney did not agree he told us that he will respond back to us and we never received a response.

Vice-Chairman David Matanane - So that was an option for you to try and rectify this if you had made the payment of \$5,000 up to six months to you know you coming in trying to rectify the problem evidently you're not trying to rectify the problem it's still going back to the original \$3,500 that you were supposed to pay it. And in that \$3,500 previous to that you weren't paying the \$3,500 you were paying half of it so.

Administrative Director Monte Mafnas - Just to establish the numbers Mr. San Nicolas at \$5,000 less \$3,500 its \$1,500 times six months its \$9,000. It was a process given to you to demonstrate to the Board that you're willing to make good about delinquencies. We were discussing about the trade off value that you instigated and had an appraisal but the Board demanded that you pay an additional \$1,500 and if you times 6 months that's \$9,000. That is not even 10% of what you owe.

Peter San Nicolas - For satisfaction because now it's clear to me for that if that's what you wanted for one thousand five, I'll make a payment now. I'll write a check currently for \$9,000 and then you can decide also if you like but I can write you a check today and I also have those copies for the tax that payments have been made.

Administrative Director Monte Mafnas - Good, I seem to recall the last time you were ready, able and willing to pay was \$15,000.

Peter San Nicolas - I am you want to pay for \$15,000 if you want to settle that.

Administrative Director Monte Mafnas - Fifteen is a lot more than nine to me.

Peter San Nicolas - No but for in agreement with the exchange of the building if that's.

Acting Chairman Oscar Calvo - No I think with the agreement of the exchange of the building that's a different scenario and I wanted to go what the Director would recommend at this point in time. I want your take on this Monte strongly.

Administrative Director Monte Mafnas - Well obviously in accordance with the Board's action and motion that was passed we were trying to help Mr. San Nicolas to help himself. Unfortunately our rules and regs have not been quantified and accepted at this point in time and correct me Commissioner Borja who made the motion if I'm wrong but we tried to help him. But in the meantime we're trying to accept in lieu of his delinquency the improvements made on the property and in addition to that he was supposed to make a payment. Now that's what I understand to be.

Acting Chairman Oscar Calvo - What I don't get from you Pete is this has been an ongoing case from back from Joe Borja to Jesse and to now to Monte and we sat literally and you and I and even with Randy Cunliffe in our office okay and I told you off Pete. Am I not right? I'm not afraid to say that but I even told Randy you know because I had it up to my head already okay. Pete you've been eluding this. This piece of property belongs to the people of Guam. I have to answer for this, all of us the Board members. What bothers me the most is you say you can't make payment but hell you're making money up there. Secondly, you're building buildings up there. So financially you're in good health. Now when you took that place out and you fixed it up that's your expense not my expense. It's not the Chamorro Land Trust's expense it's your expense and I told you that Pete. I told you that many times because when you came and you leased you want it okay and that's fine. You want to build a mansion there that's up to you but I'm not going to be accounted for that or the Board. Pete enough is enough. I don't know what's your discretion Dave and Mike and Amanda. Whatever these Boards decide today I'm not going to dispute them. If they come down to what they want to do then you know I'm in favor to it. Because Pete I'm already really honestly I'm sick of it. In many occasions even in the past we ask you to come to the Board you never did and what do you do you go to the back door and I'm tired of that back door issue. I'm tired of that. Like what Monte said be man enough and face your problems. And you know you coming now and telling us it was a mistake, no. Like Monte says you're a business man you want to be a business man there are things, avenues, I mean you have to follow through. But we're not going to be accounted for or take the fall because you were stopped no. Because Public Works stopped you, you should have thought of that, or Land Management because you didn't have the proper papers. That's not my department you settle with them. My department here is to settle with the Chamorro Land's property and you owe the Chamorro Land Trust property all these years Pete. I really don't want to sound this way but you know I've had it. Now whatever these people decide, it's up to you Dave, Mike?

Peter San Nicolas - Mr. Director just clarification because I was honestly not aware that I must be paying \$1,500 additional up till now but if that's the case I will make the payment for the \$1,000 so that way that in good faith.

Acting Chairman Oscar Calvo - I should really charge you Pete 10% of that remember we talked about that? Honestly for the delinquency.

Commissioner Michael Borja - Let me just refresh what our discussions were. You owed \$172,000 in September of 2011 and you have to come current on your rentals and everything. So the offer that was made was that you take that amount that you owe and we would reduce it in half which comes out to \$86,000 and we would forgive half of it but we also wanted your monthly rent to become \$5,000 a month and that the offer was made and your attorney said we will take it under advisement and we will be back to you. The next meeting a month later we have not heard anything and we have not heard anything to this day. So if you had not accepted this offer and by only paying us \$3,500 a month tells me that you make not have accepted that offer then in fact you still owe the \$172,000 and the \$3,500 a month is what you're paying. If you really did accept the offer you would have been paying us \$5,000 for the monthly rent and would only owe us \$86,000. And then the motion was made after that because the good Senator requested that we not evict you is that we will give you an additional 6 months to resolve any of the problems to avoid any eviction. And so the 6 months we determined was going to be on March 20<sup>th</sup> of 2012 and so that's one month from now. So it's best that we have met one month prior so that we can resolve this before the next meeting which will be to fully discuss at the end of that 6 month period what we should really be doing with this. And in the whole time what should have been done was we should have number one heard from your attorney in response to his comment that he's taking it under advisement but we have not received any information. So really Mr. San Nicolas we're trying to do what we can to work with every person who comes before the Chamorro Land Trust Commission with an issue when we can. When you sat here where we had an individual who through some strangeness in what had happened with his deceased father he's now having his siblings evicted from the land and we don't think that that's really a humane thing to happen to his siblings and so we're trying to work with him. Likewise, we're trying to work with you and by taking what you owe and forgiving half of it I mean you know a bank would have a hard time even wanting to do that. But we have to work with what we have to work with. And so what we need from you in what we believe needs to be in good faith where you're trying to proceed with so that you can continue to succeed in what you're trying to do by giving us an answer to the initial offer. Do you want to accept that offer of reducing your debt in half but your monthly would be increased to \$5,000? Or do you want to continue to owe the full \$172,000 and pay us \$3,500 a month and so we need to understand that. But we need to also make sure that not only are you paying the monthly rent but that you are paying off the debt from past due accounts that have not been paid. So that's where we need to come to a head on to see that are you making forward movements in this that's in your interest because it's not really in our interest. We're just trying to ensure that for the benefit of the Land Trust that we're doing what we believe is our obligation to ensure that everything is done properly okay and then we're working with you as the lessee of the land as well.

Peter San Nicolas - If I may ask the members here for good faith that I will write as you said \$9,000 today and I'll go back to the attorney with that proposal. If I may do that write a check for \$9,000 now and give it to you here or Treasurer of Guam and in a month or less I'll come back with my attorney and I'll talk to them because I wasn't really clear on that portion.

Vice-Chairman David Matanane - If I may Mr. San Nicolas you're going to write us \$9,000 today that's only 2 months.

Peter San Nicolas - To show good faith.

Vice-Chairman David Matanane - Only the 2 months out of the 5 that you've already you know been playing around. So you got 1 month left so in actuality you owe us 5, 10, 15, 20, 25 so to bring it up to date if you're agreeing to that.

Commissioner Michael Borja - Well has he paid \$3,500..(interrupted).

Vice-Chairman David Matanna - Well okay consider that.

Commissioner Michael Borja - So \$3,500 and then the additional \$1,500 so that comes up to..(interrupted).

Administrative Director Monte Mafnas - That will be \$9,000 with next month but I'm not so sure as to \$5,000 in addition or just accumulated amount of \$5,000.

Commissioner Michael Borja - The monthly rent would be \$5,000.

Administrative Director Monte Mafnas - Were you present Mr. San Nicolas? And you understand that right?

Peter San Nicolas - At that moment I guess I wasn't clear for that but I will write the \$9,000 now and then I'll go back with the attorney in a day or two and get back with the Director in a few days.

Acting Chairman Oscar Calvo - Pete if I'm not mistaken I asked you if you understood what you're lawyer was saying. You said yes. Then Senator Respicio came in and asked for consideration for you. Face your problems and be a man and go forward. I'm tired of this already and it's been a while.

Peter San Nicolas - No I'm trying to resolve it.

Acting Chairman Oscar Calvo - No I don't think so Pete, I don't think so because if you are we could have done this months ago, years ago. And I have other clients the same but you know what they become and they're good faith, they pay up. So why should I treat you any better than the other client? Tell me, give me a reason. Why should you be an exception Pete? Give me a reason why? Because all the mistakes that you made I'm, we're supposed to carry that? I don't think so Pete. Because you had the opportunity many of times even when both Joe Borja and Jesse and we sat and we talked and we talked but every time you come Pete you play the horses game.

Commissioner Michael Borja - I think what we need to do here is that if there's a payment whatever you have to pay to make your rent current from September through present and

then we need to have immediately I mean as soon as you can notify the CLTC what the intent is based on this original offer that you either accept it or deny it and then you also need to present us with the documents showing your property taxes are fully paid. But also some sort of you know start paying on your back payments what's past due. Show some payments towards that because you need to reduce that \$86,000. We're not charging you interest on this thing and this would become substantial if for example we were a lending institution on what that could cost and we have really done you a great service to reduce that debt in half. So it's just that we need to show your good faith of where you need to proceed so that by next month we have a different, a better field of where we need to proceed so we can all move on beyond this because we want you to move forward and do what you need to do to conduct your business and without having to have the hassles of dealing with more delinquencies.

Acting Chairman Oscar Calvo - Mike just for the record if we're going to go to the next month okay he's got till next month till March 20 after March 20 Peter, end. No ifs or buts Pete.

Administrative Director Monte Mafnas - That's good Mr. Chairman.

Acting Chairman Oscar Calvo - For the record next month you come on March 20 and you don't have your cases, Monte.

Administrative Director Monte Mafnas - We must honor the Board's approved policy and move forward so Mr. San Nicolas you can make payment down on the 3<sup>rd</sup> floor in the Treasurer of Guam window in Department of Land Management we will accept your money.

Acting Chairman Oscar Calvo - By the way I think I would rather have a cashiers check to be on the safe side.

Administrative Director Monte Mafnas - That's okay no we didn't demand that, he's here. We did not demand that.

Peter San Nicolas - That will be \$9,000.

Administrative Director Monte Mafnas - Yes \$9,000. Okay good so they're moving forward.

Peter San Nicolas - Thank you members.

Acting Chairman Oscar Calvo - Pete you know already come March 20 no ifs or buts Pete. If you don't have your ducks together you have more than ample time to get it all together you had 6 months. So from now, from today till next month and you come next month and you say well my legal counsel still has problems, that's not my problem Pete. Just for the record, understand? Okay.

Administrative Director Monte Mafnas - So Mr. San Nicolas you've been informed in English and in Chamorro we understand each other right?

Peter San Nicolas - Yes.

#### **5. Self imposed license moratorium**

Administrative Director Monte Mafnas - That's something that the Board under Acting Chairman Calvo and Vice-Chairman Matanane has imposed prior to submitting a new rules and regulations to be accepted by Chairman Senator Pangelinan. So it wasn't the Senator that imposed that moratorium it was the Board. So if and when we submit the new rules and regs, do we have to wait for the rules and regs before we entertain any licenses or lease?

Vice-Chairman David Matanane - Since we've been waiting we had a lot of people asking for properties we could have been earning money. We can decide this now if we want to lift this thing.

Acting Chairman Oscar Calvo - We can lift it actually because it's been held back by the legislature. It's been there and this is about if I'm not mistaken three times already that rules and regs.

Administrative Director Monte Mafnas - We're working with GEDA to create a new one. But we have pending deals such as Hawaiian Rock, Smithbridge and Perez Bros that can afford us income so we can take that money for SUTA programs.

Commissioner Michael Borja - But do they want to enter into these kinds of financial agreements without the rules and regs?

Vice-Chairman David Matanane - No because we have self imposed ourselves not to give out any commercial lease or license. We can lift that and we just go ahead as long as we don't go over the law itself and I think Senator Bordallo that has done that and he saw there if you read up all the rules, what you can and what you cannot, the law and also the policies you know. Mr. Bordallo has already made those rules and regs.

Commissioner Michael Borja - Who is Mr. Bordallo?

Administrative Director Monte Mafnas - The author, Senator Paul Bordallo, this is his bill. But you know Hawaiian Rock for example Commissioner Borja their request stems back to the year 2006. I don't know with Smithbridge how far back but these are requests that's retrospectively speaking long time ago. And we were all present at Senator Pangelinan's meeting and you heard him say it from the horse's mouth that okay go ahead and work with Hawaiian Rock and I questioned Smithbridge and what did he say, go ahead. Go ahead and extract minerals, go ahead and enter a deal and the whole quorum was there, everybody was there.

Vice-Chairman David Matanane - I think we should lift that, we're missing a lot of opportunities to make money for the Trust.

Administrative Director Monte Mafnas - At least with what Senator Pangelinan agreed at that meeting we had basically it was a board meeting so he said go ahead with Hawaiian Rocks extraction of minerals, the same with Smithbridge and Perez Bros because we asked him that.

Commissioner Amanda Santos - What about the rules and regs that you asked him?

Administrative Director Monte Mafnas - Yes we're working on that too and when we get our attorney we'll finalize it once and for all.

Acting Chairman Oscar Calvo - How are we doing on that?

Administrative Director Monte Mafnas - Well we're having only one line left to correct and then after we'll send it up for RFP and I expect several people to apply and hopefully this exercise would be one and a half to two months.

Commissioner Michael Borja - Is this for a full time position?

Administrative Director Monte Mafnas - Yes.

Commissioner Michael Borja - On the Board for the Commission?

Administrative Director Monte Mafnas - Yes.

Commissioner Michael Borja - It's not a contracted position.

Administrative Director Monte Mafnas - No it's a full time employee for DLM and CLTC and cost to be shared by both prorated.

**Vice-Chairman David Matanane - Move to lift the moratorium our self imposed moratorium on license and leases on a case by case basis.**

**Commissioner Amanda Santos - Second it.**

**There were no objections, MOTION PASSED.**

## **VI. NEW BUSINESS**

### **1. Exploring new school sites with DOE**

Administrative Director Monte Mafnas - As you may know the past three schools are on Chamorro Land Trust properties, Ukudo High School, Adacao Elementary and Astumbo. So I identified five sites for probable school sites and alerting DOE to start their grant mode request because I think it's inherited upon us to protect our greatest resources the kids, the education of the kids.

Commissioner Amanda Santos - Is DOE paying for the lease for those schools?

Administrative Director Monte Mafnas - No they're not it's public use but at the end of the term the property comes back the building comes back to us and that's when we can charge rent. Be mindful that we're helping the kids involved, the educational system.

## **VII. DIRECTOR'S REPORT**

### **1. \$140 million financing for humanitarian reasons**

Administrative Director Monte Mafnas - I met this man by the name of Dr. Y. W. Kim and he happens to be a member of the National Republican Campaign Committee and he said that he's going to find us a 140 plus million dollars for humanitarian reasons to build schools, clinics and affordable housing. I'm not too sure but I'm sure about listening to any and all offers.

Commissioner Michael Borja - Where is he from?

Administrative Director Monte Mafnas - Virginia and he's going to Sweden and HongKong to talk via United Nations to try and drum up that amount. I told him well we got the land all you got to do is get the funding. It's worth the exercise.

Vice-Chairman David Matanane - Have him memorialize it that he's offering so we can maybe hash it out and see where they're coming from.

### **2. SongSong Hills Subdivision requested 60' wide public access**

Ike Santos - First of all, good afternoon Mr. Chairman and fellow Commissioner as well as Director Monte Mafnas. How we arrived here actually is we appeared before the Guam Land Use Commission basically to rezone and subdivide this lot to a fully improved subdivision with full improvements. It's also actually a gated community because actually everything here consists of full improvements such as power, water, sewer, paved roads, street lights, the whole nine yards, sidewalks, full improvements. Now the issue that brought us here was although Public Works felt that the 40 foot access that services us from Marine Drive towards the subdivision was adequate the Chairman from the Guam Land Use Commission felt that the 40 foot was inadequate to service the additional subdivisions that are in the area. Some of these lots have already been subdivided, this is Chamorro Land Trust property right here and of course Paradise Estates Meadows is actually developing these two lots and you also have a subdivision that's over here and of course you have I think a phase 2 of Spring Hills subdivision. Now this is 60 feet coming in here and then it drops to 45 feet all the way to here and when you come this way down and out its 40 feet. Our intent is to request through this body an additional 20 feet to make it a full 60 foot improvement I mean a full 60 foot width right of way. Now our intent is to develop this full 60 foot right of way and of course it includes a bus stop that we're throwing in to help service the whole area. It is a big 50 foot area for bus shelters. When we improve this 60 foot easement actually this is the additional the 20 foot that we're requesting for so this is existing 40 feet with the additional 20 feet we were able to establish 2 lanes that go in one that goes right and one to pull over to enter this subdivision. Or course we have another access road that leads out. Now the problem with this road is there's only a right turn exit because of the meridians that were built during the improvement of Marine Drive. So basically how this works out is we're looking at putting in

again continue with the sidewalks to flow up so I guess once you start putting in sidewalks it basically continues on as improvements to Marine Drive that they start putting in sidewalks and of course you would have the curve and the gutter as well as landscaping that meridian. Of course it's going to be a paved road. Any questions?

Acting Chairman Oscar Calvo - You're going to widen up that 40 feet to connect with the 60 and you want to turn in to the Chamorro Land Trust.

Ike Santos - Yes the 20 foot, this shaded area and also to put in a bus shelter.

Acting Chairman Oscar Calvo - Why not cut through your property?

Ike Santos - Our property is this way, it's on the other side.

Administrative Director Monte Mafnas - What's the total area there Ike of the requested sliver of land?

Bill Berry - It's 6,000 square feet.

Acting Chairman Oscar Calvo - 6,000 square feet of land.

Administrative Director Monte Mafnas - That's about 600 square meters more or less. It only looks big because of the drawing but really physically on site it's not that big. I do want to explain to the Board that I like the idea of going 60 feet because of the public necessity, public convenience and for future growth of CLTC. We would eventually also want to subdivide that basic lot. I'm going through the exercise of master planning that with our Territorial Planner and identifying utilities and meeting up, catching up with the infrastructure, the improvements as stated earlier.

Commissioner Michael Borja - So this entrance off Marine Drive allows this access to come in for and all those subdivisions are all going to be sort of interconnecting and they're all going to be going together with common roads and they can all enter and exit out. Now you said it's going to be a right turn only when they come out.

Ike Santos - Actually on the existing there are meridians, it's only a right turn.

Commissioner Michael Borja - So if you want to make a left turn you have to up to the north side.

Ike Santos - Right.

Administrative Director Monte Mafnas - Not if we put a street light on that other access further north.

Ike Santos - Now the only thing with this the reason why I'm not mentioning it is although you have this access here it's not an approved map yet that shows it so otherwise it does not really exist yet.

Administrative Director Monte Mafnas - That's what we have granted Pacific Meadows already so that's just a technicality but eventually there's going to be about four, five hundred homes back there.

Commissioner Michael Borja - So there's going to be multiple roads coming in.

Administrative Director Monte Mafnas - Exactly so that's part of the public necessity and public safety and public convenience that we are addressing at this point in time. But conceivably I foresee a 100 plus probably a 183 lots on one subdivision at 500 square meter lots and possibly another 50 so we at CLTC will want to go to the exercise of developing an additional 200 plus homes. So it'll fit in in terms of utilities, infrastructure.

Ike Santos - One of the good things about this by developing this lot and this is that what we're looking and I'm pretty sure what we need to do is to help fund and create the pressure, water pressure in the area too so that it support because it doesn't make sense to go in and develop something if you don't have the adequate water supply to support.

Administrative Director Monte Mafnas - That's an excellent point Mr. Santos it will afford us laterals for water and waste water to our lots because our lots are north to south. It'll be accessible via lateral hookups it'll be closer to us right on our door steps so to speak so that's part of the trade off too is not only helping them but we're actually helping ourselves.

Acting Chairman Oscar Calvo - It'll save us a tremendous amount of money especially in the infrastructure portion.

Administrative Director Monte Mafnas - Correct and all we're giving up is 600 meters which is only a grant of easement we're not conveying fee simple rights. It's just an easement in perpetuity.

Bill Berry - And I spoke erroneously its only 4,000 square feet; 400 meters.

Administrative Director Monte Mafnas - Did you guys address any playground in your subdivision?

SongSong Hills representative - We have we addressed that with Parks and Rec.

Administrative Director Monte Mafnas - Okay good so they provided an additional playground so there's going to be substantial playgrounds from this to developers. This project Mr. Chairman and Commissioners is pretty much like Vila Carmen if I'm not mistaken at a smaller square footage and a lesser price of course. But in theory it's basically the same it's a gated community.

Ike Santos - The first 15 feet from the edge of I guess from the sidewalk 15 feet in is being maintained by a landscaper so it's kind of like a buffer actually that shoulders the whole road.

Administrative Director Monte Mafnas - So does the development have their restrictions, covenants and conditions?

Bill Berry - Yes we have.

Administrative Director Monte Mafnas - And who will enforce that?

SongSong Hills representative - The homeowners association.

Administrative Director Monte Mafnas - So there will be some fees then to make sure.

SongSong Hills representative - Monthly common areas.

Acting Chairman Oscar Calvo - I have no problems with that because it will save us a lot of money in the future especially on the infrastructure.

Administrative Director Monte Mafnas - I do want to make a point though that they have to build a bus stop there's no ifs or buts.

Acting Chairman Oscar Calvo - I also want to stipulate on that also that in the event in the future that we're allowed to tap in to the water and sewer.

Administrative Director Monte Mafnas - We're on the same page right, you're going to provide us the lateral on our lot.

Ike Santos - Okay here's the thing on that one, putting in a 60 foot access road here and it stops right here so it's only basically to service this lot it doesn't make any sense it would be best if the 60 foot came straight down.

Administrative Director Monte Mafnas - That's your opinion Mr. Santos that does not necessarily hold water. I want a lateral right on our subject lot.

Ike Santos - Here's the reason why I was pointing it out, if the sewer and everything comes this way it needs to get to this road to service this lot which is also Chamorro Land Trust property. It doesn't make sense to go all the way around and then come back and then go down. It makes sense if it came this way because then it becomes a gravitational force for the sewer to go out.

Administrative Director Monte Mafnas - Now I like that idea because of gravitational reasons.

Acting Chairman Oscar Calvo - So which way do you want to come in from the middle portion?

Ike Santos - Actually no just run this down this way.

Administrative Director Monte Mafnas - But we cannot run it on private property we can run it on our property but we want to meet half way. So you guys control those other two lots?

SongSong Hills representative - No.

Acting Chairman Oscar Calvo - Well in the event whoever the new developer to come in there they would have to sanction to there with us.

Ike Santos - The thing about it is that I know GWA's utilities are going to run this way and then up this way for here.

Administrative Director Monte Mafnas - Right at right angle you're going to provide us a lateral correct?

Bill Berry - You want a lateral, how big a lateral?

Administrative Director Monte Mafnas - What's right because you're the engineer?

Bill Berry - It's probably going to be a 6 inch.

Ike Santos - To run any utilities this way has to have an easement because how can you maintain? You have to have some access to service it.

Administrative Director Monte Mafnas - We can do that part.

Ike Santos - It is something that you might consider also in the future.

Acting Chairman Oscar Calvo - Well Monte if they're willing to do that to do all the lateral and everything.

Administrative Director Monte Mafnas - Okay we'll give you the grant of easement. And your sewer line is not force main correct?

Ike Santos - No it's gravity.

Administrative Director Monte Mafnas - So we can hook up correct?

SongSong Hills representative - Yes.

Acting Chairman Oscar Calvo - Monte just stipulate on that so there will be no back fault on that. That they're going to allow us to hook up in the future for water hook ups and sewer and whatever.

Ike Santos - Just to give you a little guarantee that everything we put in here belongs to the public.

Administrative Director Monte Mafnas - That means too that you're not going to charge us correct?

Ike Santos - No.

Commissioner Michael Borja - Is that sufficient if in the future they needed to make a left turn lane and there was going to be provisions years down to open that median to allow the flow of travel for people to make left turns out of there?

Ike Santos - That's exactly where that's leading to because I have a feeling that the reason for this road being here is you have another easement straight across from it. I was talking to Public Works Highway Planning about which make sense of putting a street light whether it be down here or up here. They were looking favorably about putting that street light right here because it kind of like addresses everybody.

Acting Chairman Oscar Calvo - And that one ultimately can go left right.

Ike Santos - Yes you can do left and right turns.

SongSong Hills representative - We don't envision a left turn right out of the property though we envision a u-turn someplace where people can come back and get in.

Administrative Director Monte Mafnas - And it does cost over a half a million dollars for a traffic light.

Commissioner Michael Borja - But that median is going to be there on Marine Drive where you can't even turn left into there.

Administrative Director Monte Mafnas - The 60 foot boulevard makes proper planning and this affords us and them for public necessity, convenience and safety again.

Acting Chairman Oscar Calvo - Monte what do we need to do?

Administrative Director Monte Mafnas - The Board can make a motion for us to grant them an easement to develop that 60 foot boulevard pursuant to the drawings as presented by SongSong Hills and executed by their President himself Mr. Bill Berry.

Vice-Chairman David Matanane - And make sure that all the amenities on that road are there.

Commissioner Michael Borja - Let me just ask a question about that bus stop where you have it located at, Public Works has already gone through this about that location it's just that you got it on a corner of a busy street.

Administrative Director Monte Mafnas - For safety reasons we thought that's the best place away from Marine Corps.

Commissioner Michael Borja - But it's right there at that intersection of those roads. I mean people are going to be able to come to the end of that boulevard and make a right turn as well right? So I'm just thinking that these kids are going to be crossing the street.

Administrative Director Monte Mafnas - That's why we wanted them Mike there just to be safe away from the heavy traffic road.

Ike Santos - You usually have stop signs so there will be a like a two way stop sign that will be posted here.

Acting Chairman Oscar Calvo - Would it be possible in that bus stop to prevent you know put a safety guard rail there.

Administrative Director Monte Mafnas - The traffic light will work.

Commissioner Michael Borja - Or a wall.

Administrative Director Monte Mafnas - A wall okay. I'd like our Chief Planner to interject some points please.

Marvin Aguilar (DLM, Chief Planner) - I'm also the Planner in charge of subdivisions for the Division of Land Planning and one of the things I noticed I think we have to be careful when we say we're going to, the Board is going to approve it as presented. One of the concerns that may come up is you notice it's kind of a like a straight on jug normally what we would require is to see some kind of cueing at one point over here whether you're going to egress or ingress. So we'd like to see some kind of cueing in here. I suspect if you're going to come in and we're going to sever this portion out as well so it's going to be a changeover.

Administrative Director Monte Mafnas - We can do that it's still on our property. We can accommodate that request, thank you Mr. Aguilar.

**Commissioner Michael Borja - I move that we allow SongSong Hills subdivision a 20 foot wide easement on Lot 7128-REM that extends from Marine Drive inward for approximately 200 more feet and for an additional area for a 50 foot square foot bus shelter area.**

**Commissioner Amanda Santos - I second it.**

**There were no objections**

**Acting Chairman Oscar Calvo - So be it approved.**

**3. Monthly revenue collection report for November and December 2011**

Administrative Director Monte Mafnas - In your packet you have the monthly revenue collection report for November and December. By the way for everybody's information I have been trying my best to get us additional land agents. Three have already resigned, Mr. Gumataotao, Mr. Mesa and Mr. Quan.

Acting Chairman Oscar Calvo - Well you heard the Chairman for that at the public hearing that he said go get them.

Administrative Director Monte Mafnas - Also we have to have our budget set aside for OPA concerns and that's an audit to be performed by Eide Bailey.

Commissioner Michael Borja - You guys have to put in your own budgets for those people to pay over priced accountants to audit you?

Administrative Director Monte Mafnas - Unfortunately yes sir. Also I want to request from the Board an approval because of a certain problem and that happens to be Mr. Frank Onedera. Remember Mr. Onedera who encroached on 9 acres of CLTC property and we gave him 60 days to remove all his chicken, his plants, his seedlings and most of all his gate. To date 10 months later he still hasn't done it. I want to get a bolt cutter cut his lock and put a sign that this is Government of Guam property and start litigation purposes.

Acting Chairman Oscar Calvo - What we can do with Mr. Onedera right now since we're going to get that legal counsel..(interrupted).

Commissioner Amanda Santos - Give him the eviction from the legal counsel.

Acting Chairman Oscar Calvo - No but even with Mrs. Santos because it's not that easy to do we have to stress also with the Attorney General into this eviction. Mr. Onedera anyway doesn't really have any lease or license for that property because supposedly his brother in law claim and when he found out his brother in law only owned what half an acre. So maybe we can afford him with a half an acre if he wants to put in there but the rest you know.

Administrative Director Monte Mafnas - And he's preventing access for his brother in law and his neighbor.

Acting Chairman Oscar Calvo - Send him a courtesy letter.

Commissioner Michael Borja - Serve him a letter.

Acting Chairman Oscar Calvo - And have it registered, have him sign it that he did receive the letter for a start.

Administrative Director Monte Mafnas - Before I cut the bolt?

Acting Chairman Oscar Calvo - Yes.

**VIII. EXECUTIVE SESSION** - None.

**IX. ADJOURNMENT** - Meeting adjourned at 3:41pm.

Transcribed by: Teresa Topasna: Teresa Topasna Date completed: February 29, 2012

Approved by Board motion in meeting of: MARCH 15, 2012

Administrative Director, Monte Mafnas: Monte Mafnas

Date: 3-15-12

Chairman (Acting), Oscar Calvo: Oscar Calvo

Date: 3-15-12