Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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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

COMMISSION MEETING MINUTES
Guam Housing Corporation Conference Room
5th Flr., ITC Building, Tamuning
Thursday, January 19, 2012; 1:15pm - 4pm

I. CALL TO ORDER
Meeting was called to order at 1:15pm by Acting Chairman Oscar Calvo.

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

III. APPROVAL OF MINUTES (December 15, 2011)
Commissioner Michael Borja moved to approve the minutes of December 15, 2011. Vice-Chairman David Matanane seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS
1. Tressa Dela Cruz - Hafa Adai, my name is Tressa Dela Cruz. Thank you for your time and I'm here to ask if there is anything you can do to assist me. I currently have a lease with the Chamorro Land Trust Commission and when I signed it I was aware that utilities are not on site within 100 feet. But I felt comfortable because the person who lives right next to our lot said that they were quoted $8,000 and that didn't bother me so much because we had agreed to split the burden. So since I got my lease I've had two plumbing companies come out to visit our place. One never got back to me and the other one said go ahead and get your permits and come to us and then we'll take it from there, okay. So here I am I have my blueprints done and now we're going through the stages of the building permit process. I went and I spoke with an Engineering Supervisor at GWA who basically just threw his hands in the air and said I can't help you. He got an aerial picture view of our land and said it's about 600 feet from the closest point of water but he can't prove that because it doesn't show where the 6 inch line is so he's assuming that that's a 2inch line. So he told me it's going to cost me a hundred dollars a foot to bring the water in and that was the law, okay fine. So even that could cost over sixty thousand dollars. So I asked if there was any other alternative solutions and he kind of just sat there and I said I was aware of people who have welded tanks to a trailer and brought it up to GWA to fill in water and so again he sat there and I said okay is there anything else I can do? Well you could build a twenty to thirty thousand dollar water catchment system and pray to God it rains. Okay. He said basically you can take the water meter off of your plans and I'll sign it then you'll have nothing to do with GWA if the

twenty to thirty thousand dollar catchment system is what you want to go for. So it was just completely unbelievable to me so I stopped by yesterday and your staff advised that I come here today to speak with you to see if there is anything we could do. So I went back yesterday, spoke with the same gentleman and I asked about the law and he quickly retracted, no I didn't say law I said policy. Okay, can I please see the policy because I'm a visual learner and I need to see what you're talking about. I need to figure out that sixty thousand dollar equation. So he photocopied everything for me and pointed me directly to the parts in that policy. So basically what it says is that effective February 14, 2006 the 6 inch lines are for future connections as well as not to interrupt service to current customers. He brought up an aerial picture again and said okay 400 feet, okay well from 60 down to 40 that helps me. So I'm here to see if there's anything that you're able to do to assist me and if not is there a possibility of moving to another place where utilities are readily available?

Acting Chairman Oscar Calvo - Where is this at Monte?

Tressa Dela Cruz - In Agat.

Acting Chairman Oscar Calvo - Where at? Santa Ana area?

Tressa Dela Cruz - No Pagachao.

Administrative Director Monte Mafnas - If I may part of the mandate of the law is to demand a 6 inch water line for a fire hydrant which is totally unfair for you to bear but that's pursuant to Public Law 26-164 and 29-133. I want the Board and you to understand that I've been locking horns and meeting with the heads of GWA addressing this extreme demand for yourself and many others. Now we have a dialogue between the Director, myself and some of the workers at CLTC to appeal to GWA, to appeal to CCU to assist. Now there's going to be more people requesting for GWA's assistance and we are getting closer to signing an arrangement wherein the lessee can pay a reasonable amount prior to building the house so that if and when the house is completed then water would be hooked up and you have made a considerable amount of payment. Now the safety for GWA is they have the power to hook up the water or disconnect the water so there's a safety net. So I've been appealing with GWA and actually Eileen Chargualaf we've been working together appealing to John Benavente the water jock to assist us. In our lease pursuant to Section E we authorize the lessees to request for water hookups notwithstanding, not knowing the demand imposed on each and every lessee. It's come to the point where it's really unaffordable and ridiculous to demand a hundred dollars a foot, a linear foot because GWA wants a 6 inch waterline. Now all they need is 2 inches at best but because of the fire code, because of future expansion, it's identified by law but the cost is all to be borne by the lessee. Now we are also trying to get SUTTA programs from USDA to assist developments in different tracks so we'll just have to work on this on a case by case basis. We'll see if we can group up the neighborhood to make a presentation to the CCU Board if they can reconsider the 6 inch as opposed to the 2 inch and that's a considerable savings right from the get go. So this problem is here, yesterday, today and tomorrow but we are addressing it as we speak and at least there's a dialogue ongoing to assist our lessees. Now I know that this is our concern but we cannot encroach on their mandates of law. We can only appeal

for their senses to assist our people which in considerably would be in the thousands. Even though potentially there's going to be thousands of people hooking up they still stand firm on their law. So all I can say to you Tressa is please work with us and in the event there's an alternate property then we can revisit that. I cannot guarantee you because there's about five thousand people we're trying to help and when you signed that lease it was your choice to go to that municipality to that lot. But I am not closing the door, this administration is responsible for accountability and transparency so we will work with you okay. But I want you to know that we feel for you, the Board feels for you and we're doing everything we can in conformity with the law. It's just that that's GWA, I cannot tell them. I can huff and puff and jump up and down till I'm black and blue to no avail. But I want to help you, we want to help you it is the right thing to do. But our hands are tied but let's work on it together and ten thousand miles begins with the first step. I believe we are going to resolve this it's just going to take time.

Tressa Dela Cruz - Okay thank you very much.

Acting Chairman Oscar Calvo - On that issue I'm pretty much and Dave is pretty much aware on this issue too is like you said we've been pushing this issue and I think it's not really fair for our clients that you know that we're going to fork out the bill. And I've told Mr. Benavente about this that if I'm going to stretch a 6 inch water line at least maybe 400 feet..(interrupted).

Administrative Director Monte Mafnas - That's $40,000.

Acting Chairman Oscar Calvo - That's $40,000 but the fact is that you know you require a 6 inch water line and we're going to fork out all the money at the end of the day they're going to be getting paid through them you know so there's alternate solutions and I spoke about this Dave and I was you know. The compromising that I see on that is since a lot of the water lines runs into our property maybe we start tapping on these guys too.

Administrative Director Monte Mafnas - And charge easements.

Acting Chairman Oscar Calvo - Exactly. Why not? I think it's only fair if I'm going to run in a 6 inch and she only need what a three quarter pipe for that matter and I think you know Guam Waterworks has to come to an agreement and I point this out to Mr. Benavente and Mr. Matanane and I you know. But for whatever reason I think we need to and maybe this is also where the legislature too has to you know.

Administrative Director Monte Mafnas - This is a very good point you bring up because the windfall profit is with GWA. All the water wells are on CLTC property and a lot of pipes run traversing through CLTC property. So all we're asking is fairness to help our beneficiaries of the Trust.

Vice-Chairman David Matanane - And if you think that's bad enough you know what he said, he said after you run the pipes, we pay for the pipes, he has the right to ask easement for Guam Waterworks they would take over the property. I said up your where or I don't

know. And you think that we're crazy here to sit here and you tell us that you guys are going to be owning the easement they have every right to go right through it and we paid for the pipes to service our clients and you are making money out of our clients and you think that we're going to sit here and you badger us and tell us and also we are taking the land because we have an easement.

Administrative Director Monte Mafnas - But you know what's the worst thing Mr. Matanane? They never say thank you.

Vice-Chairman David Matanane - That's true and matter of fact thank you for at least listening to me.

Acting Chairman Oscar Calvo - But getting to that Ms. Dela Cruz I share your sentiments on that and like I said I've been fighting this issue and maybe now I mean if worst comes to worst if we need to do that then let's send them a bill too and say okay you know I mean let's get down to the round table. Because you know if I'm going to stretch a 6 inch and 400 and maybe provide 4 or 5 or 6 customers in there okay that's money that they're going to generate from Ms. Dela Cruz or Mr. Borja or yourself. So I think in all and to me they're using that crafty law because they have to put the fire hydrant that's not my responsibility I think it's theirs and they should carry that burden of putting that fire hydrant. So all cost is going to be geared to us I don't agree to that. But let's dialogue with them maybe set up a meeting with their Chairman and their Director and let's pow-wow that's it.

Administrative Director Monte Mafnas - Understand this as you've heard from the Chairman that we're ready, able and willing to assist the greater good but if it's just one person at a time that's going to take some time. But if we get 10, 50 people it's a big difference. So we must assist the majority okay. Everyone is important, every Native Chamorro is important but it's mathematical, it's cost that we must adhere to okay. So we're addressing the problem and thank you for expressing your interest.

Tressa Dela Cruz - Thank you.

V. OLD BUSINESS

1. MOU - GEDA

Larry Toves (GEDA) - Hafa Adai, good afternoon, I wished I had better news for you today but unfortunately we submitted the MOU for review to the AG's office on December 21st and it's still at the AG's office for review and from that point on it goes to the Governor's office for his signature. But at the last inquiry there's been some progress made, this is an AG that's reviewing the documents so it's just taking a little time for them.

Acting Chairman Oscar Calvo - What are we looking in time? Weeks, days, months?

Larry Toves - I wish I could give you an answer but I'm not sure on how that's coming. We've asked our legal counsel and other people to get in touch with their contacts down there to see what they can do to kind of help speed it up a little.

Acting Chairman Oscar Calvo - Maybe what you can do Monte maybe once a week give a ring to them and ask them what's the status of where you're at. I know they got a lot of things in their mind, got a lot of cases to go through but this is also important for us.

Larry Toves (GEDA) - Well they've recently gotten over their backlog of cases and they're just trying to get caught up again. We're hoping that it'll get done sooner.

Administrative Director Monte Mafnas - Hystorically their turn around is 6 months but maybe if you can call them assiduously, repetitiously, daily.

Larry Toves (GEDA) - We'll do that.

Administrative Director Monte Mafnas - And I appreciate that. With respect to legal counsel I did ask GEDA to look into the viability if we could use their own legal counsel for our counsel and that way we can pay for their services on an as needed basis on an hourly rate so we don't engage in an annual contract so we can expeditiously utilize their services. Basically it's a verbal okay but it needs to be addressed and I just want the Board to understand that I think this is the most expedient manner we can get counsel.

Vice-Chairman David Matanane - Have you contacted them and present the matter on hand?

Administrative Director Monte Mafnas - Yes, I've contacted everybody except the CPAs representing GEDA. I did talk to the Chairman and staff and the council.

Acting Chairman Oscar Calvo - Are they willing to come in on that?

Administrative Director Monte Mafnas- According to everybody it's a verbal consent is there but we need to memorialize it and have it done correctly. We'll ensure that we follow the law. But you and I have been to many times in several months trying to work with GSA for legal counsel and to no avail. So I'm just looking at the possible linkage wherein they represent us anyway they will assist us in the rules and regs and also litigate when deemed necessary so within the parameters of the law I'm hoping they can represent us.

Acting Chairman Oscar Calvo - Would that be a problem for you guys?

Larry Toves (GEDA) - Mr. Chairman I can't really answer that and when Mr. Monte Mafnas came to me with this proposal I told him I will take it under advisement and advise my Administrator of it. He seems to be wanting to support the Commission but he just wants to make sure that everything is above Board and that we do it the way..(interrupted).

Acting Chairman Oscar Calvo - Yeah of course we have to go that way and like what Mr. Monte stated that since we're working in the MOA already so and then whatever the other agenda that we at the legal counsel and you know we need the legal counsel.

Administrative Director Monte Mafnas - But we don't want to jeopardize their position or compromise their position or conflict them out. I'm just asking if we can utilize their legal counsel and we'll be paying for it. It's a lot cheaper this route than engaging in retainer fees that is not necessary as evidenced by prior years. I am sure I can guarantee it'll be a lot less than in the prior years and that is where I'm coming from.

Vice-Chairman David Matanane - There's a fine line on that because I see your point but as far as the attorney would there be any conflicting? A fine line where the conflict is doing work for Chamorro Land Trust and GEDA and which part of the equation is he standing on and whether he should go on this side or that side? We don't want any conflict and then the attorney right then and there says this is a conflict of interest I cannot represent you because of the fact that you know so as I said we need to get our own attorney because of the MOU between GEDA and CLTC there's still a fine line, gray area there where the attorney is representing GEDA and also trying to represent us.

Administrative Director Monte Mafnas - Do you have two attorneys or only one attorney?

Larry Toves (GEDA) - The way it's set up in our agency is we do have primary counsel and then if there's any potential conflict with our primary counsel we have conflicts counsel as well.

Acting Chairman Oscar Calvo - He's got a good point to that issue tentatively to that issue what he's saying. We just want to make sure that the clarification is there that your legal counsel works in hand with us and will not be in conflicting with what we since we signed that MOU with you guys. And whatever projects that we go through and if there is problem that we have that we have to render and also pertaining to maybe might be one of your clients in the past for that matter and I think that's where but I like the idea and I do support that but I think we need to really address it and look at it and get the opinions of your legal counsel and also your Board. Are they willing to work with us on that issue? And I think the Board itself too has to have a say so on that thing in your Board.

Administrative Director Monte Mafnas - And this is only for the Board meetings and the day to day operations because I would like for the Board to enter into hiring an attorney general to assist us in land registrations. There is a myriad of problems and a lot of lots that have to be addressed and that's a full time for the assistant attorney general with real property, real estate experience. I envision we need two lawyers.

Larry Toves (GEDA) - We'll be sure to keep Mr. Mafnas advised of any developments as we go forward.

Commissioner Michael Borja - Keep us informed on where we stand.

Acting Chairman Oscar Calvo - I think if you can address that issue that was earlier and then Monte you can always.

Larry Toves (GEDA) - Yes sir, I understand that there has to be a little bit more discussion on this issue with not just our Administrator but the Board members as well as you indicated and once that's solidified then we'll present it for final approval.

Acting Chairman Oscar Calvo - Okay thank you.

MOU - USDA
Administrative Director Monte Mafnas - USDA called and apologized for not being here to explain the new MOU. Their representative is sick and they want to tag team that presentation so we have to cancel this at this point in time.

Acting Chairman Oscar Calvo - Okay no problem.

2. John Rios - Request to purchase bull cart trail
Administrative Director Monte Mafnas - Mr. John Rios modified his request instead of trying to purchase the land, the easement traversing through his property he wants to lease it for 99 years.

Acting Chairman Oscar Calvo - I have no problems with that.

Administrative Director Monte Mafnas - All expenses will be borne by him and appraisal fees will be paid by him, the map fees will be paid by him and we can determine the value at that point in time.

Commissioner Michael Borja - So the bull cart that's cutting through his properties it's just a lease so he can not join the properties as one.

Administrative Director Monte Mafnas - It all depends on his use but you know he can use it possibly for parking lot but not necessarily a building. It's an encumbrance, it's a possible lien so it's not clean title to do that and you're not prudent on his return of investment.

Commissioner Michael Borja - Where is this going to be at again?

Administrative Director Monte Mafnas - Harmon Industrial Park at the end of that field where all those bumpy roads prior to Hemlani's, the old flea market which no one really utilizes at this point in time.

3. Guam Racing Federation - request for extension
Henry Simpson - I am Henry Simpson the General Manager for the Guam Racing Federation and I'd like to thank you for hearing this today. We had another meeting earlier on last year and had started this process of asking for a longer term lease and I know it was..(interrupted).

Vice-Chairman David Matanane - May I Mr. Simpson, when I read this letter that you have of course it's addressed to the Commission here and attention to me, I really you know kind of and then I calmed down but in your letter you stated that we had already approved your

lease and it's beyond the limits of the lease agreement. In your first paragraph just read it out Mr. Simpson, *thank you for entering the request for Guam Racing Federation to extend our lease period and turn it into a 30 year lease on your board meeting of August 18, 2011. We appreciate your support and realize your ability to grant our request may be limited by law.* So you know we don't do against the law. I don't know where you're coming from Mr. Simpson. I do appreciate and I guess your Board agreed with you. Are you telling your Board that it's already been approved according to your letter?

Henry Simpson - No I was just..(interrupted).

Vice-Chairman David Matanane - Mr. Simpson, I went back to the minutes of August 18, 11, what did I say? You mentioned 30 year lease I said we had to table this. Didn't I say that? And the next paragraph I told you that we had limitations. And what bothers me is your first paragraph there and also letting your Guam Racing Association, I have nothing against the Guam Racing Association Mr. Simpson it just ticked me off when you're insinuating that we have already approved and even informing your Board that we have already approved your lease. That's my take on this letter.

Henry Simpson - I apologize if it seemed to insinuate that we..(interrupted).

Vice-Chairman David Matanane - It does, it does Mr. Simpson. To me when I read it the first paragraph it already threw it up in the air. I'm not trying to you know try to remove or whatever you're requesting for but by putting words to the Commission and I believe this Commission doesn't do anything to you know to defy the law that's my take on it and it's in writing Mr. Simpson, I can't believe this. But thank you any way I've aired my sentiments, I'll keep quiet.

Henry Simpson - What I intended to do with this is thank you for entertaining the request. I was thanking you for looking at the request we made then we appreciate your support and realize you're ability to grant the request is not with this Board but has to be done by law. So what we're asking is that you would do a resolution from the Board asking the legislature to do a 30 year lease for us.

Vice-Chairman David Matanane - Why is that Mr. Simpson when the Chamorro Land Trust can take care of your lease? Why do we have to go to the legislature? As long as we're in the confinements of the law why would we have to go request to the legislature to renew your lease? Isn't that what you're asking for?

Henry Simpson - I'm asking for a lease and my understanding is what we have now is a 21 year long license to use the property. But that license is not a lease and we don't have really the benefits of a lease and we're asking to extend that period.

Vice-Chairman David Matanane - You're asking for a renewal.

Henry Simpson - No because we didn't want to renew a license we actually wanted to get a lease.

Vice-Chairman David Matanane - So you're just proposing a new lease.

Henry Simpson - Yes proposing a new lease to take over after our license is over.

Vice-Chairman David Matanane - But according to your letter you said renewal. Which one is which? You want to extend your license period. Do you have a license right now?

Henry Simpson - Yes.

Vice-Chairman David Matanane - Okay and when does it expire?

Henry Simpson - We have 8 more years.

Vice-Chairman David Matanane - 8 more and why are we trying to renew it or extend it?

Henry Simpson - There's several reasons, we would like to be able to run a gas station at the premises and to get a gas station to invest in putting in tanks and operate a station there they require a longer period of time. And then also we want to protect the property and the track itself from being taken basically for the firing range. So if we can get an extension of the license or turn that license into a lease is what we're asking then we can get a gas station there we could continue to..(interrupted).

Vice-Chairman David Matanane - For a longer time period.

Henry Simpson - For a longer time period.

Vice-Chairman David Matanane - But you have not expired.

Henry Simson - We're not expired.

Vice-Chairman David Matanane - So an application process? How's that Mr. Monte?

Administrative Director Monte Mafnas - I requested Mr. Simpson to present it to the Board because there are different components to his request. As he mentioned one was a gas station with tanks and there's another one you wanted to mention.

Henry Simpson - In the future we hope to be able to do warehousing for race cars there at the race track and so if we had a 30 year period then we could get an outside business to come and build the warehouses and lease space to basically people from Japan to store race cars there. It wouldn't be a business we would run but it would be something that we could sublease part of the property for somebody else to do.

Administrative Director Monte Mafnas - I asked Mr. Simpson to present the case Mr. Matanane for revenue enhancement ideas. We are going to be splitting the rent. Number two, we needed to identify a site up north in the amount of 30 acres to accommodate FEMA

in the event we have a disaster. I hope nothing happens but in the event we have a disaster FEMA warrants a place in our inventory otherwise they will not reimburse us for any clean up activity. So we need to identify a site prior to a disaster so I've been working with..(interrupted).

Vice-Chairman David Matanane - I see where you're coming from, see the unknown now is coming out.

Administrative Director Monte Mafnas - The rate is not going to diminish it's the same or go up because there'll be income generated on a fifty-fifty basis.

Vice-Chairman David Matanane - I understand. See you're already committing that.

Administrative Director Monte Mafnas- No I didn't commit.

Vice-Chairman David Matanane - Let me understand this now and if we procure you the license in the license it says you cannot lease or right? So we're going to try and modify that lease particularly you're requesting for?

Henry Simpson - Yes, we would like to do or maybe even put in the lease that we are able to bring in a gas station that we'll share whatever the income from that gas station with the Chamorro Land Trust and that'll be a way to enhance the revenue for..(interrupted).

Vice-Chairman David Matanane - Why don't we memorialize that thing so we'll all know what's your anticipation, just asking for an increase in the lease which is not yet due and the unknown we don't know. We don't know where you're coming from and now that a little light is coming in too please memorialize that, present it to us then we will look at it. But as far there's too many unknowns on this and why would Mr. Simpson want to renew or increase his which it hasn't expired? See what are your plans as you were stating to us so we could understand where you are coming from. I thank you Mr. Mafnas I guess you and Mr. Mafnas have discussed this and he knows about it but we don't so that's why I'm raising those questions but thank you for the letter any way Mr. Simpson.

Administrative Director Monte Mafnas - I do want to interject to the Board that because I requested and demanded that the Board approve the minutes to increase the mineral rights fee by three hundred percent we have generated an additional $83,550. So Mr. Simpson is working with us but it's not over yet.

Vice-Chairman David Matanane - You see where I'm coming from but what I'm saying is that a lot of unknowns and please memorialize what's your plans so we would know your plans and then maybe we'll understand where you're coming from. I'm not saying that we're approving this now Mr. Simpson. All I'm saying is please set your plans, so we'll look, if we like it we'll see what we can do and I know you're trying to make money for Chamorro Land Trust.

Acting Chairman Oscar Calvo - I think what we need to do here Dave is and like what you said is to set the stage right and properly is you know what you confronted in putting what your future plans to build warehouse and so forth and the gas station and so forth and the percentage of money and build that into the contract or lease in the Chamorro Land Trust. That you know in the future and you know what you're looking in terms whether you're looking for another 10 or 20 years for that matter. And I think that's what the Board sentiment what we want to come out to that range because make sure that especially on the gas station issue whoever is going to build whether it be Shell, Mobil or whatever I think anticipation on that is are they willing to share that or given that because we don't want any bumpy road down the road and says I'm only leasing this because under the Federation for that matter. So we need to clarify all those English language there okay.

Administrative Director Monte Mafnas - I think it's necessary and incumbent upon you to present your plan to GEDA too just for the record for informational purposes whether or not we make the final decision yea or nay, the Board will do that. But I think it's inherent upon you to advise them. So I guess what we should do is table this.

Vice-Chairman David Matanane - Table it.

Commissioner Michael Borja - What does this got to do with FEMA?

Administrative Director Monte Mafnas - I'm extracting 30 acres from his lease.

Henry Simpson - As a hold open area. We have a ponding basin area that is fairly large, it's not 30 acres but it could be in a closer to 15 where they could store debris after a storm and then take it back out is my understanding.

Administrative Director Monte Mafnas - Right.

Commissioner Michael Borja - In a ponding basin?

Administrative Director Monte Mafnas - With a liner of course but not reducing the rent.

Vice-Chairman David Matanane - Good that you are talking and we are talking and let's set it straight and let it right so we can you know. We don't have to go to the legislature, maybe down the line but not right now.

Henry Simpson - Okay.

4. Wilfredo Garrido - Application status

Administrative Director Monte Mafnas - Last Board meeting we met with Wilfredo Garrido presenting and claiming his application and Mrs. Garrido the mother requested if she can come to the Board.

Simplicia Garrido - I'm representing my son Wilfredo Garrido. All I want to find out is my daughter is Veronica Patao and she is trying to get this Land Trust from my son transferring

her name. Monte knows already about this at the first hearing. So I'm just here to let you know that she cannot have that because that's my son's Land Trust okay and I'm right next to it. I have a restraining order from the court from Judge Tydingco permanent for life that my daughter cannot come near me under whatever. So I'm just right next to my son and I was thinking she cannot put her name there and that's the applicant, that's my son's land.

Administrative Director Monte Mafnas - I want to explain to Mrs. Garrido that we did hear Wilfredo, your son's concern and the Board did address the situation because he had given his sister a Power of Attorney she transferred it and he signed off. Now he came back reclaiming his application right. Now because Veronica has an existing lease with Chamorro Land Trust because the law is clear you cannot own two leases we gave her the subsection stating that in the law and informed her that although she has an addendum to lease it is null and void and your son Mr. Garrido owns the application and exerts his right to claim that application right. So we will be entertaining his lease when he comes before me to sign off a new lease. So it's his lease, it's his application rights, it's his right, it's his disposition, it's his application. He can decide who he wants, he is the boss of his application.

Simplicia Garrido - So my daughter cannot interfere.

Administrative Director Monte Mafnas - Your daughter cannot interfere.

Simplicia Garrido - Because one time it's so funny because he comes in on the entrance just right next to me she said Wilfredo this is not your place, I'm going to call the police after you. Because before way back 2010 I had power over my son, Power of Attorney but my son revoke it and I went to Sommerfleck and my son revoked that and now the General Power of Attorney is in my name, he signed it. So I guess I have the right to sit here and talk.

Administrative Director Monte Mafnas - Yes ma'am you are a very smart lady and I salute you and I commend you.

Simplicia Garrido - But my son is the strong owner.

Acting Chairman Oscar Calvo - Yeah he is the owner of that piece of property.

Commissioner Michael Borja- He left the meeting before your daughter had a chance to speak and before we told your daughter that it was his property still.

Simplicia Garrido - It's so embarrassing but I just have to open it up. I cannot get along with my daughter because when my husband died she took me in for probate and she thinks she can, Jose M. Garrido is a retired teacher, I paid $5,500..(interrupted).

Acting Chairman Oscar Calvo - Those words you can keep to yourself.

Simplicia Garrido - Now I'm happy.

Administrative Director Monte Mafnas - You already heard from the Chairman of the Commission. You're very smart and it's doing the right thing so sleep well at night your son owns that, it's your son's application.

Simplicia Garrido - I thank you and I respect you and I hope you forgive me if I lose. I appreciate your time and your patience.

Son of Simplicia Garrido - I have a something to say, I'm her son, sometimes they say they're going to close the road.

Acting Chairman Oscar Calvo - Your son is the boss if he wants to call the police he can.

Simplicia Garrido - But that's been a road for a long time they call it easement and the Land Trust people said you cannot close that because that's an easement.

Acting Chairman Oscar Calvo - No an easement you cannot close the road.

Administrative Director Monte Mafnas - It's the governments for the people.

Simplicia Garrido - So I appreciate, thank you very much for your time and your patience and your understanding.

5. International Bridge & Construction Marianas, Inc. - payment status

Administrative Director Monte Mafnas - Mr. Toelkes I want to share with you that we revisited the in-kind consideration and unfortunately we're having problems with it and the Board did not approve the request. I did send it to the Governor he hasn't acted on it at this point in time. I'm not so sure if he's going to approve it or deny it. What I'm sure is I did prepare the letter and I shared it with the Board and he hasn't made a decision. So it's incumbent upon us to make a decision as to accept your offer of $100,000 for back rent. I want you to know that we almost exhausted all avenues for in-kind consideration and that we must turn that page and go forward and accept your offer of $100,000 provided the Board agrees with it of course for the back rent.

Commissioner Michael Borja - The limitations on being able to do in-kind trade is very limited, we don't have that authority and as Monte mentioned it is up to the Governor. In fact we are scrutinized still to this point on three or four actions that we've taken. We have to be very careful about doing all on that because we can't be looked at as providing favors with in-kind. It's not our authority it's the Governor.

William Toelkes - When we entered into the agreement we didn't think it was a favor.

Commissioner Michael Borja - No I mean it sounded like a pretty good deal, it's almost like bartering in a way and there are certain things we need to have done and it's just more difficult, there's methods and procedures that we have to follow.

Administrative Director Monte Mafnas - Although the intent was pure right Commissioner?

Acting Chairman Oscar Calvo - And the Attorney General confronted us that we have no authority and to the law as to that issue. One of the rational reason we did that the last time because you know given an issue like Ms. Cruz here that needed water or power for that matter or to open the roads, things of that nature that we can that really we can't come up. But unfortunately we read the letter and he sent the letter to the Governor but I think what the Governor's position on this is if you do this in-kind services I think what he's afraid of is the next guy down the line and so forth. So I think to create not that issue that if I do one favor then I have to do another favor for the individual. So to be very cautious to that I think it's you know but you know we did exhaust everything that we needed to clear these things but like Mr. Monte said and Mr. Borja said you know it's really beyond our control and we're also getting bombarded too from also the legislature on issues like this.

Administrative Director Monte Mafnas - I just want to assure you sir that I did what I was going to tell you and I presented it to the Board and we memorialized it and I sent it out. And then we have to address the future rent.

William Toelkes - I understand that things change sometimes.

Administrative Director Monte Mafnas - Although the intent was very pure and appreciated but time changes everything that's constant there's going to be change. So we will be seeing you later on and we will be very able, willing and looking forward to receiving a hundred thousand dollars.

William Toelkes - Okay.

Administrative Director Monte Mafnas - Thank you very much for your time.

VI. NEW BUSINESS

1. John K. Peredo - application rights

Administrative Director Monte Mafnas - Mr. John Peredo is deceased but he assigned his application to the beneficiary.

Frank Kawamoto - Good Afternoon everybody on the Board my name is Frank Kawamoto.

Administrative Director Monte Mafnas - So you're the beneficiary.

Frank Kawamoto - Yes, John Peredo is my first cousin and he passed away last month and before he passed away he got all the paper works, documents filled out putting me in charge of the property that he has.

Vice-Chairman David Matanane - Has he filed it with the Chamorro Land Trust?

Administrative Director Monte Mafnas - Yes so he just wanted to bring it to the Board's attention.

Acting Chairman Oscar Calvo - Make sure that we got copies for us.

Frank Kawamoto - Yes I did make a copy of the documents they requested for.

Acting Chairman Oscar Calvo - If he got all that your docs is okay.

Administrative Director Monte Mafnas - So we'll prepare the lease and we'll call you up okay.

Frank Kawamoto - Okay, thank you.

(Item was further discussed after Item No. 3 of New Business)
Going back to John K. Peredo
John K. Peredo, Jr. - I got a question because I'm here for my dad, John K. Peredo. I didn't know if I'm supposed to sign anything but you know the first cousin is the one who signed the land thing. I'm the oldest son, he's got three kids that's staying there. What's going to happen to those three kids?

Administrative Director Monte Mafnas - Unfortunately Mr. Peredo, here is the form that authorizes the applicant your father to identify who the beneficiary is. The beneficiary is the person that would enjoy the lease or the application, would step in as the person who owns it when he passes on. He wrote this and he had it notarized and I approved it as of this date.

John K. Peredo, Jr. - As of what date? After he died?

Administrative Director Monte Mafnas - No before he died.

John K. Peredo, Jr. - He died December 3rd. You signed it December 12.

Administrative Director Monte Mafnas - This is dated 11-25th, I signed it, I didn't know your father died, he signed it in front of a notary.

John K. Peredo, Jr. - I wanted to find out how did my Uncle Frank ever get the death certificate?

Administrative Director Monte Mafnas - Anybody can request that.

John K. Peredo, Jr. - No.

Administrative Director Monte Mafnas - I stand corrected, anybody with interest.

John K. Peredo, Jr. - I was interested, they told me I couldn't do anything, I have to come to the Board. So my other younger brothers have nowhere to stay, he can chase those guys out.

Commissioner Michael Borja - They're residing on the land right now?

John K. Peredo, Jr. - Yeah.

Commissioner Michael Borja - In that house that's on the land?

John K. Peredo, Jr. - Yeah.

Administrative Director Monte Mafnas - We didn't know about that. What we know is what is presented to us. This is your father's right not yours.

John K. Peredo, Jr. - True I understand that.

Administrative Director Monte Mafnas - Please understand sir that it's your father's decision. We have nothing to do with that, nothing at all.

John K. Peredo, Jr. - Okay I want to find out what's the bylaws of owning a Chamorro Land Trust?

Administrative Director Monte Mafnas - You have to be a native Chamorro.

John K. Peredo, Jr. - Okay is he qualified for it? Yes or no?

Administrative Director Monte Mafnas - I don't know, do you know?

John K. Peredo, Jr. - No I don't that's why I'm here, you're the Director right?

Administrative Director Monte Mafnas - I'm the Director yes sir.

John K. Peredo, Jr. - So can we find out if he's qualified for that Chamorro Land Trust?

Administrative Director Monte Mafnas - You put it in writing and we'll do our due diligence.

John K. Peredo, Jr. - Why am I going to put it in writing? I'm here talking to you already.

Administrative Director Monte Mafnas - You're asking for something I'm telling you of record your dad owns the application not you.

John K. Peredo, Jr. - I'm not getting mad sir.

Administrative Director Monte Mafnas - I'm just telling you the fact is this, your dad owns the application, he signed it, I do not know, I do not ask, he signed it in front of a notary public. You want to question? Question everybody else but I am only acting as what was presented to me and he signed it in front of a notary public whose licensed attesting to his signature that it is his signature that it is him by proof of driver's license, a passport or voter's ID and I concurred based on this date sir.

John K. Peredo, Jr. - Okay I was just concerned because I don't want those kids because I'll tell you this, this is my family and that guy can just chase those kids out of there. They're still, they cannot even walk good. Where are they going to stay? They don't have anywhere to stay that's my concern is those kids.

Administrative Director Monte Mafnas - Very good point but why didn't you not bring this up when your father died? You know that your father owns that property because of the Chamorro Land Trust, correct? Yeah, so why didn't you bring it up before the Board?

John K. Peredo, Jr. - We were talking to my dad about it and next thing later we found out that he did this.

Administrative Director Monte Mafnas - You stated that your father died December 12 well it's January 19th, why did you not come before the Board?

John K. Peredo, Jr. - I came before the Board on the 6th.

Administrative Director Monte Mafnas - The 6th of what?

John K. Peredo, Jr. - Of December.

Administrative Director Monte Mafnas- Well we don't have your name on record.

John K. Peredo, Jr. - I signed it in your office.

Administrative Director Monte Mafnas - No that's not the Board, he signed in as he wants to see somebody.

John K. Peredo, Jr. - They told me to come and meet up with the Board today.

Acting Chairman Oscar Calvo - Is your mom still alive?

John K. Peredo, Jr. - Yes.

Administrative Director Monte Mafnas - I cannot speak for what your dad did. He signed it in front that's not personal, we don't get in family things we're only following the law. Your father proved that he was a native Chamorro and that's who he wrote and that's what we follow. He owns an application not you, not your mother, nobody else, I don't own it he owns it. We're only following what the law tells us to do.

Acting Chairman Oscar Calvo - Like what Mr. Monte's saying it's sadden to hear this but we have no, this is something that we don't control because this is a law that your dad and for whatever rational reason why your dad did that I don't know. But this is a good case too Monte, you can get a lawyer and you can dispute this.

Administrative Director Monte Mafnas - I suggest you do this, you ask your Uncle to come and meet with me and you and bring your siblings okay and let's appeal to him.

John K. Peredo, Jr. - The other thing is what if he passes away, he's going to end up giving..(interrupted).

Acting Chairman Oscar Calvo - That's why boy you don't want to wait at this point in time. You were here sitting.

John K. Peredo, Jr. - Yeah.

Acting Chairman Oscar Calvo - See we didn't know that.

Vice-Chairman David Matanane - Why didn't you open up?

Administrative Director Monte Mafnas - We waited for him to leave, why didn't you bring it right there and confront him about what you're going to do?

Acting Chairman Oscar Calvo - But this issue boy it's not too late you can still you know. We can but you'll probably need to get a lawyer because maybe your dad was forced to sign that or maybe your Uncle. We don't know that okay. Maybe your dad owes him something.

Administrative Director Monte Mafnas - We don't know anything. All we know is your dad owns the application that we know. Your dad assigned a beneficiary that we know. Your dad signed in front of a notary public that we know and maybe you can ask that notary public to look at their log book if in fact that's your dad's signature. But this I suggest to you, you contact your Uncle and we meet okay. Let's see if there's a way we can resolve this. I'm just telling you facts okay and you have to live with it. You don't like it but you have to live with it. So let's try to go backwards to go forward okay. That's what I propose to you.

Commissioner Michael Borja - This is obviously not a very good thing going on right now. Is there a public attorney that he can use?

Acting Chairman Oscar Calvo - Public Defender.

Administrative Director Monte Mafnas - He has to qualify first for services.

Commissioner Michael Borja - You might want to check, you need a lawyer if you can't afford one you need to go look at where public lawyers are that are available, Guam Legal Services.

John K. Peredo, Jr. - I went to Guam Legal Services they said they have no jurisdiction over Chamorro Land Trust.

Commissioner Michael Borja - They have no jurisdiction over Chamorro Land Trust but they have jurisdictions over powers of attorneys things like that.

John K. Peredo, Jr. - They have nothing because I went there I went through all of this and that's why they sent me here to come to the Board.

Commissioner Michael Borja - Okay so then you take up Monte's offer for you and your Uncle to sit down together and find out what's going on here. I commend you for coming forward to speak on behalf of your family.

John K. Peredo, Jr. - Honestly for me I'm thinking about the other kids.

Commissioner Michael Borja - How old are they?

John K. Peredo, Jr. - One just newly born, three months old, or not even three months old, the youngest one is only two years old.

Acting Chairman Oscar Calvo - Are you staying on that lot?

John K. Peredo, Jr. - Yes.

Acting Chairman Oscar Calvo - Whose kids are those?

John K. Peredo, Jr. - That's my dad's kids.

Administrative Director Monte Mafnas - Did you apply for Chamorro Land Trust?

John K. Peredo, Jr. - No already we were secured on that property. So what my Uncle Frank can do is come in and tell us to get out of there, that's what he can do to us.

Acting Chairman Oscar Calvo - Monte, I think we need to get a legal opinion on this.

Commissioner Michael Borja - We need to probably also have this one brought back.

John K. Peredo, Jr. - Actually we got a total of 8 kids, my dad has a total of 8 kids. He has two from the girl now and then he got three from another lady and they're not even 18 yet. They don't even have a place to stay. I'm the oldest boy.

Administrative Director Monte Mafnas - Okay work with me okay.

Commissioner Michael Borja - Just understand that because of this document your Uncle has a lot of legal rights.

John K. Peredo, Jr. - I'll tell you I grew up in that place. We're the ones that cleaned it the whole area and he's just going to have it like that?

Commissioner Michael Borja - You guys have a bad relationship with him?

John K. Peredo, Jr. - Yeah. If anything he didn't even stay there long, he only stayed there three years and he got that place.

Acting Chairman Oscar Calvo - For whatever reason only your dad knows why he did it and like I said maybe he was forced to do it and we don't know that only a lawyer can do but I think something in this issue I can pretty sure we'll you know because we didn't know. Honestly son we didn't know about this until just now. If you would have spoken when he came up here that would have..(interrupted).

Administrative Director Monte Mafnas - John I'm sorry this happened okay. I feel really bad. If you had addressed this problem quickly we would have done something.

John K. Peredo, Jr. - I did talk to one of your staff down there that's why they told me to come here.

Vice-Chairman David Matanane - You were here sitting with him how come you didn't open up?

John K. Peredo, Jr. - If I talk to him it's going to be a conflict between me and him. Because even staying there now he's giving us problems, he's giving us attitude and stuff.

Acting Chairman Oscar Calvo - Does your Uncle have kids?

John K. Peredo, Jr. - Nope or I don't know if he has kids.

Commissioner Michael Borja - Is that your father's first cousin?

John K. Peredo, Jr. - Yeah I guess. I just want to write that down because I don't want any of my family to be stuck out in the street. They won't have nowhere to stay.

Administrative Director Monte Mafnas - You're right and I feel really bad about that okay. What you can do is if he tries to do that just tell him the Director said you cannot.

Acting Chairman Oscar Calvo - Everything is on hold, Monte.

John K. Peredo, Jr. - Before my dad passed away he turned around and told that my Uncle Frank Kawamoto is supposed to be administrator not the sole beneficiary.

Vice-Chairman David Matanane - That's two different things.

John K. Peredo, Jr. - He was supposed to be the administrator only not the sole beneficiary.

Acting Chairman Oscar Calvo - So Monte, something went under the table there.

Administrative Director Monte Mafnas - Yeah something is wrong. Well the good thing is this okay John rest assured if he tries to chase you out just tell him no and blame me okay. Tell him to come and see me and even though he came here before the Board just tell him Mr. Mafnas says you cannot chase us out. If you have a problem with that bring it to me. He has the beneficiary rights but he hasn't received a lease yet and I am not going to sign the lease yet until the three of us sit down and try to resolve this issue okay. You have my word.

Commissioner Michael Borja - I move that the application rights for John K. Peredo will at least be tabled until more discussion between heirs and beneficiaries are discussed within the Chamorro Land Trust Commission.

Vice-Chairman David Matanane - Second.

There were no objections.

Acting Chairman Oscar Calvo - Passed.

Administrative Director Monte Mafnas - So he cannot chase you out okay.

Acting Chairman Oscar Calvo - Nobody can chase you out there. I understand what you're going through you're emotional you're dad just passed away so of course you have all that. But you know I got to give you credit to step up and you know at your age, I don't know how old you are.

John K. Peredo, Jr. - I'm 30 years old, I'm struggling too, I've got two kids of my own and you know it's hard.

Administrative Director Monte Mafnas - I salute you for doing the right thing.

Acting Chairman Oscar Calvo - I salute you for that son and trust me and like what the Board has already because if I would have known that today I would have addressed it. But I can understand the emotional part, you losing your dad and whatever and you stand to what your dad said to you, something went around the table.

John K. Peredo, Jr. - Even his Pa're, there was a guy right next to him that's my dad's Pa're he's the one that took my dad to do this stuff and he even said that my Uncle Frank Kawamoto was only supposed to be administrator not a sole beneficiary.

Commissioner Michael Borja - So is he friends with you and he believes in what you're trying to do?

John K. Peredo, Jr. - Yeah.

Commissioner Michael Borja - Then you might want to ask him to..(interrupted).

Vice-Chairman David Matanane - Bring him also tell him to come in.

Acting Chairman Oscar Calvo - John you can rest assured and if they give you any problems if he says no, as long as he doesn't have that lease, you still have that right there okay.

John K. Peredo, Jr. - Okay.

Administrative Director Monte Mafnas - I'm sorry we were in the dark, we don't know. We only know on the face of the documents we have to take it in its value as presented okay. But now that you've enlightened us we appreciate that and you did the right thing.

John K. Peredo, Jr. - Thank you.

2. Bernice Nelson - request for additional acreage

Bernice Nelson - Hi my name is Bernice Nelson and thank you for having me here. I've been back and forth way back and I want additional land for my Chamorro medicine.

Administrative Director Monte Mafnas - Pursuant to Chapter 75, the Chamorro Land Trust enables medicinal plants in the area up to 2 acres on specific sites and Mrs. Nelson here is well known by the Mayor and the people of Dededo of her farm and invites us if anyone wants to go see it. She's been doing this for quite some time and she has a very unique program. Can you explain that?

Bernice Nelson - I have a worm farm and they're my babies. I had them in 2008 my friend sent it to me 2 quarts but only a handful alive. So now I have 56 containers of the worm. The worm I use it for fertilizer and top soil and it's organic, no chemicals whatsoever. I also have medicinal medicine. I'm preserving the local medicine from Guam so every time they say this is a medicine I take the seeds or a cut and I plant it over in my garden. Last year you guys gave me a half acre and that's not enough I need more. Plus I'm also planting herbal like basil for the people of Guam. I'm asking for the back or the side, 2 acres because it's already full the one that was given to me. That's a walk way for people to walk around and it's a nice garden to go around and I'm trying to do it for the school kids too for fieldtrips and to teach the young generation about the medicines that we have.

Acting Chairman Oscar Calvo - I think there was a law on that anyway.

Administrative Director Monte Mafnas - It is part of the law.

Commissioner Michael Borja - Who uses the plants?

Vice-Chairman David Matanane - Do you sell it?

Bernice Nelson - When they come sometimes they give me something, fish or I don't really sell for suruhanu.

Commissioner Michael Borja - So suruhanus come over and get clippings or roots or whatever they need.

Bernice Nelson - Yes.

Vice-Chairman David Matanane - How many acres were your given?

Bernice Nelson - Half acre only, I got one acre for my house so right now I have..(interrupted).

Vice-Chairman David Matanane - So in total now?

Bernice Nelson - In total it's one acre because of my property that I have. There's still a lot, there's still behind me and the side of me. Like one acre for my worm and I still have a lot of trees to plant for medicine.

Administrative Director Monte Mafnas - Actually the two acres availability is per subdivision because the intent of the law is to protect medicinal plants. Mrs. Nelson here identifies and qualifies each and every plant in the Chamorro name, in the scientific name, American name and I asked her to name it in Chinese, in Korean, in Japanese and provide it as a tourist venue because it's educational and it's blissful.

Commissioner Michael Borja - So your worm from this is what you're feeding the plants.

Bernice Nelson - Yes what I'm using for fertilizer.

Commissioner Michael Borja - How many different species of plants do you have?

Bernice Nelson - I have a hundred and some.

Commissioner Michael Borja - How are you irrigating it?

Bernice Nelson - Through my pipes, I don't have agricultural water yet. We have catchments because my worm needs rain water I cannot use the regular water.

Commissioner Michael Borja - So we're entertaining a request for a couple more acres of land.

Administrative Director Monte Mafnas - If available at least an acre.

Bernice Nelson - If available which is nobody is behind me and the side of me.

Commissioner Michael Borja - And preferably adjacent or adjoining her existing property.

Administrative Director Monte Mafnas - Yes.

Acting Chairman Oscar Calvo - I know her, I know she means well and she's teaching the local and that's a good thing and its education.

Bernice Nelson - We're going to open like a school too for the young generation to teach how to make local medicine because of the disappearing of the suruhanu.

Commissioner Michael Borja - Where is this located at?

Bernice Nelson - It's over in Swamp Road in Dededo.

Administrative Director Monte Mafnas - We can schedule a site inspection.

Acting Chairman Oscar Calvo - Try and do that.

Commissioner Michael Borja - How many other people that we have in the inventory that have a worm farm?

Administrative Director Monte Mafnas - I don't know at this point in time but I can provide you an answer, there's quite a lot of suruhanus but as far requesting for no she's the only one I know of.

Acting Chairman Oscar Calvo - I support her on this issue.

Commissioner Michael Borja - Yeah I have no..(interrupted).

Administrative Director Monte Mafnas - We should perpetuate this, this is cultural, this is good, this is right.

Commissioner Michael Borja - I just think you know that as much as she can also utilize some of the folks over at University of Guam Agricultural section where they..(interrupted).

Administrative Director Monte Mafnas - I said the same thing she's got that covered too.

Bernice Nelson - The University comes over and tour.

Commissioner Michael Borja - Because if you become a model as well then there will be more folks to try to do this.

Bernice Nelson - Yes there's some couple of ladies that get together to do at UOG.

Bernice Nelson - Are you a suruhana?

Bernice Nelson - Yes but I have special different kind of suruhana.

Commissioner Michael Borja - But you know the plants.

Bernice Nelson - Yes I know all the plants. My specialty is really burn and people in a coma. I treat young kids with their mouth you know like Guam sore. The burn I did my niece, only in my family but not outside yet. So when you have burn on your body I could ease the pain and put the medicine on.

Administrative Director Monte Mafnas - Well we appreciate your time.

Vice-Chairman David Matanane - I guess Monte can look into that and see if it can expand up to the requirements.

Bernice Nelson - Please come up and see my garden.

Commissioner Michael Borja - What does Opal Bee mean?

Bernice Nelson - Opal is my friend that sent me the worm and Bee is my name.

Administrative Director Monte Mafnas - Okay thank you so much.

3. Senator Ben Pangelinan - negotiating to trade payments due for unauthorized use
Administrative Director Monte Mafnas - Senator Ben Pangelinan has written a letter and has asked, this is in regards to TRI Paradise Estates, Tonko Reyes Inc. about their offer to provide us a survey fee. I just want to go on record that Senator Pangelinan's concern is right for checks and balance however from this Board, not really however but I want to say that Governor Calvo, this Board and myself are cognizant of the law and we ensure that we will follow the mandates of the law that we will do the right thing. I want to go on record that this exercise of collecting or receiving that offer was for a past due exercise of TRI utilizing Chamorro Land Trust property retrospectively. It didn't happen on our watch at least with Commissioner Borja and myself. I went forth and collected a debt that I foresaw but this debt was retrospectively speaking with the previous Administrator. I want to go on record that it was unsolicited for surveying services. I demanded compensation from TRI for utilizing CLTC property and they came about and they made an offer. Because they have a surveyor on board they made an offer to survey one million square meters of Chamorro Land Trust property to do the retracement survey and assist us in master planning and developing a subdivision plan. That was unsolicited, that was done by them verbally and memorialized in a memorandum of understanding prepared by their attorney Mike Pangelinan. I just want to go on record that we had nothing to do with that offer, it was presented to us. I did though requested if we could hook up to the utilities to enable the recipients of the Trust to hook onto their wastewater and the water which is considerable amount of money saved by the recipients because of the system development fee as we were shown by the first lady you know on GWA wants to charge her $40,000 or $60,000. But that's a savings of about $8,000 and I think that's great that somebody can save that amount of money. It's not going to save you and me personally but the recipients of the Trust will be afforded that viability of hooking up to the utilities. Yes again Governor Calvo and this Administration and this Board and myself are cognizant to the law and ensure that we will follow the mandates of the law. So we will get an attorney, we'll get our own legal opinion once and for all. There is a request with the Attorney General to state the legal

opinion as to the validity of that offer. I personally believe that it's a good offer and it's legal. I just wanted to bring this up that we can't move forward until the legal opinion is presented to us.

Commissioner Michael Borja - And neither can we move forward with wishing the recipients of lands can be able to use it like the first guest here. If we just continue to issue out lands that have no ability to have access for utilities we'll have them all in a line saying I can't pay $60,000. So I think thinking outside of the box is a pretty good notion especially when nobody has money to do the things that need to be done and partnerships with folks who are going to be able to do it seems to be good. But I do recognize as well the importance of ensuring that it's all done within the realms of the laws and the policies established in this Government and with respect that Senator Pangelinan has as oversight of what's going on. I don't think anyone of us want to step off the boat. As you mentioned Monte, none of us have the, I think I don't have a vested interest in any of this at all but I think that we're looking out for the interest of all these folks who are still on the waiting list and can't get anywhere because we can't issue anything out if it's not surveyed or if it doesn't have utilities.

Vice-Chairman David Matanane - Well said.

Administrative Director Monte Mafnas - And I appreciate the checks and balance.

4. Tamuning Mart

John T. Cruz - Good afternoon and thank you Board, Mr. Mafnas. I'm glad they invited us here because I think we want to get things straight here and we want to move forward like you said instead of going backwards we want to go forward. What we're doing here is the Tamuning Mart I know there's a lot of people that's questioned I know that. We came up with this concept I talked to Mr. Mafnas and we sat down. Now we're just trying to see what kind of lease we can get there.

Acting Chairman Oscar Calvo - John before I go any further where is the owner of that actually?

John Cruz - Mr. Yu, right now he's in the office.

Acting Chairman Oscar Calvo - How come he's not here?

John Cruz - I represent him because I'm the one who did most of the documents.

Acting Chairman Oscar Calvo - Yeah but even though we still need him here you may do the documents but I also want to see him. I think it's fair for the Board that he be here presently. I mean you know sending a representative I think it's one that because that way I want him to understand what the Board because going back and relating an issue to him he may not fully understand but with the Board sentiment here saying okay we got to give him that sense of direction. So I think we'll go ahead if you want to entertain him Monte.

Administrative Director Monte Mafnas - I think we should just listen to the presentation so you'll know where they're moving forward to.

John Cruz - Jerry is one of our friends that helps out to try to get this thing going. It's something for educational that we're planning on putting there in that area, it's a hand manufacturing kimchee and tofu. We're in between two schools, actually in Tamuning I think there's three schools in that area and we'd like to make that something for the kids to come by and see what kind of product that is made there, how's it's produced, how it's processed by hand.

Jerry Crawford - I'd like to add a little bit on John's behalf, my name is Jerry Crawford I work at UOG in the Small Business Development Center and the mandate that I have is to assist businesses on island with their plans, with their expansion plans, anything that they need for funding. So Director Mafnas's suggestion, John Cruz contacted the SBDC center at UOG and I began to meet with them to see what their intentions were and then Director Mafnas wanted an educational component in their business plan because the facility is located between L.B.J and Tamuning Elementary with the ball field behind it. Since it's within 500 feet of a school it can't be alcoholic or tobacco or anything like that in that facility. So one of the things we've noticed in the general market place is the desire to have healthier foods in school cafeteria systems. The idea that kids don't really know a lot about nutrition at this point though there's a lot of programs so the idea that Mr. Yu and Mr. Cruz came up with was we'd like to do on the last page here it shows a grandmother and her hand manufacturing kimchee state. And so they have these ladies and men I guess that will come in and be doing the hand manufacturing kimchee and they would work with the schools in a field trip form aspect to come in to the kimchee factory. Mr. Yu actually owns the farm where he raises the cabbages and things so they would see how things came from the farm field into the little factory, how it goes to the manufacturing by hand process then how it gets packaged and ready to be sold. The other thing that Mr. Yu and John came up with was the idea that the kids could actually design the labels and you can have label competitions between the schools where they could come up with names and labeling and understand how marketing works. So the idea I got kind of excited about supporting them behind this was if it grows like that it could also be involved in junior achievement at the high school levels so they can understand the whole economic formula and they could use it for fundraising as well as to what they could do for distribution to their wholesale system. So I can see a great benefit not just in the manufacturing of kimchee for sale and for profit but also the way it brings people in to understand nutrition, economics and marketing. And because the schools are close it's easier for the teachers to work a field trip format to come through the factory and involve the kids in various classroom projects to understand how nutrition and marketing and things like that work. So that was kind of the program that Director Mafnas wanted to see for this particular site because of its limitations.

Administrative Director Monte Mafnas - John and Mr. Yu deposited a thousand dollars and also has quotations for two appraisals to establish fair market rental value. I told him that the rules and regs have to be approved by the legislature prior to us issuing any commercial license or lease and they are aware of it. They're developing this plan with the assistance of Mr. Crawford and pursuant to our discussion we actually conjured the idea and Mr.

Crawford took it to another level. Their proceeding in my opinion the correct format as in to the highest and best use of that property because it's sandwiched in between two elementary schools and it does not entice tobacco or liquor whatsoever. So I'd like to keep within conformity of educational platform. They are aware that they utilize the property more than a vegetable stand. They even built in and opened up a store which they will cease and desist their operations. When we approve, if and when, and would pay retrospective rent as to what the Board will agree with them and we want to move forward into incorporating this idea and that's their concern at this point in time.

Vice-Chairman David Matanane - This property is right up here?

Administrative Director Monte Mafnas - It's directly across the Guam Greyhound.

Vice-Chairman David Matanane - What they're trying to do is lease that area?

John Cruz - Yeah, not the whole just a 100x100.

Administrative Director Monte Mafnas - It doesn't suffice or meet parking requirements, it's not a high rise, they cannot go vertical or horizontal, there's structures around. They are willing to pay to rent and back rent and move this forward.

Acting Chairman Oscar Calvo - The only reason why I wanted Mr. Yu to be here is because I've gone there and when that first was built it says vegetable stand okay. But you walk in the vegetable stand and you see pots and pans being sold that doesn't go for me. And I went up there not once, or twice maybe three, four, five times and I wanted to see him, for whatever reason the lady that I spoke to said my boss is busy and so forth. So I think to make that effort and to the time that he's been there he's never made that point of coming to the Chamorro Land Trust and this ideal this is where we get nudged by the people because they're you know getting things for whatever reasons he may be making money in the last year or two I don't know. But that's surpassed but now that he's you know and I told Monte I want this guy in because I've been asked a couple times too myself you know. I like the program sir don't get me wrong I think it's well presented.

Vice-Chairman David Matanane - The only person that can baptize it is between us and them.

Jerry Crawford - I would like to apologize on behalf of Mr. Yu because I have matted their facility probably ten times in a fairly short time and I honestly do not believe Mr. Yu didn't on purpose not come. I think he believes because he reached out to the SBDC that he was doing the right thing.

Acting Chairman Oscar Calvo - I have no problems with that because he was looking for a better direction and that's good that he went to UOG that he looked at the professional part of the University looking seeking to do that. All I'm saying here is he's been in there maybe two, three years before that and you know I said when I walked in there I said wow vegetable stand this is where I can buy cucumbers. But when I walk in there and I see pots

and pans and some clothes. When I went that first time there was some cabbage and apples but there was no local produce. I like the program and for the kids to be well learned and to do all these but like Monte said the only other problem that we have now is we have to go to the next step of getting the..(didn't finish).

Commissioner Michael Borja - What's the relationship between Mr. Yu and you?

John Cruz - I'm his consultant sir. I work with the guy.

Commissioner Michael Borja - So what we're trying to do is take that existing building that they have up there, obtain some additional land around it to expand the building?

John Cruz - No.

Commissioner Michael Borja - Not expand the building at all.

John Cruz - No, the building is already there.

Commissioner Michael Borja - Okay so just use the existing building, is to be able to have ample parking or what are we trying to do?

John Cruz - No there's parking there already in the front but what we're doing now is just to convert it because we tried that already and it didn't work.

Commissioner Michael Borja - Convert from a store to this facility. Okay so the store is not going to be there anymore.

John Cruz - No, it's shut down already.

Jerry Crawford - That was just vacant land they put the building on it. It was just like about 100x100 site then they brought the building and placed it there.

John Cruz - It's a container house.

Jerry Crawford - And then hired an architect to do some expansion and then met with the Mayor's Office this last week to get power place in their name and get the water line because it was just vacant land there was nothing there.

Administrative Director Monte Mafnas - Well lets begin at the point of beginning, Chamorro Land Trust owns the property and Chamorro Land Trust, this Board never approved the concession, never yielded never received anything in writing. It was erroneously occupied, it's a commercial squatter and really I demand and I hope the Board concurs that Mr. Yu come and apologize.

Vice-Chairman David Matanane - You mean to tell me he was occupying that land and no lease?

Acting Chairman Oscar Calvo - At no cost. Like what Mr. Monte said it was a business squatter.

Administrative Director Monte Mafnas - The Board is aware of it but I finally chipped in and forced him to come to this Board. He was oblivious to the law. He did whatever he wanted well I told him you're not going to do that. Actually we have the authority to chase him out and thank you for your improvements.

Acting Chairman Oscar Calvo - You know even at that stage he even told that the First Lady granted him and authorized him and the First Lady said I'll stand behind that I never authorized that man, the former First Lady Joann Camacho.

Administrative Director Monte Mafnas - Gentlemen, Chamorro Land Trust owns the property, only this Board can approve nobody else.

John Cruz - Actually we went through the process.

Administrative Director Monte Mafnas - You went through the wrong process. The right process is here we own the land.

John Cruz - I never knew that.

Jerry Crawford - Are we doing the right process now?

Vice-Chairman David Matanane - Well your presentation, put it this way you're presenting something you know business, it's our decision to whether or not. But like I said, like I mentioned and I'm surprised that's why I was laughing because knowing that there's no lease and who's that person that's occupying and there's a building already.

John Cruz - To be honest with you it was in front of the road I didn't even know that Chamorro Land Trust owned that.

Vice-Chairman David Matanane - That's beside the matter, now that we know.

Commissioner Michael Borja - The thing with this is it's not owned by a private individual its property of Chamorro Land Trust.

John Cruz - No actually when the First Lady was talking to you actually the First Lady was the one that told me to see the Mayor that's how all that thing began.

Vice-Chairman David Matanane - And your proposal when you mentioned that you're going to pay the past rent and then bring it up I said so we do have lease.

Administrative Director Monte Mafnas - No we don't. It's my fault, I'm the guy that pulled his leg and told him you have to come to the Board.

Vice-Chairman David Matanane - Unknown, see when we don't know and we discuss it we will know and now we can, we're heading in the right direction now.

Jerry Crawford - Well actually it's probably my fault for not asking better questions.

Acting Chairman Oscar Calvo - But I think now that we get it clear but when it does come down to that term and you know.

Administrative Director Monte Mafnas - They understand that we don't have the capacity at this point in time to engage in a license or lease and we appreciate that they're understanding and working with us. Until we get our rules and regs approved by the legislature we cannot move forward.

Jerry Crawford - What is that process?

Acting Chairman Oscar Calvo - Actually we turned in already the rules and regs a year ago, three times already.

Administrative Director Monte Mafnas - So we're working on it and that's why we hired GEDA on a MOU to assist us and hopefully this time it will be approved.

Acting Chairman Oscar Calvo - So that's really the draw back and that's where the hold back for whatever you know.

John Cruz - Probably Ben Pangelinan is involved.

Administrative Director Monte Mafnas - Checks and balances are in order. So now I know where you're at, now they know where you're at.

John Cruz - Yes, I'm glad.

Jerry Crawford - And also just so you'll know as the Board our services are free, my fee is already prepaid for the next year at UOG. So anybody on the island most specifically since you're talking about Chamorro Land Trust properties and businesses and families that need assistance it's free.

Commissioner Michael Borja - You guys got representatives right at GEDA.

Jerry Crawford - Absolutely.

Commissioner Michael Borja - It's a great service.

Jerry Crawford - In my background from working 25 years in Seattle and then moving to Guam by choice because I just fell in love with the place 2 years ago is the whole reason I'm here.

Administrative Director Monte Mafnas - We appreciate that.

Jerry Crawford - So I'm here with a lot of background in many different services to contribute.

Administrative Director Monte Mafnas - Are you ready and able to pay for your appraisal fees at $3,000?

John Cruz - I think Victor is the one that will..(interrupted).

Administrative Director Monte Mafnas - No you need to pay for two appraisals.

John Cruz - Oh two, oh okay that's $3,000, okay.

Administrative Director Monte Mafnas - Are you ready, able and willing to pay back rent?

John Cruz - Yeah.

Administrative Director Monte Mafnas - Do you have funding financing for your project?

John Cruz - Yeah we do. Right now we're trying to up to par the bathroom in the back, we're the one that supplied the bathroom in the back.

Administrative Director Monte Mafnas - So you're saying you're solvent, right?

John Cruz - Yeah.

Administrative Director Monte Mafnas - I just wanted to go on record that you have the financing capacity.

Jerry Crawford - And I heard that with Mr. Yu he also confirmed that he's paying cash for each thing that goes in there. He estimated it's about $75,000 in increments. That didn't include the back rents and everything that was just going forward based on the building to meet health department safety standards.

Administrative Director Monte Mafnas - There's one thing that's very important and pertinent to this operation is acquiring a sanitary permit. You guys are going to address that, correct?

John Cruz - Yes.

Vice-Chairman David Matanane - Just to let you know gentlemen we're not condoning to any businesses that is in operation but first things first we need to establish the primary thing okay. It's been occupied, now that we're aware of it I think Mr. Mafnas has to work out something with Mr. Yu and await for that particular lease that you should have in hand

before you guys do anything because we're going in the wrong direction if we start from first base we need that lease.

Administrative Director Monte Mafnas - Okay gentlemen thank you so much.

John Cruz - Thank you.

VII. DIRECTOR'S REPORT

1. Matrix design report

Administrative Director Monte Mafnas - This is a group that contractually does some planning for the Governor's Office and they wanted to emphasize that Chamorro Land Trust should register all its property and this is nothing new to us. They gave me a myriad of questions to answer but in the end of the day we know what we're doing. We need to do what is right and register all our properties. The problem is money, the stumbling block is money, well that impedes our moving forward. That's just a matrix designs report to the Governor.

2. GHC - Sagan Linayan and Lada Estates

Administrative Director Monte Mafnas - There's 10 houses that will be renovated cosmetically speaking by Guam Housing to enable a listing from Chamorro Land Trust to rent the area. Now in the event they implement phase 1 and phase 2 they're going to build and sell using Chamorro Land Trust names. We have given 3,000 names to Guam Housing to prequalify and of that listing 606 is with prior military service. Whatever the affordable homes council designs and master plans it is inherited upon them it's agreed by Guam Housing to begin with the Chamorro Land Trust names. The listing that they're working is Chamorro Land Trust names. So the end result conceivably is Chamorro Land Trust will be renting their rentals and we'll be occupying their homes for sale.

Vice-Chairman David Matanane - But that's two different items.

Administrative Director Monte Mafnas - Correct. Lada Estates is beyond our authority and Commissioner thank you. Lada Estates is now under the purview of Maeda Construction. I'm hoping they do some vertical construction but it's their business decision to sell to anybody. There was a working list of a thousand names and I'm hoping that a lot of that could be fellow Chamorros. But we have no jurisdiction whatsoever with Lada Estates.

3. Bid for new Planners

Administrative Director Monte Mafnas - I humbly request the Board to consider hiring one or two planners to master plan Lot No. 10122-R2, the GICC site. As we all know the Guam International Country Club is having a tough time of meeting their financial obligations. At this point in time they still owe us $185,000 for back real estate property taxes. I'm waiting for Dept. of Revenue and Tax to consider that property tax sold so we can exert our rights to begin claiming that property back. Regardless, there's a two year term left in their original term of lease so I formally request the Board that we hire a private planner to see what kind of plans they have because I myself and my team of Dept. of Land Management and Chamorro Land Trust will master plan that area. But I just want to see what they bring

forth on the table having a business mindset. I envision first of all affordable homes, rental areas. Now this area specifically the golf course is 800,000 meters, 200 acres, 80 hectares of property but the whole basic lot is 1.6 million. What I envision, what I would like to see master plan is affordable homes, VA homes, affordable rentals, a church, schools. I already met with DOE for an elementary and middle school and the opposite side possibly a high school. I want to utilize their club house as a convention center as an educational center for the kids that do not have high school diplomas and enroll them in a GED program. I want to advance our culture by having language and cultural classes on site. I would like to see a soccer field, baseball field, a clinic. I want to see the viability of building a Government building because it'll be fronting Batulo Street and most of all primary route Marine Corps Drive. So I would hope to see people walking to work, kids walking to school and being one new village of Guam.

Acting Chairman Oscar Calvo - What should we name the village?

Administrative Director Monte Mafnas - We have to name it locally and fortunately none of our names are available. We should be proud that we're involved. The property is all flat, it's 100% usable, there are roads, secondary roads, there's water, power, sewer. There's 10, 12 inch water lines, 6 inch water lines, there's 12, 14 inch sewer lines, there's about 50 poles on site, all the infrastructure is in place.

Acting Chairman Oscar Calvo - And once we move out the junk yard that availability of property right there.

Administrative Director Monte Mafnas - That's 13 acres and DPW has 15 acres.

Commissioner Michael Borja - Oh the junk yard is going to move.

Administrative Director Monte Mafnas - That's ours, that's the deal on or before 3 years expires they're out. We're going to relocate them across Guam Racing Federation, that's by design, that's the idea. So you want to begin the master plan as you know we need to bring this before the Application Review Committee which enables the regulatory agencies to put their concerns and conditions and eventually to Guam Land Use Commission for approval.

4. Construction of condominium in Mangilao

Administrative Director Monte Mafnas - I would like for us to consider on record that we're going to build a condominium in Mangilao fronting George Washington High School drive right across the field. This development is exclusively for those with prior military service. There are 606 names and if we build probably a 10-story building we're going to look at the viability, the cost containment of a 3-story or a 10-story building to sell to 40 or 50 VAs and I would like for the Board to sanction this idea. I would like for us to present it to the Governor that this is CLTC's first project. The main component of my concern is if and when we build for the VA, VA has a 100% financing. VA can make this project a reality. I don't want to fail, we don't want to fail. We want to build the first building as quickly, as expeditiously and completely financed. We have again 606 names, if we build 50 units

we're talking about 8%. So we have enough names and people I'm sure that we can build. So I would like for the Board to make a motion and approve that that subject lot in Mangilao is zoned properly R2 multi-family. The three most important things in real estate is location, location, location. It is walking distance to George Washington High School, GCC, UOG, Public Health, Catholic Church, Price Elementary, Agriculture. Amenities include Payless, Supermart, the new Taco Bell, new Winchells I think coming up and Bank of Guam. You have Father Duenas accessible, Infant of Prague and a lot of different denominations and churches and for those that need to be incarcerated Department of Corrections is not too far away. It's going to be our first project.

Commissioner Michael Borja - Going back to this new bid for planners, how are you looking to pay for that?

Administrative Director Monte Mafnas - I was thinking to basically asking any Planner to take on the job with a budget of $250. In other words it's a labor of love. They're giving up their time and their expertise, their experience to assist Chamorro Land Trust to effectuate a master plan.

Acting Chairman Oscar Calvo - Can that happen though?

Administrative Director Monte Mafnas - I think we can do that. I think we have enough funds for $250.

Commissioner Michael Borja - Does GCC or UOG have any kind of programs where they're teaching students about planning?

Administrative Director Monte Mafnas - GCC has a surveying program and the students that are there they go out in the field and do field work locating monuments and course and bearings to that nature. But from a planning point of view I don't think so.

Commissioner Michael Borja - If there's any of that going on in either one of those two schools and it'll be a way for them to or even in the high schools where they can touch base on the ability of planning.

Administrative Director Monte Mafnas - Commissioner Borja I really salute you on that idea because this year will be the 60th year of Land Management and I'm thinking of opening up part of our function to UOG and GCC and the high schools to afford them to see hands on what does the survey division do, what does records do, what does land administration do, what does Chamorro Land Trust do, what does planning do. So you hit it right on the head, that's my plans for this year.

Commissioner Michael Borja - Because you know it sounds kind of silly but there are some popular games out there called Sim City, where you build communities, you build whatever and you actually get a basic understanding of what it takes to build certain things. But in reality I don't know if anybody out there is teaching these kids some of the basics of just understanding about planning. That would seem like a great project for a year for some

classes to undertake and say here's a piece of property tell us how you think you can use it without having to go spend a million dollars.

Administrative Director Monte Mafnas - Sir I appreciate that and I echo your sentiments. I think hands on involvement is quite an impact to the kids.

Commissioner Michael Borja - Or another one would be some retired planner. Some of these people are even teaching auto-cad and auto-cad might be a little bit more than just doing electrical and in mechanical engineering there are some stuff in there too for doing some other stuff and civil engineering. Or even to get some of these planners out there those commercial planners there's Bordallo and Camacho and some others who have apprentice.

Administrative Director Monte Mafnas - Actually Commissioner we have the expertise in-house. I'm just saying that when they go before the Board somebody has to represent it and it's hard for us to represent our own case and we approve our own submission, application. So that's the only intent of that but we have a planner on Board in Chamorro Land Trust Mario Garcia, he's a Planner II and we have Land Management's Planner IV, III, II, I so we have the capacity and the expertise to take the projects forward. I'm just alluding to private assistance for their thoughts but taking the application forward. Of course it'll be collectively and collaboratively done. So there's a lot of moving components quantitatively speaking so we need to start today. We need to address the affordable housing concerns as the Governor wants in his mandate to build 3,000 units and we are a vital component we represent a lot of land. But the end result is the beneficiaries of the Trust. The end result is we will be protecting the assets of the Trust. So it's not an easy exercise, it a laborious, tedious exercise but it will be done correctly. But we have to more forward and forward being identifying the Mangilao site as we discussed over and over. I just want the Board to move on it and we'll do a press release for the Governor that we are going to build. That puts a lot of faith or distrust if we don't perform.

Commissioner Michael Borja - So what's at that land? Is that just a vacant land right now?

Administrative Director Monte Mafnas - Yes it is. It's an acre and half, 6,000 meters, it's all flat, it's all usable. We have done a retracement survey, I'm working on a topographical survey with a one foot contour.

Commissioner Michael Borja - So you're talking about this facility some sort of 3 or 10 story building on an acre and a half of property.

Administrative Director Monte Mafnas - That's right. It's a small footprint that's why we have height variance to go up. I believe there is enough veterans that would want to live there.

Acting Chairman Oscar Calvo - How are you going to account the parking?

Administrative Director Monte Mafnas - There's enough land for parking and if need be we can put the parking structure on the bottom and build on top. Because Guam Land Use

Commission grants height variance I don't foresee a problem. The building will be silver, lead qualified. We will reclaim the water at the affluent for landscaping purposes and for washing cars.

Commissioner Michael Borja - How would you do that? You'd have to have a treatment plant.

Administrative Director Monte Mafnas - We're going to.

Commissioner Michael Borja - On an acre and a half?

Administrative Director Monte Mafnas - Yes built into the system. There's modern equipment now a days that fits in your garage. It all depends as to what level of lead that we want to achieve, lead, silver, gold and platinum. But I want to suggest to the Board we build a silver building, a silver, lead building.

Acting Chairman Oscar Calvo - Well I have no problem with that. I support the issue of this for the veterans not so much because I'm a veteran, for that fact but I think it's high time too that the veterans are looked at. Because for so long they've been really just looked at as a veteran.

Commissioner Michael Borja - Well you know there's old veterans like you and me and we have whole new generation.

Administrative Director Monte Mafnas - You guys paid the price and it's time that you guys be beneficiaries of some sort. I want to address the power usage. By that I mean we will have solar panels and I'm in dialogue with DOE if we can use the cliff line to build windmills. There's enough land there for safety measures and we can run the lines back to the grid via GCC.

Acting Chairman Oscar Calvo - Hypothetically Monte, let's say we go 5 story what are we looking because you know there is money for the building and if we don't take that now I don't know if it's going to get lost.

Administrative Director Monte Mafnas - The last time I checked was 35million dollars available.

Acting Chairman Oscar Calvo - So we're looking to build a structure, everything at that cost and it's not going to cost the Government money to build this to pay and all costs to build and design whether it be one, two, three or four bedrooms. Of course the building itself will be dedicated to only for the Chamorro Land Trust recipients that are veterans. When we talk about veterans they have to also qualify into the program into this building. I foresee this myself too on the veterans portion is they have to meet certain requirements to come into this program. If we identify 600 and we can only get 3 or 4 you know then because the Chamorro Land Trust we're looking at to do this for the veterans itself. I support this and I don't really want to lose that money that we have now that we can build that.

Administrative Director Monte Mafnas - Mr. Chairman I'm glad you brought the point about money. Money is going to be diminishing from now on and we better start capitalizing on it otherwise we'll end up with nothing. Your question Commissioner Borja about the number of units, mathematically speaking without a variance, a height variance or any density variance we're allowed 50 units pursuant to the area times square footage divided by 1250. I'm just talking mathematically speaking that's allowable. Of course the creativity remains to be seen but if we go vertical that's a no brainer. Another reason for building this condo is we can take the same building plans that's going to cost let's say fifty or a hundred thousand dollars and replicate that in different municipalities. I would like to see it all over the island of Guam. So the whole 19 villages would have one condo but the high density would be and should be Dededo, Tamuning, Yigo and Mangilao because the infrastructure is there, because the population base is there and that's urban planning. And we leave down central, down south suburban, rural as prestine as possible. It's not prestine anymore but leave it as rural as possible.

Vice-Chairman David Matanane - How much would it cost let's say on this particular project?

Administrative Director Monte Mafnas - Let's say on a high end point at two hundred dollars a square feet which is high at fifty units we're talking about ten million dollars. But of course that's initial but we're going to have a very sharp pencil sharpener so that we can address the cost to be lower and again be mindful that the property belongs to Chamorro Land Trust and the value of the land is reduced. It's a contribution from CLTC for the beneficiaries of the Trust so the cost is thirty percent lower right at the get go. It's a savings passed on to the beneficiaries of the Trust.

Commissioner Michael Borja - So these units would be leased.

Administrative Director Monte Mafnas - For a term of 99 years correct.

Commissioner Michael Borja - At what kind of rate?

Administrative Director Monte Mafnas - What prevailing rate is, two percent of a prime, whatever it is.

Commissioner Michael Borja - So they're going to be leased it's going to be like a rental.

Administrative Director Monte Mafnas - Well from a Chamorro Land Trust the rental is one dollar per annum.

Commissioner Michael Borja - So they're going to get this condo for one dollar a year.

Administrative Director Monte Mafnas - That is the law. As mandated by the law.

Commissioner Michael Borja - We're going to kill the real estate market for all those other facilities in the area.

Administrative Director Monte Mafnas - Do we care?

Commissioner Michael Borja - They're paying taxes.

Administrative Director Monte Mafnas - So will the veterans. Any improvements on the land they'll have to pay for.

Commissioner Michael Borja - GRT on one dollar is pennies compared to GRT on three hundred dollars or three thousand dollars.

Administrative Director Monte Mafnas - I agree from a business point of view but be cognizant that we're all Chamorros.

Commissioner Michael Borja - I know but I think at some point we have to be more realistic on what an unimproved lot for one dollar is not the same as a unit in the fifty million dollar or thirty five million dollar building. It's a whole different ball game. Who gets to win the lottery? You're already isolating a certain group and saying you're more eligible to get this lottery ticket for this real estate than this lady who's going to have to spend sixty grand just to plumb her land. It's that balance there of who's getting what. You could put yourself up for some legal action where someone can contest the fact that we're discriminating against, it's not being provided equally amongst everyone that there's a certain group that's benefiting more out of this whole process than some others are. I think this one dollar I mean if it's the law it's the law but I have to think that that makes no sense, it doesn't pass the logic test for a dollar a year for ninety nine years. I mean I'm not even going to live that long or if I only live to ten years and then I can give it to my cousin who can fight with my nephew or my other child over a piece of property that's really prime real estate. When you build something like that too I mean for a buck a year they better sign some really strong covenants saying no junk cars and no goats.

Administrative Director Monte Mafnas - Yes that is part of HPR. The vehicle enabling a condominium is called a Horizontal Property Regime. The rules, the restrictions, the covenants, the conditions will be annotated and sworn in an affidavit format of all the military constituents.

Commissioner Michael Borja - How do you enforce that if they got a 99 year lease and they're failing to comply with the covenants set forth on that building and you evict them? I like what GHURA for example does with all their homes that they rent out they, that they're on public homes because there are strong covenants involved and they must comply.

Administrative Director Monte Mafnas - How we resolve it initially is warning, second would be monetary fees. But going back on your thought that's a very good point you brought up but please be mindful that anyone born prior to August 1st, 1950 is considered a Native

Chamorro. Now that is in our law so that takes care of any civil concerns. So your concern that it's not fair it's on deaf ears.

Commissioner Michael Borja - I mean when you get two, the guy who served in the service and the guy who did not and they were both born in 1971, now this guy gets to the land where he's got to fork out $60,000 for plumbing and this guy the $1 for 99 years something that's probably appraised at $250,000 but he's not eligible for this because he's never worn the uniform of the armed forces..(interrupted).

Administrative Director Monte Mafnas - And who do you blame for that?

Commissioner Michael Borja - I'm not saying you can blame anyone for that but what I am saying is that when you begin to limit who's eligible for something you're setting yourself up for civil action. Where a group has been identified and being more selected because of something about them than another group.

Administrative Director Monte Mafnas - Excellent points and that's why I brought before you the first project we have to build is for the military notwithstanding anybody else. But I did mention another affordable homes concept on the other lots that will balance it out. That would equate to fair housing standards. Yes, ultimately it's all for the military and why I want to do that is because the military paid the price, number two and number one, they have a hundred percent financing. We should build and make sure it's built not fail.

Commissioner Michael Borja - If they have a hundred percent financing what are we financing if we're already building it ourselves and they're only going to pay a dollar a year. They're not financing anything.

Administrative Director Monte Mafnas - Yes they are they are going to be paying for the improvements. Somebody has to pay for the structure, we're not giving them the structure, we're providing the land.

Commissioner Michael Borja - I guess that's where I'm lost, I'm still talking about the finalizing..(interrupted).

Administrative Director Monte Mafnas - They still have to pay for the building, the plumbing, the electrical, the elevators, the windows, the door jams the carpeting or floor covering, the cosmetics. The structure has to be paid. We're only providing the land we're not going to build a hundred percent and give it to them.

Commissioner Michael Borja - Oh okay that's where I misunderstood.

Vice-Chairman David Matanane - At the end of the day it's still Chamorro Land Trust.

Administrative Director Monte Mafnas - Yes, Chamorro Land Trust owns the property.

Commissioner Michael Borja - They have to qualify to help pay for the building.

Administrative Director Monte Mafnas - Yes and if they default we have another name, again we have 600 names. You see if we evict someone we'll look for another veteran as eight percent of the listing only to pay for the improvements the land will be contributed to reduce the cost.

Acting Chairman Oscar Calvo - Let's say that we go to that direction okay..(interrupted).

Administrative Director Monte Mafnas - No let's say we're going to right?

Acting Chairman Oscar Calvo - We're going to that direction alright and the cost containment of that is a portion because building the building is the cost part in the beginning but that's not really what the cost is at the end of the day it's afterwards of maintaining that building.

Administrative Director Monte Mafnas - The initial cost is about seventy to eighty percent of improvements. The twenty to thirty percent is attributed to land value the cost of the land.

Acting Chairman Oscar Calvo - If you put the building up okay and quote me here is I build a 5 storey building okay and we have 50 clients for example now they all qualify, they're all veterans and so forth and they need this, what I'm saying here is basically almost like saying this is going to be a veteran's housing. So we put them in there as the years go down the line, five years down the line and the building start to deteriorate and so forth okay this is what my objective is down the stretch because that's where the cost containment will come. Now I just wanted to you know, you're going to have broken elevators, safety I mean because at that 5 storey you're definitely going to need an elevator because a lot of those veterans either are going to be pushed in a wheelchair for whatever reasons okay.

Administrative Director Monte Mafnas - That's what you call common area expense and yes you're right it's a very good point Mr. Chairman that there should be some funds impounded strictly for maintenance. It's a big mistake if we don't maintain the building. We need to maintain the building and those trust funds could be identified in the horizontal property regime as common area expense.

Vice-Chairman David Matanane - In any high riser you know the people that are in business..(interrupted).

Commissioner Michael Borja - Well the tenants pay the common area.

Vice-Chairman David Matanane - Yes and there's fees there for the common area.

Acting Chairman Oscar Calvo - That's what I'm stressing out is because once you finish the building we dedicate it and so forth okay but five years down the line or even not even five years maybe the first year that elevator a and b might be out okay and if you only got two elevators, I'm just addressing. I just want to make it that those are stipulated in there when we design this thing. So what do you really want from us at the Board today?

Administrative Director Monte Mafnas - I would like for the Board to say that we're going to build our first project of building is a veteran's condo. I think it's time for us to stand up and let the people know that we're building not just giving out leases, addendums and ironing out personal family problems but also impressing upon the public that we're here to build homes and condos for the beneficiaries of the Trust. This is also in line with the blueprint 2020 the Governor's platform.

Commissioner Michael Borja - Fundamentally I don't disagree with any of this at all. I don't disagree with having facilities that are going to benefit the veterans but I think we need to just be cautious that we don't have no veteran's building that's (inaudible) unless it's funded in a certain way that it's provided. Even though veterans may get a hundred percent financing in a building it doesn't mean that they're automatically eligible. They have to be qualified and a lender then is going to provide the money but they're backed up the VA. It's just that I don't want to see us getting into a legal hassle because it could easily happen where a disenfranchised group could stand up and bark and yell and say I'm being unfairly left out in this whole process.

Administrative Director Monte Mafnas - We can include what you just stated earlier, elderly, I think we should do that. Maybe one floor for the elderly just to qualify.

Commissioner Michael Borja - And that would be a great idea because as you begin, you can have these sunset neighborhoods and if you look at some of these sunset neighborhoods like in Arizona they've got their selves policed. You know the old man that goes down on a golf cart and says I see children's toys in the front yard of this house and he goes over and knocks on the door and says where are these children? I hope they're not residing in this neighborhood because we don't appreciate that. It's just that there are some people when they get into their golden years you kind of want to have a little peace and quiet. I could see communities where if you're gauged toward a certain group you know seniors, it shouldn't become the daytime daycare center and then at night time the daycare center still continues because it defeats the whole purpose of sunset living.

Administrative Director Monte Mafnas - That's predicated on the restriction covenants and conditions.

Vice-Chairman David Matanane - I think with that particular building its like there's a homeowners association that would factor in.

Commissioner Michael Borja - That's not a foreign concept on Guam although some communities started it and failed but there's one community in particular that has really strongly enforced it and all the covenants that they have within their community and it becomes a choice, the real estate values remain high in there, it becomes a choice place to live. I think as this island matures more and more you're going to see a few more of those kinds of things. Hawaii has definitely matured into that kind of concept.

Administrative Director Monte Mafnas - Part of the reason of having the Veteran's pay for this structure and drawings is to replicate that in the other municipalities and the cost is reduced and it doesn't have to be a veteran only, it could be mixed. I really like the idea that you quoted earlier about senior citizens. I think that's a market we can tap but the purpose of that is secondary. We can build the same condominium replicated all over at a cheaper price for the beneficiaries of the Trust not necessarily the military. But they pay the original but we can do the same thing and the other projects we should mix it up with VAs, with locals.

Commissioner Michael Borja - It's going to happen as the population ages I have elderly relatives where they want to live in a place where it's closer to the hospital for example only because when you become older you're dependent on pharmacies and doctors more often.

Administrative Director Monte Mafnas - That's why I just wanted the Board to make a motion and approve it. That's our first project and it really is important in my mind to do the right thing, to build the right building right from the get go.

Commissioner Michael Borja - I move that we designate Lot Number 5376NEW-7 in the municipality of Mangilao to be developed as a high rise multi unit dwelling for Chamorro Land Trust applicants who are senior citizens or veterans and that the property be developed to house those qualified individuals.

Vice-Chairman David Matanane - So moved.

There were no objections.

Acting Chairman Oscar Calvo - So be it passed.

5. Fujita Property Guam Inc. - approval of office space

Administrative Director Monte Mafnas - Fujita Property Guam is the owner of this building and we of course approved it in the last board meeting to pay for the additional rental and they just want an addendum to the lease. So I just want to alert the Board that will be forthcoming and the signatures will be in place. We are basically riding on the original office lease which is bind between Fujita and Department of Land Management.

6. Approval for loan guaranties

Administrative Director Monte Mafnas - I'm formally requesting from the Board a blanket approval to address guaranty concerns from Guam Housing Corporation loans. Because in the past Mr. Chairman and Mr. Vice-Chairman know that CLTC has to guaranty SBA loans, Guam Housing loans and FEMA loans to protect the land, the integrity of the land and the ownership of the land. We have guaranteed a substantial number of loans. Instead of taking every application to the Board once a month, a lot of these prequalified, preapproved applicants only have two weeks of window to get the documents in order. Because of the time constraints and the times of the essence I formally request consideration of doing a blanket approval for Guam Housing Corporation's loans. In addition to that working with GWA and identifying a system development charge. We have an applicant for example that

wants to build, has money to build but doesn't have the money to pay for the system development fee. So I would like to be given that authority to work expediently.

Commissioner Michael Borja - I don't have any problems with that but I think what needs to be done is maybe in a meeting each month that there will be a listing of what has been approved and if anything is questioned then we can question it but the only problem is that once you approved it it cannot be reversed really. But I think for the protection, just the fiduciary responsibility of the Board is to make sure that things stay on key. I just think that at some point where it's misused not by anyone here but let's say in the future we could have a problem that we need to revoke that kind of authority. I can understand the need to do this expediently. I don't want to have to delay anybody's ability to be able to get in on whatever they need for loans but I guess it's just subject to review.

Acting Chairman Oscar Calvo - Actually on that portion the Guam Housing would say there'll be a default on that part and also we can stipulate that part that if any individual or like what Mr. Borja said that we don't want to hold back Mr. So and So for that reason that they be fully responsible also for whatever loan. Or in some cases they may go forward and then all of a sudden they pull backwards but there should be a penalty for that individual. The reason why I thought that is because in the past we had problems with that so we don't want to get caught into that situation. I just want to make sure that we're protected and you protect yourself and the Board itself.

Administrative Director Monte Mafnas - I guess I should amend that request to include prequalified applicants because that's only what we're going to be dealing with and that's the window of concern, prequalified. I'm not just saying blanket as I'll approve everybody, no, only those who are prequalified for Guam Housing.

Acting Chairman Oscar Calvo - We can amend that portion and like I said you know because the money is going to be available by the Guam Housing not us, we're not forking out the money.

Commissioner Michael Borja - So it's the Guam Housing Corporation applicants?

Administrative Director Monte Mafnas - Yes, prequalified by Guam Housing. Actually we have thirteen thousand plus applicants in the event of a foreclosure we pick a name that's prequalified and we put them in. Now there's a date and time listing of all the applications and that quantifies them numerically speaking, you're number one, number two, number four. They keep that standing but when we prequalify number one is not necessarily number one. Number one hundred could be the first guy that qualifies and he's the one we should address notwithstanding the pecking order. So I just want the Board to understand that we should run it like a business and do the right thing. Number one remains number one until he can afford to qualify. But if number one hundred is able, ready and willing lets go up. That subsection is addressed in 21GCA, Chapter 75, subsection C, so it's been addressed I just wanted to be given the authority to expedite prequalified loans and also working with GWA system development charge.

Acting Chairman Oscar Calvo - On the GWA really go back and tap these guys. We really got to sit down with their Chairman and their Director. There's got to be something there that we can benefit because if they want to be hardcore and say okay we lay it out and say you know what we're going to be forking out okay so from now on we're going to identify all the running water lines and start charging you guys a fee.

Commissioner Michael Borja - It all comes down to its money I mean I'm sitting on property that cannot even flush it's toilet because the main sewer line under Marine Drive is broken and nobody has the money to fix it. So consequently it backs up towards the south and a whole village gets affected as well.

Acting Chairman Oscar Calvo - But the rational part of that Mr. Borja is come on I mean they have their project to build and I can understand that to make their system a lot better.

Commissioner Michael Borja - But I mean it doesn't just go for the Chamorro Land Trust guy it goes for anybody that's going to build a house on a property that seems to be out in the middle of nowhere and that's one reason I decided not to move into a property that was given to me because there's nothing out there.

Administrative Director Monte Mafnas - That's a very good point Mr. Chairman maybe retrospectively speaking it'll be difficult but I already started by telling the chief engineer and the real property manager that all land registrations have to go through Land Management and you just don't make a decision anymore on our land because it may be yours now but was ours. So maybe we should revisit it today and we're moving forward and we start charging them because they're going to need water wells, they need to do exploratory work, they need to traverse through our property. So yes we can charge them for the easements.

Acting Chairman Oscar Calvo - Yeah that's all I'm saying is there's got to be some sort of not a phenomenal fee but at least something and we can use that money to do our development.

Administrative Director Monte Mafnas - What we should do is memorialize this through the minutes and send it to CCU and let it be known and we support the beneficiaries of the Trust.

Acting Chairman Oscar Calvo - I think we should.

Administrative Director Monte Mafnas - We understand there's no such thing as a free lunch but getting our property for fee is a free lunch for them.

Commissioner Michael Borja - The motion is to allow the Chamorro Land Trust Commission Administrative Director the authority to guaranty preapproved loans that are with the Guam Housing Corporation as the lender.

Vice-Chairman David Matanane - Second on that particular motion.

There were no objections.

Acting Chairman Oscar Calvo - So be it passed.

Commissioner Michael Borja - Move to allow the Chamorro Land Trust Commission Administrative Director to negotiate with GWA's system development fees.

Vice-Chairman David Matanane - I second that motion.

There were no objections.

Acting Chairman Oscar Calvo - Passed.

VIII. EXECUTIVE SESSION - None.

IX. ADJOURNMENT - Meeting adjourned at 4pm.

Transcribed by: Teresa Topasna: Teresa Topasna Date completed: January 30, 2012

Approved by Board motion in meeting of: Feb. 16, 2012

Administrative Director, Monte Mafnas: Monte Mafnas Date: 2-16-12

Chairman (Acting), Oscar Calvo: Oscar Calvo Date: 2-16-12