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, March 15, 2012; 1:15pm - 3:15pm

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 (February 16, 2012)
Commissioner Michael Borja moved to approve the minutes of February 16, 2012. Vice-Chairman David Matanane seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS - None.

V. OLD BUSINESS
1. John K. Peredo - application rights

Administrative Director Monte Mafnas - As you know Mr. Peredo Jr.'s father has passed on and in his file he has nominated Mr. Kawamoto to be the beneficiary. Mr. Kawamoto is obviously related to Mr. Peredo.

Francisco Kawamoto - The late John Peredo is my first cousin.

Administrative Director Monte Mafnas - Me and Mr. Chairman, Commissioners went to and we identified the site. We found out that there were two structures on the lease and that's against the provisions of the law. You can only have one structure pursuant to the lease. We have invited them to present their case simply because the ambiguity of who is supposed to get who and what and to protect the heirs of Mr. Peredo Sr., he has a common-law wife and two kids. We visited the site just to ascertain the existence of his two kids and his common-law wife. The Board had decided based on the documentation as provided Mr. Kawamoto is supposed to assume the lease, the application of Mr. Peredo Sr. who had passed on. And because there is a misunderstanding between the two I formally request that the Board make a decision as to who shall inherit this application rights because we have the authority to do that. So maybe Mr. Chairman you can elaborate on our investigation but basically that's what I said.

Acting Chairman Oscar Calvo - I'm glad that you two are here and I took the initiative

to go out there to really find out what was really going on John and you Mr. Francisco. When you first came here John you told us that your sisters and your dad and so forth was you know passed away and Mr. Kawamoto was given the lease property by your dad. What I found out out there and the last meeting you quoted to us that your sisters were out in the road you didn't know where they were at and everything and so forth. So that really kind of bothered me and that's the reason why I went out to do an investigation with Monte and also with Desmond and we found out and I ran into your sister which is right next door and I simply asked her were they every been evicted or anything and she said no they said that they have always been there. I did have chance to talk to your dad's common law and she said that she was never kicked out for that matter. In fact when your dad was alive he wanted her to have but because she didn't want any problems with you guys and so forth so left it to your uncle and your dad said that he wanted him too in the condition that she will not be kicked out of that place. One of the things that your Dad informed him to give an affidavit stating that Mr. Francisco can't kick out your dad's common-law and your sister so the reality part of that John is you were always saying that you didn't worry about yourself but your two little sisters and that's pretty much taken care of now because Mr. Francisco did sign an affidavit. Am I not right Mr. Monte?

Administrative Director Monte Mafnas - Yes.

Acting Chairman Oscar Calvo - And he agreed to do all that and the lease agreement would fall under Mr. Francisco and your dad's common-law until because then if Mr. Francisco was to die down the line that property automatically goes to your two sisters in there.

Francisco Kawamoto - There's two boys.

Acting Chairman Oscar Calvo - Two boys okay I take it back. So that was basically what you've been alluding and telling this Board at the time. Now the law on what it states here it was your dad's decision and for whatever reason your dad is gone, he's not here but he left the will to your uncle and whatever he decided I guess that's what he wanted. As far as what I saw out there and he was willing to do that and I talked to Mr. Francisco myself personally and I talked to your Dad's common-law and I even talked to your sister next door because I wanted to go out there because it really bothered my mind when you told the Board that they were gone they were kicked out. So to me that says enough for me already that and the law already specifically says that the Will will transfer over to you but your dad's common-law will also be part of that lease and that lease will enhance down to her two boys from your dad. So that's pretty much and that's what I went out there for Mike and Dave. So my stand of view of that is legitimate, I have no qualms with that I did talk to Mr. Francisco and I did talk to you. But you're always concern in the beginning of the Board was you wanted to protect your sister but that's protected already that's already assured.

John Peredo Jr. - Okay there's three other kids besides those two that's staying there that's what I'm talking about. Not only the two that's there there's three other ones besides those two. Where are they at? That's my point.

Commissioner Michael Borja - Where were they prior to this?

John Peredo, Jr. - They were staying there before my Dad passed away.

Francisco Kawamoto - Okay the two young kids the children that was staying there before that's when he was married to this other lady then they got divorced. When they got divorced and the divorced became final she came and picked up the two.

Acting Chairman Oscar Calvo - Okay so the real mother the two boys are with their mother.

Francisco Kawamoto - Yes.

John Peredo, Jr. - See there's three other kids of my dad. Where are those three going to go?

Commissioner Michael Borja - Where have they been?

John Peredo, Jr. - They were staying at my dad's house when my dad passed away.

Commissioner Michael Borja - Are they part of the same family?

John Peredo, Jr. - No different mom.

Francisco Kawamoto - That's why they said when they got divorced the mother came and picked up that other two when the divorce became final. So the other two is about maybe 16 and the other girl is about 12. So the mother the biological mother have those two.

Commissioner Michael Borja - And who's the third person?

Francisco Kawamoto - The third one is staying with the oldest sister.

Commissioner Michael Borja - And that's where he has always been staying?

John Peredo, Jr. and Francisco Kawamoto - Yes.

Administrative Director Monte Mafnas - The Interlocutory Decree is on file and Mr. John Peredo Jr. the thing is what is submitted is absolute and complete and we don't know for what reason your dad who passed on nominated Mr. Kawamoto to be the successor to benefit this application of his because the land will always belong to Chamorro Land Trust yesterday, today and tomorrow. But his application rights has been given to him and it was notarized, I signed it and the file is complete so we must honor his wishes. We did meet with the common-law who all she wants to do is raise the kids, your two brothers too on the same site. So we have to stand by the documentations as presented as duly notarized to be final and true and her name is right here, her two boys, your brother's too to continue to reside and that's the condition. I assume that Mr. Peredo asked you and you assured that that will be honored.

Francisco Kawamoto - That's right I would not do the affidavit if it's not.

Administrative Director Monte Mafnas - That's right and it's notarized and the file is here. You may have not seen the letter, the affidavit but that's what it clearly states okay that he swears by oath that your brothers will live there.

John Peredo, Jr. - I guess.

Administrative Director Monte Mafnas - So we just want you to understand that we took this personal and we did our due diligence and investigated but the file is complete the change of documentation is complete and we must honor his wishes because he owns the application nobody else. But the law gives the opportunity for someone to be the beneficiaries of his application and this happens to be your uncle actually right.

John Peredo, Jr. - So the law states too that to own Chamorro Land Trust you can own other properties and stuff?

Administrative Director Monte Mafnas - In different preference yes. Preference one is no land, preference two is he owns land less than an acre and preference three he owns land with over an acre. So yes but we have to double check on Mr. Kawamoto too if he complies and I think we did that already because he has to also submit his birth certificate to validate that he is a native Chamorro.

John Peredo, Jr. - So basically us older kids got nothing to do with that property.

Acting Chairman Oscar Calvo - That's basically that's what's your dad's wishes.

Administrative Director Monte Mafnas - Unfortunately that's true.

John Peredo, Jr. - I guess I'm wasting my time but thank you for all your help and everything thank you, I lost the whole interest of how I built that thing.

Acting Chairman Oscar Calvo - So you understand Mr. Kawamoto what we're going to do with this okay.

Vice-Chairman David Matanane - We have decided by motion so it will stay, the motion that we had granted Mr. Kawamoto in the previous meeting remember when we voted to have Mr. Kawamoto to take care of the land.

Acting Chairman Oscar Calvo - Yeah on the first meeting that we had with him.

Commissioner Michael Borja - Right based on the forms the beneficiary forms were all valid so the documentations stands.

Acting Chairman Oscar Calvo - Now that we finalized and found out everything what really transpired okay thank you.

2. Agfayan Incorporated - status

Randy Cunliffe - Good afternoon, my name is Randy Cunliffe.

Peter San Nicolas - Hi, good afternoon, my name is Peter San Nicolas with Agfayan Inc.

Acting Chairman Oscar Calvo - Good afternoon gentlemen. Randy, Randy, Randy please help me.

Administrative Director Monte Mafnas - We reconciled his statements and provided and found out Mr. San Nicolas did pay the $9,000 he said was going to last week right or last month and we gave him credit but the final numbers at this point in time as of March 14 he owes a balance of $168,500. Do you agree with that Mr. San Nicolas? Have you reconciled your outstanding debt?

Peter San Nicolas - Since the last year I've been paying the and current for the monthly payment the amount plus that's correct the $9,000. Last month I did make payment.

Administrative Director Monte Mafnas - And also Attorney Cunliffe did submit his letter. Mr. Cunliffe, do you want to present your case on behalf of your client?

Randy Cunliffe - I had an opportunity to review the minutes of the September 15th meeting which I think left a little confusion and so I prepared a letter and then subsequent Mr. Mafnas called me and asked me to come forward and I think the letter is self explanatory. My client is offering to unless the Chamorro Land Trust wants the buildings removed at any time if my client were to build any different buildings or wants to remove buildings he would have to ask the Chamorro Land Trust to be able to do that, give them the plans on that and off-set that against the arrears. I think the buildings that were previously used were I think $232,000 Monte?

Administrative Director Monte Mafnas - Yeah I think that was the appraised value that was submitted.

Randy Cunliffe - And I think since then he's built a warehouse so it's in excess of that. So he was offering that he would not remove any buildings without the authority of the Chamorro Land Trust and if the Chamorro Land Trust at the end of the license agreement wanted the buildings removed they'd have to remove them at his expense. If they wanted them left so that they could use them for further Chamorro Land Trust purposes they would be left as assets that will then belong to the Chamorro Land Trust and he would pay a total of $20,000 dollars including the down payment of the $9,000 dollars in addition to making sure the buildings were not removed without the permission of the Commission to resolve this back rent issue.

Administrative Director Monte Mafnas - It was my understanding that the Board offered to settle at $86,000.

Vice-Chairman David Matanane - I think there's a void here because the previous meeting you weren't the attorney that's representing Mr. San Nicolas I think it was..(interrupted).

Administrative Director Monte Mafnas - It was from his firm the attorney.

Randy Cunliffe - My associate.

Vice-Chairman David Matanane - But there was an agreement between Mr. San Nicolas and the Board on how to rectify the value of that building. Remember I think Commissioner Borja had calculated and to off-set the liability and reducing it to half and then he had to come up within 6 months so we can decide whether we should continue or not on Mr. San Nicolas's problems here. But the previous meeting, last month's meeting you were mentioning that you only were paying $3,500. Now it was supposed to be $5,000 dollars for that 6 months so when you come back at the end of that 6 months we would decide whether it should go on on that particular amount of payment. But remember that you came in and you were only paying that 35 not the 5 so evidently your attorney or Mr. Cunliffe your office didn't agree with our options to take it upon. I don't know if Mr. Mafnas had received any letter.

Administrative Director Monte Mafnas - No I haven't the original obligation was..(interrupted).

Vice-Chairman David Matanane - As of right now we haven't received whether you agree or not so here we are. So he has complied or is he willing to say that then the $5,000 will continue on until all debts are paid or are you referring back to the original amount?

Randy Cunliffe - The difficulty is a Board can only act through a resolution and this Board hasn't passed any resolutions on anything in this case other than to continue to allow him to stay there. And that's what I'm looking at, I keep looking for something to find that the Board has made a motion and passed a motion so we can act on something and the Board hasn't done that. So we're back to the square one we've said we're willing to off-set all of the buildings including the new building plus $20,000 dollars against the rent that's our offer. You don't own the buildings my client owns the buildings. You can't charge him rent for the buildings because he owns them you don't.

Commissioner Michael Borja - We're not asking for the rent of the buildings we're asking for the rent that hasn't been paid.

Randy Cunliffe - You're asking for $5,000 dollars a month rent.

Commissioner Michael Borja - Well we're asking for the $172,000 dollars in unpaid rent and when we made that offer back in September Mr. Jeffery Moots stated that he would take under advisement the offer and would get back to us and for 5 months we never heard back from any of you so we asked Mr. San Nicolas if he could please come to our meeting last month so we could see where we stand before the end of the 6 months which is this week. That's the reason why we wanted to meet last month to see where we stood on all of this because nothing had come. We had asked for a few other things we asked to show proof that all taxes were paid and in good standing but we had made this offer so we can try and resolve the back rent issues and basically to take what was existing at that time $176,000 dollars and to reduce it in half but at the same time then to ask for a $5,000 per month rent. We didn't talk anything about the buildings off-sets or anything else in that matter that had to deal with the buildings. It was merely to deal with the back rents which is what we're still discussing to this day. Now the consideration for whatever the

buildings are going to be I mean if the lease comes up and your desire is to remove your buildings that's your desire but if we terminate the lease because of non-payment you know that's where we run into a problem. Now you have whatever it is $168,500 dollars in what we believe is unpaid rent that we need to resolve and if it's going to be off-set by a building but technically we probably would own the building and I think that's where we may see differently. But all we're trying to do is to resolve the back rent because it's gone you know there was a long period of time in the beginning that it was unpaid and so we don't take a different stand with you than we would with someone else that's probably going to be on the agenda later on. And in some cases we've had to actually go and had to switch because we were looking at what at the time we thought was going to be a good deal for every player and that was in lieu of money to have a trade in services. And yet we've been told that's not acceptable and proper so only one person can allow that and that's the Governor and if he doesn't do it then we can't accept it. So in this case it would be almost the same kind of thing as a trade in services or in exchange to take the appraised value of the buildings and off-set it to the back due rent and we really, if the AG is telling us we can't do off-set on services then we're running into the same predicament with other commercial properties as well that we will be with you guys too. So all we're trying to look for here in this case and I think this is what we've been trying to do since September was just to try to resolve this so that it's in the best interest for you and your client and for the Chamorro Land Trust. And the purpose of the commercial properties which is really a very small function of the overall Chamorro Land Trust Commission is to at least be able to get some moneys that we could use so that we could parcel out and get other properties usable for agricultural and residential for those who are landless and that's what we're trying to do with commercial properties and the reason we look to receive moneys from commercial properties is just for that purpose. Not to try and go out and get something more than what we believe we should be allowed to have.

Acting Chairman Oscar Calvo - Randy if I can state another issue to that since the beginning when we first met way back with Mr. Borja and you Peter were there and Jesse and so forth like what Mr. Borja had been stating all we really wanted all this time was to settle this dispute of the rental not being paid on time. The $9,000 dollars that he paid last week I mean last month okay basically was arrears because for he didn't for 5 months and up to that time. So in other words that arrears he was willing to pay that but he should have been paying like what Mr. Matanane was saying the $5,000 dollars a month. Now Pete you quoted in the last Board meeting that you had no knowledge he didn't understand with your legal counsel. Whatever transpired with your legal counsel that's not you know you have to get with your legal counsel and get these things down because this is all we wanted Pete since the beginning. We want to settle this. We gave, Mr. Borja gave you a break you know to cut that lease down I mean the money but you know I, this is because we have other clients like what Mr. Borja says. And it's not fair for the other clients you getting away of the piece of the pie. I'm really just exhausted I just want to settle this dispute once and for all. Now I don't know what the other comments you want to make and Mr. Monte.

Commissioner Michael Borja - If there was something that we can work out whether here in this meeting or in a meeting later on with Monte where we can work out some sort of appropriate deal that works with all of us. I mean you know the offer is still on the table with doing something with the rent then perhaps maybe let's say your monthly rent instead of $3,500 isn't to stay $3,500 but we will expect $5,000 and that would help to pay off whatever the balance is. Rather than I don't know I can't come up with a lump sum amount a check you know that is in excess of $80,000

dollars and I think that many people you know there's a way to pay it down. There's no interest that is being added to this, there's no penalties for late fees or anything else on that. So it's all principle and if there's something that we can work out and then if we need to we'll make the motion on the floor, we'll discuss it and we move on so you guys can have something to work with. But all we want to do is try to make it so that you know something is of your interest and works with you and what works with us so that we can clear this up. I know you guys both have better things to do than to be sitting in a meeting like this to talk about these issues but if you prefer we can work with this issue separately and later on and then come up with something we'll be happy to take that as well.

Administrative Director Monte Mafnas - Besides the original offer Mr. Cunliffe and Mr. San Nicolas maybe you can present us what you think you can afford to pay.

Randy Cunliffe - One of the things that I try to stay away with because I don't want to get into an argument here but the Chamorro Land Trust has violated their terms of the license agreement by not allowing him to have the client to join with him on his property. They have prevented him from bringing in people to work there. They continue to prevent him even to this day from getting new licensees to come in and work in his place which is a violation of the lease condition so he can't make money. And he can off-set that if you're going to sue him we're going to sue you and we're going to say you violated the license agreement because you have prevented us from having the people that this license allows us to bring in here to be here.

Administrative Director Monte Mafnas - Well Mr. Cunliffe because I beg to differ on that. I have not seen one of those requestees or sub-lessees in my table. So I beg to differ sir.

Randy Cunliffe - They don't need to be at your table. That's the point they don't need to be..(interrupted).

Administrative Director Monte Mafnas - Then yeah when, who? Name one, name one.

Randy Cunliffe - One of those people came and said Chamorro Land Trust has told him not to pay him the rent to pay it to the Government.

Administrative Director Monte Mafnas - See you're misinformed as usual.

Randy Cunliffe - So it's happened, it's been on TV, Oscar was on TV chasing people out saying you can't have these tenants here, we've got the video and those people were totally legitimate under the lease, under the license agreement with the Chamorro Land Trust.

Administrative Director Monte Mafnas - Not on my watch sir.

Randy Cunliffe - I'm sorry?

Administrative Director Monte Mafnas - Not on my watch.

Randy Cunliffe - It's your license you guys prepared it we didn't.

Administrative Director Monte Mafnas - No it's your license and you guys prepared it.

Randy Cunliffe - No we didn't.

Vice-Chairman David Matanane - You did it.

Acting Chairman Oscar Calvo - At that time you guys prepared that because it wasn't our prepared that prepared that license.

Randy Cunliffe - I didn't even represent Agfayan back then.

Administrative Director Monte Mafnas - How can we resolve this?

Randy Cunliffe - Well that's what we're trying to do.

Vice-Chairman David Matanane - Have you read the minutes when Mr. San Nicolas was here of course you weren't here your associate was here.

Randy Cunliffe - The 15th of September, yeah, there's no motion made as to how to resolve it and you can only proceed by motion. The only motion was to continue..(interrupted).

Vice-Chairman David Matanane - And we reduced the liability by half.

Administrative Director Monte Mafnas - From $172,000 to $86,000.

Randy Cunliffe - But that's a discussion there was no motion. You can't proceed without a motion.

Commissioner Michael Borja - Because the attorney said we'll take it under advisement and there was no agreement that came to the table.

Administrative Director Monte Mafnas - And he never came back.

Commissioner Michael Borja - He took it under advisement and said we'll give you another 6 months please let us know what you..(interrupted).

Randy Cunliffe - And that's why I got a hold of Monte just recently because they said they haven't heard from Peter so I gave a response.

Administrative Director Monte Mafnas - Because your associate never responded.

Randy Cunliffe - There is nothing to respond to because you can only act by motion. You guys didn't pass a motion for anybody to respond to.

Administrative Director Monte Mafnas - What motion are we going to entertain when nothing was presented from your attorney representing your client.

Vice-Chairman David Matanane - We are saying this is our conditions would you accept that and nobody came back.

Randy Cunliffe - Mr. Matanane with all due respect you can say whatever you want to at a Board meeting but until you make a motion and it's passed by the Board it's just a discussion and until you pass it as a motion it's nothing.

Administrative Director Monte Mafnas - I think we did make a motion.

Vice-Chairman David Matanane - We did make a motion.

Commissioner Michael Borja - The motion to allow for another..(interrupted).

Administrative Director Monte Mafnas - For 6 months.

Vice-Chairman David Matanane - Another 6 months extension. There was a motion.

Commissioner Michael Borja - To not to terminate the lease.

Vice-Chairman David Matanane - Not to terminate because we were going to terminate that lease.

Acting Chairman Oscar Calvo - And your I think it was co-counsel said we'll take it under advisement. In fact we were supposed to give him only 60 days but I opted to 6 months.

Randy Cunliffe - I understand it but that's why I looked at it and I found no motion to respond to because a Board can only act through a motion.

Commissioner Michael Borja - The motion was to extend 6 months and to suspend until resolved that any evictions be suspended until this whole issue is resolved. **And the issue is not resolved I move that we terminate the license.**

Acting Chairman Oscar Calvo - So there's your motion.

Vice-Chairman David Matanane - **I would second it sir.**

There were no objections.

Acting Chairman Oscar Calvo - So be it.

Vice-Chairman David Matanane - It's already accepted we would terminate the.

Acting Chairman Oscar Calvo - Okay, so passed.

Attorney Randy Cunliffe - Now I'm going to have to file a lawsuit.

Vice-Chairman David Matanane - Fine.

Attorney Randy Cunliffe - Thank you.

Peter San Nicolas - Thank you guys.

Administrative Director Monte Mafnas - Thank you Mr. Cunliffe and Mr. San Nicolas.

3. J&G / E.C. Development - approved sale of bull cart trail
Mark Ruth - My name is Mark Ruth I'm representing Jones & Guerrero.

Administrative Director Monte Mafnas - Mr. Ruth representing J&G and E.C. had submitted a request to purchase a bull cart trail from an old street called De La Corte Street in the municipality of Hagatna. I suggested to their counsel that we can sell property on a one-time payment but it's not really a sale it is for a term of 99 years. According to Mr. Ruth and their counsel they accepted that. So two appraisals have been submitted this has been ongoing since 2008. So we just wanted to resolve this now.

Vice-Chairman David Matanane - You know if I may Mr. Chair and Mr. Mafnas I noticed that there was in 2008 and we did make a motion but pursuant to Public Law 23-38 anything that Chamorro Land Trust has to be deal with selling has to go through the legislature. And also Bill No. 370 where in order for Chamorro Land Trust to do such action it has to go through the legislature, legislative approved required on that.

Commissioner Michael Borja - To sell the property?

Vice-Chairman David Matanane - Yes and it has been done that's why probably the reason why it has never with this particular.

Commissioner Michael Borja - Do we need to just then provide a concurrence to their request so they can move forward with the legislature?

Administrative Director Monte Mafnas - We can do that too but there's a subsection Commissioner Borja and Commissioner Matanane that stipulates that appertaining to Hagatna, municipality of Hagatna, fractional lots and bull cart trails can be sold. But my discussion with J&G and E.C. Development is that we're giving you a term of 99 years with a one-time payment. Of course they have to submit their appraisal reports but it's not a fee simple sale.

Commissioner Michael Borja - Just briefly where is this again?

Administrative Director Monte Mafnas - What's that coffee shop?

Mark Ruth - The coffee shop is on part of it though the Piazza.

Acting Chairman Oscar Calvo - It's by the bridge.

Commissioner Michael Borja - So it's at the river?

Mark Ruth - The river is the boundary on the west.

Acting Chairman Oscar Calvo - It's on the back side by the beach area.

Mark Ruth - This street just ran down here and keeps on going along here, it's 30 feet wide.

Commissioner Michael Borja - Oh the old street.

Mark Ruth - The old street.

Administrative Director Monte Mafnas - Some of that property was sold to the Moylan family so there's a precedent actually being set.

Vice-Chairman David Matanane - So it came to Chamorro Land Trust?

Administrative Director Monte Mafnas - No prior to, it came from Land Management but again I apologize I don't have the subsection in front me but appertaining to the municipality of Hagatna where fractional lots are involved it enables the abutting, adjacent lot owner to square out the lot. Whoever is dominant has first choice.

Commissioner Michael Borja - It was asked of us last meeting in something in Agana as well to square off a lot.

Administrative Director Monte Mafnas - That's the Chinese.

Commissioner Michael Borja - Was it a 99 year lease as well or was that a purchase?

Vice-Chairman David Matanane - Purchase.

Administrative Director Monte Mafnas - Purchase.

Commissioner Michael Borja - So that didn't have to go to..(interrupted).

Administrative Director Monte Mafnas - It did go through the legislature.

Acting Chairman Oscar Calvo - Yeah that was, the original bill on that was Espaldon then Senator Tony Ada right?

Administrative Director Monte Mafnas - That's on the opposite side of the Mayor's Office.

Commissioner Michael Borja - The Mayor's Office, no I thought we were talking about the one over by the Bank of Hawaii.

Administrative Director Monte Mafnas - Oh that request that's another request.

Commissioner Michael Borja - They wanted to take a portion of the old street and they wanted to purchase it.

Administrative Director Monte Mafnas - Yes. The same thing I told them it's a 99 year lease and they agreed to it. We haven't taken it forward but they did express their interest and I told them that it's not for sell it's for a 99 year lease and they're acceptable to that request.

Vice-Chairman David Matanane - And that's also a lease, no commercial lease shall be entered by the Chamorro Land Trust. But we have already resolved that by the minutes that you gave us on 2008 so all we have to do is carry it forward and give it to the legislature.

Commissioner Michael Borja - Just saying we have concurrence.

Vice-Chairman David Matanane - It has been concurred already with the Board.

Mark Ruth - The 99 year lease it has an attraction because it stays within the inventory of the Chamorro Land Trust.

Acting Chairman Oscar Calvo - I remember you came on this at the old Chamorro Land Trust building and I know you and I did mention this to you at the time that it would need to go to the legislature for that matter okay. And we did approve it at that time what Mr. Dave you know but it's really now to present it to you know I don't know if whether you've been working with them or not.

Mark Ruth - No I don't think anything has been done in that regard.

Acting Chairman Oscar Calvo - I guess seek your Senators that's the only logical thing. You just have to go to their door knocking and let them know that this is what's your plan and what Mr. Monte has given you and offered for that.

Mark Ruth - We thought that the 99 year lease is something that would benefit both sides.

Acting Chairman Oscar Calvo - The Board from the past we have already given you that so I think you just have to go knock on wood on those doors because to do that it has to go you know and if the legislature agrees to it then you know we have no problem with that.

Commissioner Michael Borja - So a 99 year lease is impossible?

Acting Chairman Oscar Calvo - Yeah we can do a 99 year because it will divert back to the Chamorro Land Trust.

Commissioner Michael Borja - With not having to go into legislative approval?

Acting Chairman Oscar Calvo - We can probably do it that way. Monte, Mr. Borja is saying that maybe we do a 99 years.

Commissioner Michael Borja - Can we just do a 99 year lease without going through legislative approval or is it kind of sticky on that?

Administrative Director Monte Mafnas - It's kind of sticky at this point in time.

Vice-Chairman David Matanane - Well the way I look at it is Public Law 23-38 states here that established rules and regulations for the Chamorro Land Trust, section 1) legislative authority to establish rules and regulations, 2) Chamorro Land Trust Commission rules and regulations as to tract leases, 3) rules and regulations to affect 75 Title 21 and 4) establish the Senator Paul Bordallo rules and regulations for Chamorro Land Trust which has already been established and we will request the legislature to forego all the rules and regulations that we have sent in and adopt this Bordallo rules and regulations since it has already been there.

Administrative Director Monte Mafnas - In addition to Commissioner Matanane citing the laws, subsection 75105 Control by Commission of Available Lands; Return to Department, item c, the department may sell to any contiguous landowner any fractional lot placed under its management which was created by the adoption of the standard block system. That's to straighten out the lot and blocks the fractional lots, Block 1 all the way to Block 30 or any fractional lot.

Commissioner Michael Borja - Because there's no way any of the piece of land is usable for anything else.

Administrative Director Monte Mafnas - Well the Senator would beg to differ on that but you know in the building code if its 500 square meters you can build. If it's less than 500 you cannot build.

Mark Ruth - It is more than 500 but it's only 30 feet so by the time you take your setbacks you're going to have..(interrupted).

Administrative Director Monte Mafnas - You can't build. In addition if we enable J&G and E.C. to lease this land they are going to develop it and have improvements and it becomes a tax base.

Commissioner Michael Borja - Oh this a J&G and E.C. joint venture?

Administrative Director Monte Mafnas - Yes. They both filed at the same time that's why it was consolidated.

Vice-Chairman David Matanane - But still you have to notify the legislature.

Administrative Director Monte Mafnas - So why don't we just make the motion and we'll send it to the legislature and have them concur or just approve it.

Vice-Chairman David Matanane - And also a motion that we should approve the Bordallo rules and regulations. First of all first motion is to adopt the Senator Paul Bordallo rules and regulations for the Chamorro Land Trust and forego the rules and regulations that have been submitted so we can move on with our business at Chamorro Land Trust.

Commissioner Michael Borja - I second it.

There were no objections, MOTION PASSED.

Vice-Chairman David Matanane - I move to approve the request and also submit it to the legislature for their approval.

Acting Chairman Oscar Calvo - And you said also the Paul Bordallo rights.

Vice-Chairman David Matanane - I did that motion already the first one. The second one is for the two requests for the purchase or lease of property from Chamorro Land Trust at the old De La Corte Street informing the legislature of what our intentions are.

Michael Borja - I second it.

There were no objections.

Acting Chairman Oscar Calvo - Passed.

Mark Ruth - If I may ask you to translate.

Commissioner Michael Borja - First of all the rules and regulations the original one that Senator Paul Bordallo is still in existence because the one that we have submitted has never been acted on and so we're just going to use the old rules and second motion was to allow J&G and E.C. Development to be able to lease or purchase to get approval by the legislature to lease or purchase this old De La Corte area that you are requesting.

Mark Ruth - So we can go either route on lease or purchase.

Vice-Chairman David Matanane - Yes.

Mark Ruth - So then our next step is to work with you to get surveying, the documents in place and then with your resolution it will be sent to the legislature.

Acting Chairman Oscar Calvo - The survey and the appraisal would have to be on your cost.

Administrative Director Monte Mafnas - They already submitted two appraisals so pending would be the lease document and the survey.

Mark Ruth - So we prepare that and then we give it to you and then you bundle it and send it over.

Administrative Director Monte Mafnas - We'll send it over to the legislature for concurrence.

Mark Ruth - Thank you.

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

Administrative Director Monte Mafnas - Mr. Toelkes was unable to be here and I did prepare a letter and I sent it to him and I await for his time and convenience to meet with me.

Acting Chairman Oscar Calvo - I think it's prolonging I mean I think no up to step up to the bat.

Commissioner Michael Borja - That's a different IBC at JFK right?

Vice-Chairman David Matanane - Yeah.

Administrative Director Monte Mafnas - It used to be his but he sold it to his son and he provided the certificates.

Acting Chairman Oscar Calvo - I think we certainly need to bring him in because it's been what over 3 or 4 months.

Administrative Director Monte Mafnas - Yeah he promised to pay us $100,000.

Commissioner Michael Borja - Let's try to get them on the agenda I mean he needs to be here next month or else we have to take action on it as well.

Administrative Director Monte Mafnas - Yes I concur.

Commissioner Michael Borja - We need to give him on a motion a set deadline to resolve this issue as well.

Administrative Director Monte Mafnas - Is that a motion?

Commissioner Michael Borja - No let's get him on the agenda then we tell him when he's present that there's a motion I mean I'd rather discuss it in front of him and tell him that he has until a certain date to resolve what you already agreed to.

Administrative Director Monte Mafnas - I echo Commissioner Borja's concern that motion to require that he come here on the next Board meeting because this is the second time he's evaded my request.

Commissioner Michael Borja - He gets written request to attend?

Administrative Director Monte Mafnas - No, call him up but I told him he has to come and he still hasn't come.

Acting Chairman Oscar Calvo - Well just tell him the Board has taken further actions.

Administrative Director Monte Mafnas - He came to my office but not to the Board meeting.

Commissioner Michael Borja - And was there any resolution I mean you guys were supposed to meet after the last meeting.

Administrative Director Monte Mafnas - No and I told him that the Board rejected the MOU as presented by him but I haven't seen him since then. **So I'm requesting that the Board issue out a motion to require that he attend the next Board meeting.**

Acting Chairman Oscar Calvo - Further action will be taken.

Vice-Chairman David Matanane - So moved.

Commissioner Michael Borja - I second it.

Acting Chairman Oscar Calvo - Okay so be it, passed.

VI. NEW BUSINESS

1. Lot 1NEW, Block 24, Agana

Administrative Director Monte Mafnas - The reason why I requested to have this minutes is according to Land Management there was an offer and a draft bill prepared to submit to Senator Pangelinan wherein it gives the option for Mr. Salas, G. Ricardo Salas to purchase some Government land. Because what we have effectuated is worked out a land exchange on his lot for the new land resource building and exchange for that we squared off a lot and part of the deal was to give him the opportunity to purchase the remaining 614 square meters which is adjacent to the Lujan House the historic house in the municipality of Agana. Now I did meet with Senator Pangelinan and Mr. Napu Castro and he said that that's not the deal. The deal is that the remaining 614 square meters is to be given to the Guam Preservation, the Lujan House for their parking. Unfortunately I did not have time to bring the minutes of the said exchange deal but this has been ongoing since 2006 or 2007 a long time ago. I did meet with G. Ricardo Salas, Jr. who owns title to the land and he says that he still wants to buy the lot as promised and if in the event he doesn't get the lot as promised then the deal is off.

Acting Chairman Oscar Calvo - Monte I think Rick Salas's son passed away.

Administrative Director Monte Mafnas - Yes it's the grandson that owns the lot legally.

Acting Chairman Oscar Calvo - But I'm pretty much familiar with that case because I know that when we were trying to build for the new offices down there that we had to do some land exchange and so forth and that was done and surveyed also approved by Land Management at the time and we did sign off on that map. At least from what I understand back then was that that was pretty much settled on that issue.

Administrative Director Monte Mafnas - And what do you recall Mr. Chairman that they're going to sell the land to Mr. Salas?

Acting Chairman Oscar Calvo - No there was a remaining of that in exchange.

Administrative Director Monte Mafnas - But there is other land left over. The exchange has been consummated but there is some left over remnant sandwiched in between the Salas property and the Lujan house.

Acting Chairman Oscar Calvo - That's about maybe 10 feet.

Administrative Director Monte Mafnas - No it's 600 meters that's substantial.

Commissioner Michael Borja - And what is he going to do with this property?

Administrative Director Monte Mafnas - He wants to develop it.

Commissioner Michael Borja - Consolidate it with his.

Administrative Director Monte Mafnas - Yes with his property.

Commissioner Michael Borja - Does it square his property off in any way?

Administrative Director Monte Mafnas - It enlarges his property and gives him more value but the dangerous part about this is if we don't finalize this deal and he files suit against us then we're never going to build the land resource building because we took his lot in necessity to build the building and its right square down the middle. There's no other way no angle no if or buts we needed his property. He had the foresight to say hey you take my property I want your property too.

Napu Castro - It was area for area and he wanted more.

Administrative Director Monte Mafnas - Yes that's the problem.

Commissioner Michael Borja - He wanted more?

Administrative Director Monte Mafnas - Yes and he's willing to purchase it.

Commissioner Michael Borja - Purchase the excess.

Administrative Director Monte Mafnas - Correct. All that is required is a guaranty from USDA to build that building, we're getting very close.

Commissioner Michael Borja - So the dilemma we have here is the agreement with Salas is to trade and sell the excess or we don't because they want to use the land for parking for the Lujan House.

Administrative Director Monte Mafnas - Correct.

Acting Chairman Oscar Calvo - On that Lujan House if I'm not mistaken we gave them the front part.

Administrative Director Monte Mafnas - Actually I think they condemned that because it used to belong to another, it wasn't Chamorro Land Trust. It was a different fee simple owner but yes they use that as a parking. It was the most Senator Pangelinan is to retain that fractional lot, it's not really a fractional lot it is a standard lot for parking purposes.

Napu Castro - I can get back with you with an official statement from our office because there is a slight misunderstanding on what we originally had on the law.

Commissioner Michael Borja - Well is there any other property around there that can be used for parking?

Administrative Director Monte Mafnas - No.

Commissioner Michael Borja - That's not necessarily adjacent to the Lujan?

Napu Castro - No there's no room.

Commissioner Michael Borja - Agana is bad because you can't do anything because there's so many tiny lots.

Administrative Director Monte Mafnas - That's right.

Acting Chairman Oscar Calvo - But even if you were to sell that lets hypothetically that we do give that to Mr. Salas he's not going to meet up all the surrounding if he's planning to build a building there.

Administrative Director Monte Mafnas - No because it enlarges his lot so he can build a higher building, raise the other one down to the ground and build a new one. Yes Commissioner Borja the problem of fractional lots started since the Navy took over and has not been fulfilled and corrected to date. It started since 1950 those lot and blocks, fractional lots.

Commissioner Michael Borja - So what do we need to do I mean I really don't think we want to hold up the building of these lands especially if there's funding.

Administrative Director Monte Mafnas - What we can do is table this and we'll get more information we'll get justification from the Senator.

Napu Castro - The law is passed it's under the jurisdiction of Land Management now.

Administrative Director Monte Mafnas - So that means if the department wants to sell it can sell same as if they don't want to sell they don't want to sell it goes either way.

Commissioner Michael Borja - Was this building going to have land for parking or is there going to be a parking garage incorporated into this building?

Administrative Director Monte Mafnas - We have a parking garage incorporated but there's a precedence set on opposite side of this the Land Management, CLTC lot it's a sizable area about 1,500 square meters were sold to the Cristobal family.

Napu Castro - That was a settlement through a court order.

Administrative Director Monte Mafnas - It was a settlement but it was a transaction it was a court order but it still was sold from the Government to a Chamorro that's what I'm trying to emulate here there was a transaction adjacent, contiguous to our lot. So if we can do that here, we cannot do it here? Again they're all Chamorros here you know it's not like it's a foreigner trying to come in. Mr. Salas has been there for decades too. I guess what we can do is table it and we'll wait for the Senator's position statement. Actually it would only verify and validate that Land Management has the discretion. But you know this is a special deal, it is a Chamorro Land Trust and Land Management land and building. It's the Government's building but we own it and we just want to make sure we do the right thing. This transaction has been ongoing for almost a decade already. It has to end now it has to be resolved once and for all.

Commissioner Michael Borja - So maybe we can talk about this in the next meeting.

Administrative Director Monte Mafnas - Yes, please thank you.

2. Michael J.G. Aguon - application status

Administrative Director Monte Mafnas - Next is Michael J.G. Aguon a grandson of Ignacio Aguon, he submitted a request to lease 8 acres and his family has been occupying the subject lot for the past 60 years and occupation is nine-tenths of the law, physical occupation. He has the bonafide farmer concurrence from Agriculture and the Mayor of Dededo. So he is just asking and I told him that the Board only authorizes 1 acre for farming and every large request has to be concurred or presented to the Board for approval or disapproval. So I just wanted to put this in, he has planted, his grandfather planted, his father planted and he just wants to take whatever is there.

Acting Chairman Oscar Calvo - But how much was really originally on that piece of property that his grandfather had?

Administrative Director Monte Mafnas - According to them they were using a whole lot of land.

Acting Chairman Oscar Calvo - No but I mean what was on their lease?

Administrative Director Monte Mafnas - Well if you go on their land use permit he's only allowed 1 acre but in the 60s you know that begins in the arrendo time Department of Agriculture's leases and those tracts can be up to 50 acres.

Acting Chairman Oscar Calvo - If I'm not mistaken I know that the Department of Agriculture has nothing to do with that anymore.

Administrative Director Monte Mafnas - Well they still have arrendos, they are not issuing any but they still maintain a certain inventory.

Commissioner Michael Borja - Are they actively farming?

Administrative Director Monte Mafnas - Yes.

Acting Chairman Oscar Calvo - Largely?

Administrative Director Monte Mafnas - Yes, well..(interrupted).

Commissioner Michael Borja - So he's trying to get additional land.

Administrative Director Monte Mafnas - To actively farm more.

Commissioner Michael Borja - But he's already actively farming?

Administrative Director Monte Mafnas - Yes he has trees and all those things I had it inspected.

Commissioner Michael Borja - One of the things too is he can also show that he's in compliance with whatever the University of Guam's Agriculture Extension Program requirements are for agricultural land use.

Administrative Director Monte Mafnas - I had our land agent Desmond Mandell go and look it and he says that there's a lot of trees but I want to make sure he takes pictures next time to show you.

Commissioner Michael Borja - And give us a plan of what he plans to use the agriculture lots for.

Administrative Director Monte Mafnas - Correct right.

Commissioner Michael Borja - Is he going to be growing fruits and long term types of trees or is he going to be growing melons and beans?

Vice-Chairman David Matanane - Or tangantangan.

Acting Chairman Oscar Calvo - I guess like what Mr. Borja said to give us an actual plan what he's got and what are we looking in there right now has he planted an acre or two whatever in that.

Administrative Director Monte Mafnas - Actually the only way to ascertain how much land is available is to hire a surveyor. So if it's only 1 acre then it's only 1 acre if it's 10 acres then maybe we can give him 10 acres but it will all be predicated upon hiring a surveyor at his cost of course to identify how much area is available.

Acting Chairman Oscar Calvo - But you got to make sure that he understands that even if he did do the survey and anticipate that whatever comes down the pipeline that he's not going to get that full 9 or 10 acres for that matter. We may give him some leeway and provide him whatever his intentions to do with that property too at the same time what is he going to plant. Because planting

trees are, some of those trees are probably just already wild, the lemai tree there and tangantangan and what not, wild bananas so I think we need to identify those resources.

Administrative Director Monte Mafnas - But Mr. Chairman be mindful that they have been there since the 60s so there should be a lot of trees there and mature trees not seedlings but mature trees, fruit bearing trees. So we'll just table it I just wanted to present it to the Board so when we get actual pictures and a farm plan because basically he already has a bonafide certification from the Mayor and Agriculture.

VII. DIRECTOR'S REPORT

1. Northern Sports Complex (Lot 10171 and Tract 100C, Dededo)

Administrative Director Monte Mafnas - Next is a request from Assistant Attorney General Monte May on behalf of the subject lot of the northern sports complex, Lot No. 10171 and Tract 100C. Now his request is to receive all executed leases with Chamorro Land Trust. Now the reason why I wanted to put this on our agenda is this, pursuant to the freedom of information act we must give him. Now I have no problems with that but I wanted to show you a recent idea of mine to off-set because he's going to analyze that and in accordance with the law he's going to want to take back those leases and now the Board has said and stated for the record that we're not going to just let those leases lapse. We're not going to give in we're going to stand firm in protecting the beneficiaries of the Trust. So I have before you a map of subject Lot 382-R1.

Commissioner Michael Borja - Wasn't this matter resolved at all after our meeting with (inaudible)?

Administrative Director Monte Mafnas - I know but the Attorney General is still pursuing it because he's a tennis buff so he wants to build a tennis court there.

Commissioner Michael Borja - He has a personal agenda and he's using Government resources for it?

Administrative Director Monte Mafnas - Yes pursuant to the law that states that the property belongs to Department of Parks and Rec and we have a lot of farmers back there. So what I propose Commissioners is that we give Department of Parks and Rec subject Lot 382-R1 in the municipality of Inarajan. This basic area is also known in Chamorro the place name as Asiga, it's in between Asiga and I think Talofofo Bay Nomnia. Now the reason why I urge that we reconsider this is number one we protect the beneficiaries of the Trust of the northern sports complex. Number two, this is a very sensitive archeological area, there's caves there, there's glyptics you know drawings on the cave. It's a very sensitive and rich cultural area. And number three the topography renders a very cost prohibited exercise. Although it was proposed for affordable homes pursuant to Public Law 22-18 they did not really walk the premises but I flew over this area, I know this area and I walked some of this area.

Commissioner Michael Borja - Is this Malojloj?

Administrative Director Monte Mafnas - No before you get to Malojloj it's on the ocean side, before you get to the transfer station.

Commissioner Michael Borja - Is it behind the Carmelites complex?

Administrative Director Monte Mafnas - Yes.

Commissioner Michael Borja - What are we going to use it for?

Administrative Director Monte Mafnas - We'll give it to Parks and Rec for them.

Commissioner Michael Borja - To build tennis courts back there?

Administrative Director Monte Mafnas - No Public Law says that we can use this for affordable homes I'm just saying it's going to be very cost prohibited to build affordable homes.

Acting Chairman Oscar Calvo - Monte there's a lot of holes there.

Commissioner Michael Borja - There's all these rock and coral.

Administrative Director Monte Mafnas - That's why I want to give it to Department of Parks and Rec that's their problem. In the meantime we get farm land for our beneficiaries of the Trust we protect them. So we off-set meter for meter so we'll be way ahead if we give them 304 four acres that is 1.2 million square meters of land. So that's my offer I think we should consider that Commissioners that we take the lead and give it to them for historical and cultural uses, archeological concerns.

Acting Chairman Oscar Calvo - And anyway we talked about this is to move out 53 farmers back there it's not going to be free and easy exercise.

Administrative Director Monte Mafnas - It'll be costly and very laborious and very tedious and difficult.

Acting Chairman Oscar Calvo - All these people have established there and everything.

Commissioner Michael Borja - He has time to go pursue this in lieu of taking care of people who commit petty theft.

Administrative Director Monte Mafnas - Yes that's right. You can see the date of his letter, March 8, 2012 so he has a lot of time for his self interest. Let it be known that it is self interest because he told me that. "I want to build a tennis court because I'm a tennis buff" and I have a witness to that effect. Really this is an offer that we should proceed in my mind to off-set that and discontinue the AG's exercise.

Acting Chairman Oscar Calvo - Not only that why just concentrate up in the north for a sports center why not do some in the south.

Commissioner Michael Borja - I understand the point here but I don't think you should be denying his request we will answer his request but on the same note we need to also pursue the front

office's attempt to curve it because I heard the man himself he wants houses for people. He doesn't want to on one hand to try to provide housing for people and on the hand kick out those who have already domiciled with the land.

Acting Chairman Oscar Calvo - Mike when we did the Okkodu School we had to move like about 12 and I tell you that was bad because you're going to have to find and identify and the Government there has to be the what we had to identify and fork out where are we going to put these people if they have structural homes and what not.

Commissioner Michael Borja -I think maybe perhaps we should have all the records copied or maybe even best to just, if there's a way that records are electronic, have it on a disk, sits here on the table invite Mr. May to come forward and we hold it in like in the University of Guam and have all the tenants of this land also attend the meeting and let him talk about what he's going to do to them. And let them all speak about why they believe that it is not in the interest of the Government.

Administrative Director Monte Mafnas - That's an excellent idea.

Commissioner Michael Borja - Do something like that and then look to the audience and say these are your records that we're giving to the Attorney General so he can turn your farm into a tennis court. Mr. May do you have anything to add? And proceed with that and then you have it. That would be my way of tackling this. You need to let these residents know as well and there has to be a way to contact all of them, notice of a public hearing. So they're informed of what could possibly happen, what is the intent of this Parks and Rec. Whatever is appropriate that is close by that we a hold a public hearing.

Administrative Director Monte Mafnas - I think we should just resolve it let's snip it now. We'll take whatever is there and we'll give you this. Never mind the fancy dancing let's just resolve it once and for all, we'll exchange it.

Commissioner Michael Borja - He's probably not going to want that, he probably doesn't care for it because he lives in the Perez Acres probably or somewhere close.

Administrative Director Monte Mafnas - No he lives close by so I told him to go play tennis in Tamuning because that's Chamorro Land Trust property, that's our tennis court. Let's just put the ball back in their court, let's just make an offer and this is our offer we exchange our rights, title and interest to this in exchange with that.

Commissioner Michael Borja - Don't you need funding to build a tennis court?

Administrative Director Monte Mafnas - Exactly and they don't have funding they can't even maintain the parks or their baseball fields or the beach or the bathrooms as we go on and on. But why don't we just because this is very dangerous to develop, very, very costly.

Commissioner Michael Borja - You probably have some EPA issues there too because of some drainage.

Administrative Director Monte Mafnas - But because of the rich agricultural and archeological history findings there we're talking about millions of dollars just on the archeological report and that's only for a small size of land can you imagine 304 acres. It may cost 5 to 10 million just for archeological and EPA environmental assessment report.

Commissioner Michael Borja - And you'll probably find an old Chamorro village somewhere.

Administrative Director Monte Mafnas - Guaranteed. Actually it's in their best interest to protect the culture that's part of their function and mandate. They have a territorial archeologist so I'm sure he'll support this.

Acting Chairman Oscar Calvo - What's your notion on this?

Administrative Director Monte Mafnas - I want to put the ball back in their court I want to offer them this.

Acting Chairman Oscar Calvo - So let's take that route at this point.

Administrative Director Monte Mafnas - And take everything behind the pipe line and we'll do the survey.

Acting Chairman Oscar Calvo - Well to me I agree to that because like I said I've been there and I know that place very well and like I said when you have to move out and relocate 53 families there and some of those areas have already homes and farming and so forth, it's going to cost the Government and at the end of the day the Government is going to be the one to fork out all these and I don't think so, it's going to cost millions of dollars.

Administrative Director Monte Mafnas - Let's just go on infrastructure, let's go sewer line, the road is only 2 lanes you have dump trucks speeding up and down this place going to Layon so the roads are going to be damaged in no time. You have to probably cut and bench this so it's just a horrendous amount of money to develop these lots.

Acting Chairman Oscar Calvo - Anyway it's only a propose from what the AG so you know I mean.

Administrative Director Monte Mafnas - No they're going full force.

Acting Chairman Oscar Calvo - Well then let's go full force to that.

Administrative Director Monte Mafnas - I'm appealing to the Board the Commissioners to have a motion so we can effectuate and begin this exchange. We can't develop this, we're not even developing flat land at this point in time much less this huge humongous tract of land. And the growth is not down south and really I believe high density and proper planning should be up north because all the infrastructures are there and it's just too cost prohibited. I mean laws are made by man and can be repealed and can be amended by man. There's no law that's set on concrete.

We're just trying to protect the beneficiaries of the Trust it's the right thing to do. Never mind Mr. tennis buff.

Commissioner Michael Borja - I move that we exchange the properties of the northern sports complex Lot 10171, Tract 100C, Dededo for Lot 382-R1, Inarajan.

Commissioner David Matanane - Second.
There were no objections.

Acting Chairman Oscar Calvo - So be it passed.

2. Meeting with Senator Ben Pangelinan
Administrative Director Monte Mafnas - I submitted a letter from Mr. Napu Castro highlighting our meeting with Senator Ben Pangelinan who he works for and the only reason why I wanted to include that is to alert and inform the Commissioners of the intent of Bill 433. The Senator has submitted Bill 433 to limit the terms of the lease at 5 year intervals, short term for an array of business establishments. I went before the Committee to object to this 5, 5, 5 and requested 10, 10 and beyond 10, 10 to bring it before the legislature for extension.

Commissioner Michael Borja - It's currently at what 10 years?

Administrative Director Monte Mafnas - Right now actually the last license that was signed is 21 years with an option for another 21 and it's not a lease it's a commercial license.

Acting Chairman Oscar Calvo - The only problem that I have on this bill is if you get that a 5 year on a commercial lease and you establish yourself to build whatever type of business the first 2-3 years is you know in building and trying to and the next 2 years is trying to get your refunds back of what the cost of that and then you have to go back to the legislature to you know. I mean the Board itself has a control I feel honestly that we should be the one to protect that because if I'm going to go for every 5 years of terms and then 5 years down the line you open up a mom and pop store and then you're going to come in and renew of license I don't think so it's.

Commissioner Michael Borja - Well too for business loans anything like that you know 30 years is usually and 21 years is kind of short, 5 years you can't do anything.

Acting Chairman Oscar Calvo - You can't it's impossible.

Administrative Director Monte Mafnas - There's no return of investment. Actually what happens is it really stream lines, it really short list the possible licensees. There's going to be very few and far between of wanting to take that risk so that would hamper our funds for operational funds and SUTA funds. Also the Board gave an easement for Paradise Meadows from 40 to 60 feet and that Paradise Meadows would contribute and donate survey services and water and sewer hook ups. I forgot to ask him for a bus stop.

Vice-Chairman David Matanane - Yes we did.

Administrative Director Monte Mafnas - Because I know with SongSong Hills I remember clearly but we can always ask this and I'm sure that they will agree to that.

Commissioner Michael Borja - Is that the guys last month?

Administrative Director Monte Mafnas - Yes SongSong Hills.

Commissioner Michael Borja - SongSong Hills but the Paradise Meadows is on the other end.

Administrative Director Monte Mafnas - On the opposite end where the 2 acres are they're going to build a park and maintain.

Commissioner Michael Borja - I don't think there was a bus stop.

Administrative Director Monte Mafnas - That was TRI.

Vice-Chairman David Matanane - No I thought they say that they would have a concrete bus stop.

Smithbridge

Administrative Director Monte Mafnas - Okay I just wanted to make sure because the Senator was questioning that. So the exercise of generating income is also to address the SUTA program the needs of beginning infrastructure. I asked Smithbridge to come here I apologize for not presenting the thing but Mr. Jake Leon Guerrero is here to represent them. Now we approved several Board meetings back to enter into, I call an extraction agreement instead of a quarry agreement so that they can harvest minerals from the subject Lot 7128 in exchange for that we're going to get royalties and they're going to basically refill the area and leave it the same way when they came in so it'll be buildable. The problem with that we initiated a 50 year lease right?

Jake Leon Guerrero - I think we're now proposing 50 with an initial term of 10. I'm Jacob Leon Guerrero the controller at Smithbridge. This is our proposed lease for the lease of the land 7163 which is adjacent to our quarry. As mentioned we're looking at an initial term of 10 years with 4 options to renew at 10 years again for a total of 50 years. The main thing here is we're proposing a $2,000 a month minimum rental for basically the right to use the land and as we extract we propose a $1.50 per cubic yard that we extract.

Acting Chairman Oscar Calvo - Was it a dollar fifty or two fifty?

Jake Leon Guerrero - A dollar fifty.

Administrative Director Monte Mafnas - The going rate is a dollar fifty.

Jake Leon Guerrero - The way we propose to do this is basically every month we based on measurements of what was taken out it's easy to see you went down 10 feet went over 100 feet or 10 yards, 100 yards or whatever and you took 1,000 yards out that month and then we multiply that by the dollar fifty and that's the rental that we..(interrupted).

Acting Chairman Oscar Calvo - Aside from the $2,000.

Jake Leon Guerrero - Aside from the $2,000 that just guarantees that if we slow down at least you guys still earn some type of money and at the same time it's not meant to set too high because if we're slow then it kind of makes it a little difficult too. But when we're building and we're producing quite a bit then of course the rents will go up as well. We were meant to put in also something it had something to return the land as guaranteed as agreed to where it's flat and all and one of the proposals we were looking at was this was a forty-four plus acre lot and maybe dividing it between three to four different sections and work on one section at a time. That way the Commission can feel comfortable that we don't get too far ahead of ourselves and we can work once we finish one section we can go on to the next section and start trying to backfill that first section. So that was our plan was to try and do it in a couple of sections and work on extraction and actually once we finish at least one area start backfilling and work on the next area.

Acting Chairman Oscar Calvo - When you extract that because you're going to be taking out the good coral what are you going to be putting back in?

Jake Leon Guerrero - Most hardfills it's construction material just like the northern hardfill they take mostly construction debris which includes demolished buildings and the like. I'm not a hundred percent clear on what exactly the limitations are on because I know there is a limit as to how much vegetation and how if there is any steel and all at.

Acting Chairman Oscar Calvo - The only problem that I have on that because I worked in a quarry before but if you dispose of construction materials and everything I think now a days it's you know a lot of these buildings whether they have rods inside and everything or if there's going to be debris dumped down for that matter just so you can cover the hole back. Because we got to make sure we understand in that portion when you said refilling back because you're going to extract the good part of that coral so you can sell that but at the same token whatever you're taking off from another area where you guys are building all the debris basically would be is those debris are they going to be sorted out whether it be, that's my concern. Because you want to put the land back to the way it is which is you're not you know a hundred percent you're not going to get that.

Jake Leon Guerrero - We will make every effort to make sure it goes back to the level it was before and with that we would operate based on the EPA hardfill requirements on what is allowed to be dumped. I assume we will be getting EPA inspections to make sure that we do comply to make sure.

Administrative Director Monte Mafnas - Mr. Chairman in addition to the refill is to pursuant to the bill that was submitted by Senator Pangelinan wherein they extract the minerals and they put back it will be buildable or farmable that was the concern. It did not stipulate any actual movements or type of fills that it just be usable and farmable and they agreed to adhere to that law. Also this basic Lot 7163 the request is for 44 acres, this basic lot contains 375 acres. So it's great that they work in partials and increments so activity can be demonstrated that its ongoing. They're just not leasing it and just keeping it. So the main focus and the main intention of this lease this extraction agreement is to generate funds for the SUTA program so we can commence and effectuate

infrastructure programs and they express ready and able willing to sign the lease and commence work since about almost 6 months already.

Acting Chairman Oscar Calvo - I have no problems with that Mr. Director just like I said you know when they do replace back the minerals that you're going to be absorbing down there it's you know and you mentioned that you're going to be extracting buildings and things of that nature to put it down there so that's my I don't want it to be like Mr. Taitano up in Yigo.

Jake Leon Guerrero - No we definitely are aware we're above the northern aquifer and we definitely you know I have kids of my own and I definitely do not want to poison the water.

Administrative Director Monte Mafnas - Mr. Chairman I don't think that's fair comparing them with the Taitanos.

Acting Chairman Oscar Calvo - I just want to bring that to caution to that issue.

Administrative Director Monte Mafnas - Smithbridge is a multi-million dollar corporation. How many people do you employ?

Jake Leon Guerrero - Smithbridge itself I do believe the last count was about 97 or 98. But yes we definitely are aware and like I said we will make sure we comply with all the EPA requirements for the hardfill. We will expect that EPA would have inspections every so often.

Acting Chairman Oscar Calvo - I have no problems with that like you said and I'm glad you're going by phase.

Administrative Director Monte Mafnas - I told him to send this lease for approval from the Governor's legal counsel but I would like to request Mr. Castro is there's a way we can present it to the Senator?

Napu Castro - We just need a copy.

Administrative Director Monte Mafnas - Okay you got a copy. So we can move forward because they have been patiently waiting and the quicker we draw some funds the quicker we can get that SUTA loan and the quicker we can embed and install infrastructure on Tract 9210. But be mindful Mr. Leon Guerrero as I mentioned to you and the Board has mentioned to you that you're only on one section and once somebody comes in for the next section and the next section we have to entertain them just like we entertained you.

Jake Leon Guerrero - Right.

Acting Chairman Oscar Calvo - So what do you want us to do?

Administrative Director Monte Mafnas - Well now that Mr. Castro has the extraction agreement for the Senator's perusal is there a way we can expedite matters? Actually Mr. Castro we as a Board met with the Senator several months ago in discussing Hawaiian Rocks extracting minerals,

Smithbridge, Perez Bros and etcetera and as a Board the complete Board was there and the Senator said yes go ahead. You know what there's a curve with this 5 year, 5 year and 5 year that's why this curve ball has taken me and that's why I requested them to provide us this 10, 10 to comply with to meet half way with the Senator so we can commence and effectuate the lease.

Napu Castro - Is there a discussion regarding the RFPs?

Administrative Director Monte Mafnas - No we can send this to the Attorney General for approval or you guys can send it because you guys are better connection than me. If it necessitates that I know that is part of the bill but I don't understand and enlighten me how this necessitates RFP. Who else is going to bid unless you're in the quarry business?

Napu Castro - But isn't it under the Smithbridge, Perez, Hawaiian Rock?

Administrative Director Monte Mafnas - Yes with the three.

Napu Castro - So it still needs to go through a RFP.

Administrative Director Monte Mafnas - That's why I just emulated to him that stipulated that the large tract can absorb and afford the other vendors the same.

Napu Castro - Even the request now?

Administrative Director Monte Mafnas - Yes.

Jake Leon Guerrero - The total lot is what 383.

Administrative Director Monte Mafnas - 375 acres.

Jake Leon Guerrero - And we're only requesting for 44.

Administrative Director Monte Mafnas - And that's because it's adjacent, abutting, contiguous to their lot but we still have 330 acres left. We may want to effectuate this Mr. Castro because that way we can ask the other RFP submittees too. And you can just say that this income generated can be solely dedicated for the SUTA program for infrastructure. The quicker we install the infrastructure the better off the northern aquifer is we will be protecting it.

Acting Chairman Oscar Calvo - I think when we had that meeting of us Board members with the Senator he didn't see any objection to that.

Administrative Director Monte Mafnas - Yes he mentioned Hawaiian Rock which application began since 2006.

Acting Chairman Oscar Calvo - I think we really need to move on this because they have been waiting for the past 6 months.

Administrative Director Monte Mafnas - Mr. Leon Guerrero thank you for your patience and let's work together.

Jake Leon Guerrero - Thank you for your time.

3. Monthly revenue collection report for January 2012
For informational purposes.

Legal Counsel / Underwater dam system
Administrative Director Monte Mafnas - I do want to inform the Board that we have issued out a request for proposal for legal counsel.

Commissioner Michael Borja - Oh yes we definitely need one.

Administrative Director Monte Mafnas - Just for discussion purposes I went to the Micronesian Submit Executive presentation and there's a group from Okinawa here stating that in Okinawa there's an underground dam system that supplies water for the island of Okinawa which has about 1.2 million people and has tourists of over 2 million per annum. What he's suggesting is being a northern aquifer with coral and walls and coral base so I think we should look into this.

Commissioner Michael Borja - So they've taken their underground aquifer and they have developed so that it is more useable you don't have leakage.

Administrative Director Monte Mafnas - According to them it's the latest state of the art and I requested the guy to prepare his presentation for the Board for the Board's review and perusal on the next Board meeting.

Commissioner Michael Borja - Something like this is very interesting too because the last thing we ever want to do is to turn out water into Saipan.

Administrative Director Monte Mafnas - Exactly where there's too much salt. The two most important things in life is air and water, without it we're dead right? So this would supplement our water system and really it's worth considering.

Commissioner Michael Borja - Are they a private company that is selling water in Okinawa? Or do they just develop this?

Administrative Director Monte Mafnas - They just develop the dam.

Acting Chairman Oscar Calvo - But they distribute out to the communities or no?

Administrative Director Monte Mafnas - Yes for the water dam in Okinawa yes they do. But it'll be interesting because it pans out to be true as delivered as stated then we can have additional water for the people of Guam. I mean the cost is parallel to oil already. Water is going to be very priceless as times go forward. I think it's inherit upon this Board to consider augmenting our supply for water. If anything it really protects our northern water lens. This could be the perfect lot

you know we have a big hole in the end maybe we can consider you know if that's what it is and it protects and provides ample water for the next hundred years then we should really look at it because as you know the Navy they want to sell us Fena our own water and we don't want to buy from them. Maybe we can get our own water and maybe we can sell them the water. Nothing ventured nothing gained but maybe we can even sell water back to GWA.

Acting Chairman Oscar Calvo - Monte I just want to go back for a few seconds on that legal counsel the MOA that we signed with at GEDA where is..(interrupted).

Administrative Director Monte Manfas - It's at the AG's Office now.

Acting Chairman Oscar Calvo -There's no response to that since the last time?

Administrative Director Monte Mafnas - No.

Commissioner Michael Borja - Well that's how fast they work that's why this thing that he's asking for, all he's going to ask for is volumes and volumes of more paperwork which he now doesn't even know how to get to. I mean you have to prioritize your cases and criminal comes before everything.

Administrative Director Monte Mafnas - Yeah this 53 leases is voluminous it's a lot of wasted paper.

Acting Chairman Oscar Calvo - Maybe do you think by the next Board meeting we will have something concrete on this legal counsel?

Administrative Director Monte Mafnas - I think it's going to take us about 45 days Napu on the RFP procedure.

Napu Castro - Oh yes.

Administrative Director Monte Mafnas - So I think we might get lucky at the next Board meeting. I'm hoping that we can hire our own in-house counsel to work for us for the three departments, Land Management, Ancestral and Chamorro Land Trust of course and be present in all Board meetings besides the day to day activities.

Bank of Guam Signature card

Administrative Director Monte Mafnas - We need to resubmit a signature card to the bank because remember before we entered into the USDA MOU they want to see that we have a half a million dollars in our account.

Vice-Chairman David Matanane - Mr. Chairman and Mr. Borja.

Acting Chairman Oscar Calvo - I think you and Mr. Borja and I'll tell you why because Dave and I we still have our confirmation status quo.

Vice-Chairman David Matanane - So to be safe just let Mr. Borja for now because you need two signatures but as soon as we're confirmed the Chairman should have the privilege okay.

Acting Chairman Oscar Calvo - Okay so Mike because right now Dave and I are still status quo. You're okay with that Monte right?

Administrative Director Monte Mafnas - Yes I'm okay with that thank you.

VIII. EXECUTIVE SESSION - None.

IX. ADJOURNMENT - Meeting adjourned at 3:15pm.

Transcribed by: Teresa Topasna: Teresa Topasna

Approved by Board motion in meeting of: Sept. 20, 2012

Administrative Director, Monte Mafnas: Monte Mafnas Date: 9-20-12

~~Chairman (Acting)~~: ~~Vice Chairman~~ Chairman, (Acting) - MICHAEL BORJA Date: 9/20/12