Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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Commission Members

Michael J. B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

COMMISSION MEETING MINUTES
Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, November 21, 2013; 1:04pm – 2:55pm

I. CALL TO ORDER
Meeting was called to order at 1:04pm by Acting Chairman Michael Borja.

II. ROLL CALL
Present were Acting Chairman Michael Borja, Vice-Chairman David Matanane, Commissioner Amanda Santos and Acting Director David Camacho.

III. APPROVAL OF MINUTES (October 17, 2013)
Vice-Chairman David Matanane cited the correction on page 5, 4th comment down to read "…what we have and where we are…" instead of "…what we have and what we are…".

Vice-Chairman David Matanane moved to approve the minutes of October 17, 2013 with correction. Commissioner Amanda Santos seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS – None.

V. OLD BUSINESS
1. Spa Bali – Commercial license request

Dan Bradley – Good Afternoon ladies and gentlemen my name is Dan Bradley I'm the regional director of Spa Bali. We were here last month and I believe the Commission had stated the last time that we were going to further review, investigating the conditions and requirements for the commercial use permit.

Acting Chairman Michael Borja – They went out and did an inspection last month did you go along with them?

Dan Bradley – No I didn't. I contacted them and they contacted me as well. There was a bit of a problem securing watercraft.

Acting Chairman Michael Borja – Okay on November 19 which was just on Monday land agents Joffre Aguon and Sean Aldan went out to inspect the property and for the record we'll submit these photos and their inspection for the record. The occupant at the time was Premier Hotel and Resorts doing business as Sheraton Laguna Guam Resort. Their findings is that throughout the perimeter of the island they found trash that were left behind by individuals

that may have used the island for recreational purposes and in the photos along the beach area that accompanies this report shows disposed beverage containers around the beach area. That's all they have as comments here. Are any of those individuals present?

Acting Director David Camacho – The land agents?

Acting Chairman Michael Borja – Yes do we need them to discuss anything? But basically there was nothing else like demolished buildings that were left behind.

Acting Director David Camacho – There was nothing else.

Acting Chairman Michael Borja – Just trash that may have been left by people that were not part of the Sheraton right? It doesn't look like it would have been stuff that the previous occupants left. It might have been people who rowed over and camped out and drank a lot of beer and probably wadded over. So what's the next step we have on this?

Vice-Chairman David Matanane – Mr. Director the previous lessee have they complied with everything under the lease itself, have they paid up?

Acting Director David Camacho – Yes they complied with that. As far as the trash there we cannot identify whether it's the previous one.

Vice-Chairman David Matanane – But they didn't indicate whether they're going to renew their lease or not.

Acting Director David Camacho – They wrote us that they're not going to.

Acting Chairman Michael Borja – Mrs. Santos do you have any comments about the report or about the previous licensee?

Commissioner Amanda Santos – No.

Acting Chairman Michael Borja – So now we have to get an application to apply for a lease for this facility. Do we have something that we can prepare him for now or do we have to go out on any kind of.. (interrupted).

Acting Director David Camacho – Do an appraisal on that.

Acting Chairman Michael Borja – These guys are not the ones that do the appraisals these land agents right?

Acting Director David Camacho – No not the land agents it's the company that's requesting.

Acting Chairman Michael Borja – So he has to go out and do an appraisal now. So do we need to put out and tell him that that's what he needs to do now?

Acting Director David Camacho – In order for us to identify the amount.

Acting Chairman Michael Borja – The amount for the rent. So the entire island is what you're looking at using here, sir?

Dan Bradley – Yes.

Acting Chairman Michael Borja – Okay so seeing that the previous licensee has already written us that he's terminating his license and it has already been inspected and found that they have not left anything behind most likely the trash there is from other individuals that may have been going over there. Our next step then for you is to get two appraisals so we can determine what the fair market value is for the rental and then we can proceed from there.

Dan Bradley – Since the last meeting we've done some investigation and some research and there are a couple of concerns that we have prior to entering into an agreement with CLTC. From our dialogue with one of the previous leaseholders at that time it was a lease I believe was Steve Kasperbauer and Henry Simpson I don't know what company they were operating maybe Alupang Beach Club. They ran into a lot of problems getting permitting because of not a clear path as to who is authorized to issue use permits. One of their problems was they could reach the island but they couldn't get permission to go to the island. They couldn't operate a transporter or any type of watercraft to use to land on the island because of I believe it was the Guam Coastal Management. So we're a bit concerned about this license and this proposal that we have to enter into this endeavor. We're concerned about piecemeal, the agencies involved whether I believe at that time Parks and Rec kind of disputed some of the activities they had. Guam Seashore disputed some of the activities that they had. I don't know how to resolve that and to get a consensus from the various Government of Guam commissions and agencies as to who is actually authorized to allow the use of that island. We understand we can get a license from CLTC but that won't allow us to operate necessarily due to the other restrictions.

Acting Chairman Michael Borja – Did you speak with the Sheraton?

Dan Bradley – I have not spoken with the Sheraton.

Acting Chairman Michael Borja – They were using the island right with facilities on it.

Dan Bradley – From what I understand it a very, in fact that's why they no longer pursued the lease was that their approach was basically a destination a beach you know a kayak destination for their hotel guests and the demand from their hotel guests was so minimal that they decided to discontinue it. It is my understanding that they did have other plans when they initially entered into the agreement for the license but they also were denied or couldn't get acquire permits from the other agencies to conduct business there. So we're a bit concerned about that because we are a business.

Vice-Chairman David Matanane – We haven't had any lease yet and I see you already have impediments that you're concerned off. Are you safe to say that you're trying to back out on it?

Dan Bradley – No we're very interested in the project as we stated the original project. We think the potential is there for benefit for our company and also a benefit for Guam. However we are concerned that if we enter into a five year agreement and there's no chance of us ever being able to realize any operation you know that would be of concern to us. So possibly we would think about amending our proposal and we're at that very beginning stages of this I understand. I think at the last meeting the Commission here said that they would have to go to GEDA to get approval for the license possibly and maybe have a RFP issued. We're not sure if that process would you know whether GEDA would have to be involved.

Acting Chairman Michael Borja – The thing is we have a memorandum of agreement with GEDA to manage commercial licenses for the commercial properties so this would be considered commercial property and it could be something. More on the line what we have in mind for GEDA is to deal with some of the larger properties that would be leased commercially. That's what we were looking at because we're not in the property management business per say whereas they can do some of those things on a much larger scale than we are capable of. So something like this is a little bit smaller it's just one of those issues. The RFP was just a question raised to determine whether or not we needed to open up the activity for others that might be interested just to ensure that we're not showing any favoritism in any way towards anybody.

Dan Bradley – Our biggest concern was the agency involved I believe was Parks and Rec. They have I don't know how you would describe it as a covenant or a use restriction where they have partitioned off the bay all of East Agana Bay and any activity in the water regretfully that's the only way we know to get from the mainland to the island is on the water they can restrict and deny the use of anything that would transport a person from let's say the beach area to the island. So that's what worries us.

Acting Director David Camacho – There's certain areas that have been identified where Parks and Rec could comment.

Dan Bradley – Right and Alupat Island is in one of those areas. There are two areas that there's a line going from Alupang Beach Tower to Alupat and on the north side is one area. In fact in my understanding in that area it's actually a restriction on using any motorized watercraft what so ever. Any and all motorized watercraft has to be used on the southern or western side of that line. The language is kind of vague because we're not proposing to operate a watercraft business or something like that so we don't know if there would be. We'd have to go to Parks and Rec and find out if they would create an exemption for us to allow to transport.

Vice-Chairman David Matanane – Have you checked with them?

Dan Bradley – Not yet.

Vice-Chairman David Matanane – You approached us and it is determined between the Board itself whether to give it to GEDA or not. Not all CLTC property goes to GEDA so we will determine whether we'll have GEDA help us out in bigger amount but like I said you're mentioning all the impediments are you still willing to go through the process or are you..(interrupted).

Acting Chairman Michael Borja – It sounds like Mr. Bradley you're doing your research. If you'd like to come back to us again later on after you've done..(interrupted).

Vice-Chairman David Matanane – We'll talk again, go out and do your research and see what obstacles that you need to get over the hurdle and then come and see us.

Dan Bradley – We love the idea we're still very interested but we don't want to lease an island that we can't use.

Acting Chairman Michael Borja – Understand.

Dan Bradley – So we'll proceed we have to talk to EPA, we have to talk to Seashore the Use Commission we also have to talk to Parks and Rec.

Vice-Chairman David Matanane – You're always welcomed to come back and then address us.

Dan Bradley – Okay I can promise you that I'll stay in communication with the Commission and we also want to move forward in a timely manner so I can promise you maybe give us about 30 or 45 days to you know with the holidays it could be a little a bit tough but I would say by the first week of January we should have all of our answers and we'll proceed from there.

Acting Chairman Michael Borja – Okay.

Vice-Chairman David Matanane – It's great that you're doing all of that research before you really put it up.

Dan Bradley – We have to my wife owns the company and she will kill me if I don't.

Acting Chairman Michael Borja – Thank you very much we'll just table this until you want to come back.

Dan Bradley – To request for further meeting in the future. So basically as it stands now the GEDA participation is probably not required then.

Acting Chairman Michael Borja – Well it's not like they're going to go and do any kind of financial background check specifically for you. It's just that we have an agreement for them to be able to manage certain commercial properties.

Dan Bradley – We have a twelve year track record in business on Guam. We pay our taxes so we have no problem with GEDA the agency vetting us as far as our stature in the community.

Acting Chairman Michael Borja – Alright thank you very much.

Dan Bradley – Thank you gentlemen and lady, I appreciate your time again.

Acting Chairman Michael Borja – Alright thank you sir.

2. Ko'Ku Recycling – Status of clean up on Lot 5219-1-1, Barrigada
Fred Horecky - Good Afternoon Mr. Chairman, Chairman Borja and members of the Chamorro Land Trust Commission and Administrator Camacho. I'm Fred Horecky, an Attorney on Guam, I've been representing Ko'Ku Recycling and Mr. Bello on this matter for a number of years.

Benny Bello – Benny Bello, I'm President of Ko'Ku Recyling and we have met before on the Board and we'd like to give you an update that is supposed to be requested.

Fred Horecky – Commissioners I'll just begin briefly, of course the operational side and what's been occurring on the property Mr. Bello will address that but I've been involved in this particular license probably before 2008. There's a number of letters that you would see in the file on this matter about the license agreement itself. Actually when you read the license agreement there's a lot of very uncertain matters in it. One thing I should point out that in the license agreement as a condition it said that Ko'Ku Recycling had to clean up a certain lot in Dededo which is identified in the agreement and Mr. Bello did all that work. He did a tremendous amount of work which actually is one of the aspects of this agreement and for that he is entitled to a certain amount of credit. Now the license agreement of course talks about the formula for how you determine the credit but it never really determined exactly what the credit was. So starting in 2008 I began to write a number of your predecessors starting with Joseph Borja the Administrator, later on Jesse Garcia and then after that we had substantial dealings with Monte Mafnas. What I was trying to do was get an amendment approved for the license agreement mostly because on both sides there's such a un-clarity about its provisions. So couple of those occurrences were particularly in 2011. I have a couple of letters here you should have these in your file but I'd like to make sure for the record that you can see those. We had discussions we came in we met with Mr. Mafnas, we met with then Acting Chairman Oscar Calvo. At one point we were before the Board I remember being before Ms. Leon Guerrero and we had presented the situation. My understanding at that time was that we had an agreement on the amendment to the license agreement. I had discussed it with Mr. Mafnas, we had negotiated it and in fact I have a note in my file from November 2011 where Mr. Mafnas had asked me to make certain changes to the proposed first amendment and to put a signatory

line on it for Acting Chairman Oscar Calvo, to revise insurance provisions. I don't want to bore you with the details but in other words my understanding was we had an agreement and I did try to follow up I have a follow up letter about can we have a copy of the first amendment but it was never provided to me. So I still think I know you want to hear mostly about what's going on the property but I think it's really in the interest of both Ko'Ku and the Commission to clarify those ambiguities in the original license agreement. So that's my main participation. I can say I know from dealing with Mr. Bello that a lot has been done on the progress of trying to move this forward. But amending the license agreement is important too so I think I would ask you to perhaps continue efforts with us because the agreement provides for rent for example but it also provides that the credit due Mr. Bello is an offset to the rent. So we should really nail that down so everybody understands their obligations. I hope you can continue to work with us and we'll do our best to move this forward. I appreciate the opportunity to speak before you.

Acting Chairman Michael Borja – Technicalities are very important and in reviewing the lease yes it took me a lot of page flipping to really kind of get a grip on what was trying to be said.

Benny Bello – Since we have some new members I'd like to also maybe start in the beginning. Part of what I did way back in the early days was Ko'Ku Recycling was involved in the island-wide cleanup as a matter of fact we initiated the island-wide clean up with the Mayor's program. We help initiate the recycle law on Guam to do the tipping fees. We worked with Senator Barnes and Senator Rory Respicio to initiate that and now it has a pretty good some of the funds that is available. The island-wide cleanup is continuing to work for the community. We took out 17 ships of metallic waste on Guam. Part of the shipments that we took out maybe about 3 ships were from the Dededo property. At one point the Chamorro Land Trust property was one of the two major problem areas with Federal EPA. There was the Ordot dump and the metallic waste collection site at Dededo which is owned by Chamorro Land Trust. As far as the island-wide clean up I was approached by the Chamorro Land Trust too because we needed some property as well and we were trying to use it and implement a tire collection program. So we were given the opportunity to use Route 16 in exchange for cleaning up the Dededo site which we did and we had confirmation. In the lease itself it shows that we took out a certain amount of material even to that date that we signed the lease. So the forum we showed that we have more than sufficient photos to cover even up to the 20 year the whole span as a matter of fact I believe we still would have credit at the end of even if this were to occur. But we had some issues with the property on Route 16 part of the things from the history I don't know if you are aware but that was a coral pit that was used originally. At one point back in the 1990s the Guam Memorial Hospital also on this demolition site the debris from that was also brought to the site. So the property is not really usable for certain types of development but it's usable for laydown and things like that. But on top of that when we had our issues one of our issues was that we staged some tires back in late 90s was that there was a fire there. So we had to address the fire issue which we met with EPA and we have no issues with EPA. As a matter of fact we're continuing to work with them, our Notice of Violation at the time was cleared. But one of the things that we wanted to do for the property to be usable is we really need to cap it because we can't use it as a laydown yard

we have to address the issues of what EPA wanted us to do to meet the criteria to backfill it. So I submitted an agreement with Orion Construction that shows that we're doing work with them to obtain the permit to do the backfill permit as well as capping. We're working with other companies, Watts and others to do some collection of their good backfill materials. But in addition, part of the reason we cleaned this property several times but when we cleaned the property we bush cut it and made it nice what happened was it was like an invitation for people to dump. So we ceased and desist that type of thing. But with the growth with the property vegetation it eliminated that from people wanting to come in because they would have to go in and do it so we just secured the perimeter of the property. What we are doing is continuing to work to try to cap the lot and it cost quite a bit. I have a copy of a letter of an impact study which I paid for which is around $9,000 which we provided to which was done by Apec a certified environmental group. We spent about $9,000 for this also the property assessment and soil assessment for the property to make sure there weren't other contaminations and this was also required by EPA for the backfill permitting process. So just to make it short is that even though we don't have any type of revenue and we're continuing on spending money on this property it's my intent and my commitment to the Chamorro Land Trust and to our people here that we get this property at least to a usable site which is a laydown yard primarily. Because even if we backfill it and we cap it because of the debris that was put in there before we can't identify the type of pressure or other things I think the engineering groups have said that you may not be able to use it to build buildings but at least cap it so you can do something with the property. My intent is to make sure that I could complete that but I also have to do it within the boundaries of what cash flow I have available to the site and because I feel and this is one of the things that I really need to have also my back covered because I'm putting a lot of money a lot of effort into this and I've cleaned up the Dededo site. We have everything that is required by law by the different departments including Guam EPA including Public Works and others is that I need my back to be protected. I'm continuing to do these things as long as some of the things I mean we've gone through three administrators where we haven't got the support I think to finish the amendment. We'll continue to do this but I still think it's really fair and right that I also be protected and the company. Because like I said we have no revenue, there's no revenue from this thing and I continue to put out money, I continue to pay the insurance, I continue to pay the contractors. Orion as I said the engineering is required for a certified engineering department group to work with us to get the permit so that we can get the backfill permit and it's going to require a lot of backfill because this is a six and a half acre site. So the only way like I said and it's hilly so the only thing we can do is get this thing filled up and do it properly. So like I said with Orion I've contracted them again and we're talking about probably another $10,000 in fees minimum to get the proper drawings. They're going to need some soil testing again but we have some of it but they're going to require other things which Public Works will require for us to get the permits. But we are in negotiations with some of the companies up there that we can work with that can meet that backfill requirement hopefully in 2014. So hopefully in 2014 we can cap this and as for the lease what it says is if we are able to use the property then we do a sharing of any revenue and the only type of use that we can use with this property is like a laydown yard or something in that respect. So any revenue will be shared as well. But I think that kind of covers most of the issues and if you have any questions let me know.

Acting Chairman Michael Borja – Firstly thank you very much for coming to our meeting today we've been wanting to talk to you about a few things. To Monte Mafnas's credit you know he's been I know trying to work in satisfying in resolving this whole matter for quite a bit of time but unfortunately he's been taken ill and he has not been on island for a while so he's still a little bit concerned. What we really wanted to talk to you about though is just to find out what the status is of this clean up because that was sort of a condition too on moving forward with the lease. I know that there's a lot of costs involved and they're not fun to pay with when there's nothing coming in for it. But what we are trying to resolve here is the EPA notice of violation issues on getting that matter taken up and resolved because when we spoke with you I think almost two years ago we were asking you specifically what the action plan was and a timeframe was so we can get that thing taken care of. And that's all we're trying to get done with is to try and satisfy that bit of issue with the property because that's what the problem is. I think there's not any other duties other than that to move forward with resolving the lease issues and defining it better on what it should be. So that's what we've been wanting to know. We are in receipt of two letters one came from you Ko'Ku Recycling and one from Orion both dated November 18, 2013. My question here is that on your letter sir the very last line; at this time we're on a very robust schedule to begin the project by the first of the year and anticipate that the lot will be fully reengineered by December 2014. On the last sentence of the Orion letter says we anticipate the project being completed by 2014. So what do these two dates mean? What is Orion saying they're going to be able to complete by 2014? I'm assuming that means by January of 2014, he doesn't put a month. Are you guys talking about a same time period or is he talking about something different from what you have?

Benny Bello – The permits is one thing and then the capping is the other.

Acting Chairman Michael Borja – So Orion is talking about the permitting and all the engineering plans and getting that done and then you're talking about..(interrupted).

Benny Bello – Actually doing capping and getting..(interrupted).

Acting Chairman Michael Borja – So what has been done since 2011?

Benny Bello – We've been working with these guys as well but number one to address your issue regarding EPA, Conchita Taitano Abad we were asking her to get a letter but she said you can call, we're not in violation. We've already resolved so we have no issues. What we're trying to do now is get a permit.

Acting Chairman Michael Borja – But what I thought that my understanding though if you guys recall that the issue that's come up with is really not so much this notice of violation anymore but we can't have these kinds of debris on those properties because it's now been deemed as a, the aquifer, on top of an aquifer. I mean we had to have another property in the Barrigada Heights area as well cleaned up that had vehicle waste.

Benny Bello – We don't have any vehicle waste.

Acting Chairman Michael Borja – But there's tires.

Benny Bello – I know but the tires it doesn't have and this is why we did the impact study that's why I'm saying we don't have a violation. We have no issues regarding the property in regards to any violation of having any types of material that is hazardous or in violation of any EPA requirements and this you can verify with Mrs. Abad and her office. Ko'Ku Recycling at this point has no issues except we are applying for a backfill permit.

Acting Chairman Michael Borja – So you're going to cap off all the land.

Benny Bello – Yes and that's based on our ability to fund it as well. Part of and I agree with what you're saying and I'm trying to address the fact that if we were in violation I can understand the cost that you would have to determine. But at this point we are not in non-compliance with EPA regulations as all.

Acting Chairman Michael Borja – Okay and so part of the discussion that you've mentioned Mr. Horecky was also to take the cost of doing all of these things to clean up this land and help to apply it towards whatever the rents are.

Fred Horecky – Right now actually the credits alone we figured this out we believe there's 7.5 million that's the amount of the credit and actually Mr. Mafnas had agreed with that figure. We explained how it was determined it's based on the amount of scrap that you took off the Dededo lot and that seemed to be agreed too. So the thing is on the rent, that amount is a credit against the rent so there's no rent amount in the lease but it also says that the credit can be applied to that. So it's kind of important to determine the credit so we know what we're talking about. Now I think some of the other agreements yes we thought it was important if the land is leased out we should have a set agreement as to what portion goes to the CLTC and what portion would go to Ko'Ku and that's what we were trying to do on the amendment.

Benny Bello – But to answer also is that we're not concerned as far as the credit we feel the credit is sufficient to cover the rent throughout the period of time of the commercial license term and the cost to do the backfill is solely on us. We're not asking for any credits on that area we just want to resolve it so that we'll know that I'm continuing to put money up forward, I'm continuing to do these things and we just need to get the lease finalized.

Acting Chairman Michael Borja – And that's the reason why we asked to have this meeting is to sort out where we are since our last meeting two years ago when the same kind of issues were brought up and the same kind of promises were made to clear this up before.

Benny Bello – And we've done that we're not in violation.

Acting Chairman Michael Borja – Okay but you're not in violation but we wanted to resolve the whole issue I believe and so that's what..(interrupted).

Vice-Chairman David Matanane – Mr. Bello I believe you agree that there is rent due.

Benny Bello – No, I never, according to the lease there is rent due but we have credit which should be applied to.

Vice-Chairman David Matanane – It doesn't specify any credit here.

Acting Chairman Michael Borja – Well no on discussions that they have been having with Monte on sorting this whole issue of the lease.

Vice-Chairman David Matanane – I think we have instruct that back in 2011 that..(interrupted).

Benny Bello – That's why we have an agreement that says that we need to..(interrupted).

Vice-Chairman David Matanane – We have minutes on that.

Fred Horecky – Even the original Chamorro Land Trust license provides for the credit. The credit is clear and that that can be applied against the rent is clear from the existing Chamorro Land Trust Commission license. But the only thing that wasn't determined is what is the amount. That was the problem, what is the amount of credit that Mr. Bello got from cleaning up the Dededo property. That was the issue.

Vice-Chairman David Matanane – Exactly and have we mentioned it back in 2011 when we were discussing it we were asking for the bill of lading or when you ship out those materials we would like to see those so we can come up to that 7 million you are mentioning. We have to have data concerning that.

Fred Horecky – You know what we did.

Vice-Chairman David Matanane – You can't just throw figures out of the tin air.

Fred Horecky – You know what we did, we met with Mr. Mafnas we actually went through the figures with him. We went through how the calculations were made, how the amount was determined and he had no objections to that. The amendments he asked me to make did not involve that. We actually cut down the amount somewhat on the credit but Mr. Mafnas I'll represent to you to me it was a done deal. Mr. Mafnas agreed, Chairman Calvo agreed they made all their amendments. They basically represented that this agreement was good.

Acting Chairman Michael Borja – I believe they agreed they did so too the only thing that was still pending was where do we stand on the end of finishing off what we thought should have been done by now and now the letters say December 2014 is the completion.

Benny Bello – But again there's two things we're not done with our amendment which was supposed to and I am not in non-compliance with EPA and I'm willing to go forward and

spend another twenty, thirty thousand dollars but you need to also do your part right which was agreed to. If I'm going to do these things which are not required under the lease I'm more than happy to do it. I just want to be supported that whatever was discussed we went through this process I paid the attorneys I paid to put our position in place and now we're back to this and I see I'm getting another..(interrupted).

Acting Chairman Michael Borja – No, no with Monte not being here to be able to represent the discussions that he had had or the previous Chairman I'm going to have to table that part to it but I know that we're trying to resolve this thing. Our purpose for you to come today was to find out the status on where we are on getting this final project in Barrigada cleaned up or you know capped off. And so you've presented the information we needed to know but there's still a lot of other unfinished business which needs to still be fully resolved in order to allow this property to at least to be usable.

Benny Bello – Yes usable and corrected to me is not a..(interrupted).

Acting Chairman Michael Borja – Well amended to be so that the figures are all agreed upon and we can move forward from there. I think it sounds like you guys agreed upon those figures already we just don't have the documentation.

Fred Horecky – I thought we had, that was the representations that I understood.

Acting Chairman Michael Borja – So Mr. Camacho if we can just communicate somehow with Mr. Mafnas or whoever to get for the record what those numbers were so we can have him sort that out with Mr. Bello and his attorney.

Fred Horecky – Mr. Chairman we'll give these documents as well.

Acting Chairman Michael Borja – Sure we'll take it for the record. Being presented is Phase 1, Environmental site assessment for Lot 5219-1-1, Barrigada dated August 2007 for Ko'Ku Recycling prepared by APEC and letters from Mr. Horecky to the Chamorro Land Trust dated December 8, 2010, November 3, 2011 and November 18, 2011. Any other comments from the Board members?

Vice-Chairman David Matanane – I'm still studying and reading there's a lot of reading.

Acting Chairman Michael Borja – Yes it goes back awhile and the lease is not very, you know there's a lot of ambiguity. That's the reason why in certain cases we're looking at you know for something more complex the license agreements that we're going to enter into for commercial properties we have enlisted GEDA to do those things as you have heard previously and that was for those kinds of more complex ones where we have armies of attorneys on both ends.

Vice-Chairman David Matanane – Mr. Bello, HMS do you know before?

Benny Bello – Yes they're a part, one of my companies. HMS is part we just changed it to a dba to Ko'Ku Recycling. Original company was HMS then we moved to a dba so we can have a local flavor you know.

Vice-Chairman David Matanane – But it didn't say dba you know. If you say Ko'Ku Recycling dba HMS or the other way around that's fine.

Benny Bello – This property is really not a very, it's a problemed property..(interrupted).

Vice-Chairman David Matanane – If you're saying that HMS is involved with you Mr. Bello then there's another lot that we are also (inaudible) right?

Benny Bello – What's that?

Vice-Chairman David Matanane – There's another lot number that you are leasing from Chamorro Land Trust?

Benny Bello – No, no.

Vice-Chairman David Matanane – What's this 10122-15?

Fred Horecky – That's the one he cleaned up. That's the one mentioned in the license agreement that he had cleaned up as a part of this.

Benny Bello – And we gave it back it the Chamorro Land Trust cleaned. That's the Dededo property the metal collection yard that is being used by Global and the rest of the (inaudible).

Fred Horecky – That's the work that Ko'Ku was due the credit.

Vice-Chairman David Matanane – We're talking only 5219-1.

Acting Chairman Michael Borja – Yes we're talking about the Barrigada property specifically.

Benny Bello – This property is a major problemed property because it's actually a quarry pit that's used for backfill and we did have the issue with the tire. The tire issue was resolved but right now in order to make it usable for anybody even myself we needed to cap it and do these types of things. So in order for us to do this, I'm still doing it and it takes funding and other things and I'm still doing that on my own accord because I want to give something back and not just leave something..(interrupted).

Acting Chairman Michael Borja – So are you still, the December 2014 date is a good target date, a reasonably turning date?

Benny Bello – I think that's my deadline that I'm trying to do for myself. It shouldn't be mandated by the Commission for me to do this. It'll take me longer because I don't have the funds that should be my..(interrupted).

Acting Chairman Michael Borja – But we've been asking about this like I said since two years ago.

Benny Bello – I know but there's two things that needs to happen. I need to also secure the lease so that I can be able to recoup some of the revenues that we're putting into this property and so again even if you're asking that I agree that my..(interrupted).

Acting Chairman Michael Borja – That's the reason why I don't think there has been much activity on that because we have been waiting to see where we stand on this since the 2011 discussions. It's kind of a mutual..(interrupted).

Benny Bello – The capping is a new issue. It's resolving the EPA was the first issue that's been resolved. The issue with the Commission from the get go was that they don't want any hazardous materials or they don't want any violations on the property to be pending. This has been resolved. This is what I'm stating today. There's no hazardous materials that can be said that's on the property and we have no violations. That's what the issue was when we met with the Board not the capping. The capping I'm doing because I want to be able to utilize this property. This is a new issue. If you look at this whole process it's never talked about capping. In order for us to use this property properly and to be able to get some kind of benefit from it is that it needs to be capped so that it could be used. Today is the first time we've talked about capping. The other issues have always been meeting the issues of making sure that we don't have a violation and this is the case today. We are completely in order with any EPA issues.

Acting Chairman Michael Borja – So it's not that you have to remove all this stuff.

Benny Bello – No we don't have to remove it. There's other issues that need to happen in order for us to do the backfilling and we don't have to remove..(interrupted).

Acting Chairman Michael Borja – And these things all arose because whoever determines this most likely EPA that where the aquifer area covers and the Barrigada Heights fell under that area resulting in some other areas having to be cleaned up as well.

Benny Bello – And that's why we did the assessment that's why we provided them the information that we don't have that issue because we did resolve it. The other thing that may be confusing to you there was another party that was a part of this area which was, they were collecting cars. There's another group they were the ones that had a violation and they were the ones that had the cars and the oils. We had none of those issues. Please remember, today we resolved everything that the Board asked us to resolve regarding the EPA not having any hazardous, we don't have a violation. I brought today the fact that we want to cap it so that we can both get revenue. This is not a requirement by the lease that I cap this. I'm trying to do it so we can all benefit.

Acting Chairman Michael Borja – Okay so Mr. Camacho just find out what the documentation is with the discussion with Mr. Horecky and Mr. Bello when they had the discussion so we can try to move forward in resolving the lease issues on this. We'd like to see this thing done as soon as you can and definitely by the end of December of next year. Any other questions or comments?

Fred Horecky – Thank you Board members.

Benny Bello – Thank you.

VI. NEW BUSINESS

1. Guam Gun Owners Association – Request to lease property for a public shooting range

Kenneth Gibbons – Good Afternoon Mr. Chairman, members of the Board, I'm Kenneth Gibbons I'm the President of the Guam Gun Owners Association. It's an organization recently created as a non-profit organization incorporated in the Island of Guam.

Mariano Cruz – My name is Mariano Cruz, I'm currently the Treasurer of Guam Gun Owners Association and I'm also one of the founding members of the non-profit association.

Jason Young – I'm Jason Young, I'm the Vice-President of the Guam Gun Owners Association.

Kenneth Gibbons – Sir, we recently submitted an application with the Chamorro Land Trust Commission for a lease agreement to lease a property to open a public shooting range. The location we submitted the application for is located in Piti, its Lot Number 170A-1.

Acting Chairman Michael Borja – Is that where the old gun range was?

Kenneth Gibbons – Yes it was currently being operated as the Chamorro Shooting Gallery.

Acting Chairman Michael Borja – Is it still being operated?

Kenneth Gibbons – Yes as of today it is. When we submitted our application the business operations there did stop. They were closed down due to some unknown legal restriction and we saw that as an opportunity to take over the range.

Acting Chairman Michael Borja – That range is Chamorro Land Trust property right and it's still on a lease?

Acting Director David Camacho – There's a request from Monte to cease the operation up there as of I believe November..(interrupted).

Acting Chairman Michael Borja – Because?

Vice-Chairman David Matanane – Remember Judge Unpingco came in and they had an agreement with the former lessee and we need to bring in Judge Unpingco in order for us to..(interrupted).

Acting Chairman Michael Borja – What was his part on that?

Vice-Chairman David Matanane – He made an agreement with the former lessee I think it was Cruz and he continued on and we allowed it to go ahead and continue but all the proceeds that he's supposed to pay over to Cruz has to be put in a Trust account in order to keep it good at his standing. He had an agreement with the lessee actually the true lessee had passed away and the son is taking care of it and he had an agreement with the son.

Acting Chairman Michael Borja – So the lease now is under the beneficiary and the beneficiary and John Unpingco had..(interrupted).

Vice-Chairman David Matanane – Had an arrangement already. I guess we need to bring in Judge Unpingco and the son.

Acting Chairman Michael Borja – But why was the lease terminated?

Acting Director David Camacho – Due to the fact that the lessee at that time is Santos and he leased it out to a Cruz.

Acting Chairman Michael Borja – And he can't do that.

Acting Director David Camacho – He can't do that. But as far as what I heard from Monte they did already accommodate the beneficiary of Santos, a certain property that was cut up for them.

Acting Chairman Michael Borja – We allotted him another property to use?

Acting Director David Camacho – Right the same area but we cut up certain property for the children and again the other problem is it's not registered yet.

Acting Chairman Michael Borja – Okay so the beneficiary is maintaining a portion of the original property which now does not include this gun range.

Acting Director David Camacho – Right.

Acting Chairman Michael Borja – So now this gun range property area is available.

Acting Director David Camacho – Available.

Acting Chairman Michael Borja – Okay.

Vice-Chairman David Matanane – From my understanding that Mr. Unpingco was leasing it from the..(interrupted).

Acting Chairman Michael Borja – To run a gun range.

Vice-Chairman David Matanane – Yes.

Acting Chairman Michael Borja – But he can't do that.

Acting Director David Camacho – One of the agreement between Monte and Unpingco is to survey out additional property I think 3 acres for the representative the one that he's representing with the agreement that they're going to register the property. But as of now it's on a standstill and I know there is a letter from Monte to cease all the operations on it.

Acting Chairman Michael Borja – And they have?

Acting Director David Camacho – They have.

Acting Chairman Michael Borja – So on that property it's not being used as far as you guys know.

Jason Young – No it's being operated.

Vice-Chairman David Matanane – Have you talked to any of the operators that are operating it?

Jason Young – Yes now when you go out there they've posted some more official signs and regular business hours. They ask you now to sign a waiver and pay a $15 fee.

Lee Webber – My name is Lee Webber, I sit on the Board for the association, it is operated as a for profit business. There are posted business hours and from what I understand there is a contract agreement with a Japanese Shooting Gallery for use of the property for profit.

Acting Chairman Michael Borja – That's what we were having a little discussion with was the original lease for that property was to an individual who was operating it had since passed away. That individual had a beneficiary who was his son who had then subleased it out which is not permissible and in accordance with our rules and regulations. So we have told them to terminate the use of the property and that the beneficiary would be still allotted use of a portion of the property but not the property that includes the gun range. So if there's still people using that out there we need to then have our inspectors go out and evaluate what's going on. If notice or the lease has been since terminated for that use or been adjusted then the property has been told to be returned back but we need to act accordingly on that.

Lee Webber – Mr. Chairman I know there was, the Guam Shooting Sports Federation which I'm also a member of did have a lease from what I understand that lease is terminated. They're still allowed to operate there but that's not; the real for profit lease is with it World Guns. I don't know the status of that lease however I was there Sunday the Guam Shooting Sports Federation did host a competition there on the existing portion of the range that they used to use. World Guns did have customers there on the exact same spot that they used to use. That property is being used in the exact same capacity yet as of Sunday as it has been for years there's been no change as to the use of the property. So I don't know about specific lease agreements but its still being used.

Acting Chairman Michael Borja – What are you guys trying to use? What are you asking for?

Kenneth Gibbons – We were under the impression that the lease on that lot was null and void at the passing of the original lessee and basically the land was up for grabs. We were going to apply for that lease.

Acting Chairman Michael Borja – But you know that it's still according to Mr. Webber you know that it's still being used though right?

Kenneth Gibbons – Yes it's still being used.

Acting Chairman Michael Borja – So then it doesn't appear to be in your mind if they were told to stop they haven't complied.

Lee Webber – They had for what about two months or I'm sorry they ended in August and then they resumed business in October. So there was a two or three month timeframe where there was no business being conducted officially. I heard rumors of World Gun actually going up there. I know the Guam Shooting Sports Federation was not because they entered into an agreement with Guam Community College for their national shooting team to practice up there because they're competing in the Philippines and representing the island.

Acting Director David Camacho – As far as our office is concerned the property itself first of all its unregistered. Secondly, there's a notice already for the people out there operating to cease as of I believe September 13.

Acting Chairman Michael Borja – Since December 13th.

Acting Director David Camacho – September 13 of this year that's the deadline for them to cease and we know that they stopped. But it's news to us that they're still operating. That's one thing now that you mentioned that we're going to have somebody check on that.

Mariano Cruz – We're glad you folks recognize that. The reason why we put our application in is very simple there was no range available for anyone to shoot at. And we stepped forward as a non-profit association at the gripe of our membership saying that they

had nowhere to go, nowhere safe to operate, nowhere to be educated to take training classes. What we thought and we put this to a vote let's step in, let's make a formal application, let's follow the rules and apply for the proper leases so that we can serve our membership and the people of Guam and that's why we formally put the application through.

Jason Young – Also one of the nice things about that is that like what Mario said is that that is the only public shooting range on Guam. We're a newer non-profit organization and for the past few months we've been kind of bouncing around having our meetings at different places that are willing to host us but we have no home. The shooting range not only gives us the opportunity to continue providing the public with a safe place to go shoot it also provides our organization with a place for operations and a place we can call home. This is a great two-fold success because one it gives us a place where we can conduct our business but it also gives us a forum at the range where we can offer safety classes. We already have members in our group that are National Rifle Association certified instructors who are doing it already on Guam. But they're in the same thing they're renting a hotel room, they're renting a space to go and conduct training classes. If we had access to those facilities we would be able to give them a place that they could use regularly and depend on to host firearm safety and training. So we think that this is a win-win benefit to everybody.

Acting Chairman Michael Borja – How many members are in your organization?

Kenneth Gibbons – Just over 30, we've incorporated in August of this year.

Acting Chairman Michael Borja – And is there any stipulation in your organization that members who want to use the facility or to use a firearm in this organization have to have the proper credentials?

Kenneth Gibbons – Yes there is.

Acting Chairman Michael Borja – So the license and then training if certified training of any kind if they might have it.

Mariano Cruz – Right now it's on a voluntary basis.

Acting Chairman Michael Borja – What's a voluntary basis?

Mariano Cruz – As far as getting training.

Acting Chairman Michael Borja – But the licensing is required.

Lee Webber – The licensing is required, the license within the Territory of Guam. However, there is no local law that requires any type of firearms training but we are promoting that and the safe use of firearms.

Mariano Cruz – We see a great need for that and rather than waiting for any kind of legislation to be pushed through on that we want to take steps to move forward on those goals. This is a long term goal for our association this is certainly not something we needed to meet on immediately. However, when the opportunity or the closing of the business the existing range happened that's when we decided hey, there's a need we have an opportunity, we're non-profit, we've gone through all the steps to incorporate ourselves. We have monthly meetings, we have an annual meeting set up as well and we have certainly a lot of passionate people who want to do this and so we presented our application and hope you consider it.

Acting Chairman Michael Borja – You'll also ensure that the range is kept clean? And if possible all shells are properly disposed of.

Jason Young – That's one of the good reasons we want to take it over. If you go up there right now that place is trashed.

Mariano Cruz – Actually we have members in our association that voluntarily clean up without getting paid. We do that as a matter of fact.

Jason Young – We would like that we've been talking about it we'd like to end a lot of the practices that are happening up there with people just taking random items there to shoot. Sometimes you'll see a computer monitor or tanks, propane bottles all sorts of things. We would like to operate that facility as a safe range that kind of fits in with higher standards.

Mariano Cruz – We want to legitimize the operation and formulize the lease with the Chamorro Land Trust Commission and take the steps to properly make this a possible sports facility for kids for Olympic teams for collegiate teams. And we have many levels we want to approach but we're trying to take it one step at a time.

Acting Chairman Michael Borja – Mr. Camacho that whole area already is well designed for a shooting range.

Acting Director David Camacho – It is I've been there and it is designed for it.

Acting Chairman Michael Borja – Any of your members in law enforcement?

Mariano Cruz – Yes.

Kenneth Gibbons – Yes.

Jason Young – Several.

Mariano Cruz - And they wholeheartedly endorse what we're trying to do.

Acting Chairman Michael Borja – Do you guys have any specific membership requirements that a police clearance is required so you don't have felons?

Lee Webber – Sir to qualify for a firearms ID you have to go through an FBI background check.

Acting Chairman Michael Borja – Okay, I don't own a firearm so I don't know.

Jason Young – We require a firearms ID so pretty much we've let GPD do it for us.

Acting Chairman Michael Borja – I don't see a business plan in this thing did you guys have any kind of business developed?

Mariano Cruz – We'd like to present a business plan but we were actually just notified recently that we'd be put on the agenda we weren't able to put one.

Vice-Chairman David Matanane – You guys are just newly formed anyway.

Kenneth Gibbons- That's correct this organization is in its infancy and we do have some very long term goals. Because we are a non-profit organization we also want to be a valuable member of the community by giving back to the community not in a sense of just firearm safety training, having a safe place for the firearms community on Guam to go and enjoy the sport of shooting but also getting back to the community by adopting roadways, painting school bus stops bringing the NRA and the Eagle Program into the schools which is firearm safety for children. Again anything that we as a non-profit organization would earn as far as revenue is going to go back into the community. It's going to support our causes by giving back to the community.

Mariano Cruz – What I notice most is the momentum that our association is gathering. We have teachers, we have business people, we have police officers, we have attorneys, we have a diverse group and everyone is passionate about getting this done and doing it correctly because we want to be legitimately recognized.

Acting Chairman Michael Borja – Yes and I see some great firing ranges in the States and you know they are great for folks who want to go out to use their weapon properly. As far as the fire range is concerned is there any kind of restriction on the type of weapon that can be used out there? In your organization is there any specific restriction on what you're going to be allowing to use as weapons out there?

Mariano Cruz – Only lawful weapons.

Jason Young – I'd like to point out that I've heard on a few instances that the military uses that from time to time because it's easier than going through their own channels to use their ranges. And I've heard stories of the Navy Seals out there firing things as big as a 50 caliber sniper rifle which doesn't make any sense but they did it.

Mariano Cruz – And again we have folks in the military that are also part of our membership and they're certified armors, it's really exciting, it's really exciting.

Jason Young – And we've got tentative commitments from people in the military that are certified as range masters to volunteer their time as long as they can count it towards their community service hours. And that's one of the other things we were talking about trying to figure out a way to have an actual range master out there at all times.

Acting Chairman Michael Borja – So as far as the staff goes out there I mean if you're going to have a range master he's probably a paid individual right?

Mariano Cruz – Correct.

Acting Chairman Michael Borja – It has to be probably. So that individual is going to be fully certified across the board for being able to ensure people are using their weapons properly.

Mariano Cruz – That's correct and we recognize that we're not just looking for transitional folks. We're looking for those who want to plant their roots or have their roots here on Guam so that it can continue not just with certain folks deployment and we take advantage of that situation.

Acting Chairman Michael Borja – Present the business plan develop one that talks about what you guys have as a vision. We're going to look on our end to send some inspectors down there to determine what the situation is with that piece of property and if it's still being used which it shouldn't be then we'll do our part of it to get it terminated. But on the side of them obtaining a lease or a license for this what do we have to do? They just put in the application for it?

Acting Director David Camacho – First of all Mr. Chairman the property as I heard from our Land Administrator is still unregistered and we're trying to address it to have it registered.

Acting Chairman Michael Borja – So it needs to be surveyed and registered?

Acting Director David Camacho – Registered yes. Like I said one of the agreement between Monte and Unpingco is for them to survey out three acres for the Cruz' and for Unpingco and the Cruz to register.

Acting Chairman Michael Borja – But not this specific lot?

Acting Director David Camacho – No the entire lot.

Acting Chairman Michael Borja – And has that gotten anywhere?

Acting Director David Camacho – Not yet we've been waiting for Judge Unpingco to come in.

Mariano Cruz – As part of our plan we'll also present to the Commission title and encumbrance report if that will help facilitate and present that earlier if necessary.

Vice-Chairman David Matanane – We would appreciate that. My question is since you guys are a non-profit we should give you guys the lease and of course for a non-profit we're not included in that non-profit thing. Of course you're going to have a pay the usual lease agreement that was the previous one there.

Acting Chairman Michael Borja – That wasn't a non-profit.

Vice-Chairman David Matanane – Just wondering because they're a non-profit then we should lease it out of course it's Chamorro Land Trust property.

Acting Chairman Michael Borja – It's improved property now right?

Acting Director David Camacho – It is.

Acting Chairman Michael Borja – Because the deceased lessee had put money in to developing it there are provisions within the law that requires us if requested to compensate for property improvement that can't be removed so we're going to have to take that into account.

Acting Director David Camacho – The area next to the pistol range is clear and I know that the facility out there needs to be..(interrupted).

Acting Chairman Michael Borja – Was there any permanent facility built on there?

Acting Director David Camacho – Yes there's a building there for a staging area, a building.

Jason Young – That building does need, it needs to be inspected by an engineer. I have looked at it. It might be falling off the back down there.

Acting Director David Camacho – They need to tear it down or restructure it or whatever to fix it up.

Mariano Cruz – I don't want to jump the gun pun intended here but we have our resources to help the Chamorro Land Trust Commission if we could obtain the lease we'd be glad to help out in that way.

Acting Chairman Michael Borja – Well one of the requirements for properties like this correct me if I'm wrong if we granted them the lease they would have to first do the property survey right to get it registered. That would probably be one of the requirements. You'd have to get it surveyed and get it registered here at Land Management and the lot what we specifically call the lot and then we'd have to determine what the actual points are.

Acting Director David Camacho – Could we have our Land Administrator explain?

Margarita Borja (DLM) – As far as the registration it has to go through the court process.

Acting Chairman Michael Borja – It has to do what?

Margarita Borja (DLM) – It has to go through the land registration process so that's you know going to take a while. We're working on some cases right now but we can prioritize this. There's already been a land registration map completed but it was back in 1970 or 80 so we need to verify whether or not the map needs to be updated. But it went to the initial process. I verified whether or not it was given an LR number but it needs to go through the courts.

Acting Chairman Michael Borja – So is there a way we can have them begin some kind of process to formally request for the use of that property? In the meantime while we're going in and inspecting and determining what's going on and cease it if it's something being done against our desires.

Acting Director David Camacho – We're on the verge of filing some land registration and could include that in.

Acting Chairman Michael Borja – Okay and then you guys please provide a business plan as well that tell us exactly the specifics of what you're looking to do over there just so we can have for the record. We ask the same kind of thing of a person who wants to farm the land we ask them for a farm plan you know what kind of crops are you going to grow and what kind of land and how are you going to use it. So the same kind of thing we just need to know how you're going to use the land and how are you going to keep the land preserved. Because that's and you've probably heard from the previous folks that were up that we were kind of concerned that people don't spoil the lands and that spoiled lands be returned as much back to their original condition as they should have been left. And that's the issues we've been trying to deal with quite a bit lately of people getting lands and then spoiling it pretty bad.

Vice-Chairman David Matanane – My concern also is insurance make sure you guys are able to get, you need insurance on those.

Mariano Cruz – We wouldn't operate without insurance.

Acting Chairman Michael Borja – Yes that would be one of our requirements too for liability issues we want to make sure that..(interrupted).

Mariano Cruz – (inaudible) and the members that are in local insurance companies.

Vice-Chairman David Matanane – That's individual though but as an association or a corporate.

Mariano Cruz – Absolutely we've been inquiring we just want to make sure we take the right steps forward and that we're recognized on the application.

Vice-Chairman David Matanane – I was reading your and nobody is liable for anything here on your corporate documents. I believe on Article Seven, the private property of the members of this corporation shall not be liable for corporate debts or anything else right?

Mariano Cruz – That's correct. It's a complete non-profit association standing on it's on.

Vice-Chairman David Matanane – No I'm just stating out so you guys think about it. You know I'm all for it, I'm a member of NRA.

Jason Young – We've been making the inquiries but it's such a; when we started originally started talking about this we figured it would take us about five years to get to this point honestly.

Acting Chairman Michael Borja – How long have you been doing it?

Jason Young – Two and a half months. We're a little bit ahead of schedule but like I said that came up because the need arose and it was either do something about it or not. And we elected that since there was no other options and that our members, people who are not even member of our group just the general public would have no choice but to just go off and shoot in the jungle someplace which is not very safe that we should take it upon ourselves to move our plans forward to provide a clean, safe place for the people of Guam to go and shoot at that's open to the public. We've been working like crazy on our side to even figure out exactly what needs to be done. And the stated questions that you're asking us we've been having those discussions trying to determine everything that needs to be done and figure out how to make it possible.

Mariano Cruz – With that being said we'd be glad to present it at the next meeting if you folks give the date we'll put that together.

Acting Chairman Michael Borja – It's the third Thursday of every month.

Vice-Chairman David Matanane – I suggest Mr. Chairman that we need to call in former Judge Unpingco because..(interrupted).

Acting Chairman Michael Borja – Yes, just to let you know that we do have someone else who had made an inquiry on this property on behalf of the beneficiary of the property and the fact that he's a former federal Judge kind of weighs a little bit.

Mariano Cruz – We're a non-profit we hope we get some sort of preference as opposed to a for-profit.

Acting Chairman Michael Borja – No but on concept I mean we don't need things that are going on against our wishes as well on our properties and I understand full well the needs

of people to use weapons and to use it properly. I was trained in the military too and I don't take firearms you know I take it very seriously and I expect people who use firearms to equally take it seriously. But I want point out that one of the senior legal counsels of the National Rifle Association is from Guam. If I point this out to him because he's very related to me I can see if I can get Mr. Lapimier to come out or something.

Jason Young – Our first step in our organization was to get our local licensing and affiliation set up but we were actually moving to become NRA certified trained because they provide a lot of help. They also provide insurance for shooting range and a lot of support for these types of facilities. So we're in the very early stages of everything.

Acting Chairman Michael Borja – Well that sounds good, Mario I can probably give you his name and contact information and they can probably help you on that regard too because they're interested in that kind of stuff that's their livelihood. Any other questions? Mrs. Santos do you have anything to say?

Commissioner Amanda Santos – I remember when Judge Unpingco came regarding that firing range but they never move on it too.

Acting Chairman Michael Borja – Yes he hasn't come back it's been a while.

Kenneth Gibbons – In the interim if the Chamorro Shooting Gallery is operating illegally against the cease and desist that was issued by the Chamorro Land Trust Commission and you find out that it is being operated illegally and the lot gets tied up in legal issues is there any way that the Chamorro Land Trust Commission can assist us in locating another piece of property owned by you for our endeavor?

Acting Chairman Michael Borja – Well the last inquiry in this regard was something down in Malojloj.

Vice-Chairman David Matanane – I was just asking him is that free up there in Malojloj if it's still operating. We'll check into that.

Acting Chairman Michael Borja – Yes there's other properties available but you know it would probably be a property that is not suitable for homes or agriculture and that has in your case the necessity for background coverage.

Kenneth Gibbons – Natural backstops.

Acting Chairman Michael Borja – Yes to keep the bullets from going astray.

Mariano Cruz – Well again there was an existing facility there nobody was operating at the time we applied..(interrupted).

Acting Chairman Michael Borja - No but we'll look into this.

Jason Young – We've come to understand that Mr. Unpingco is also interested on the same property and I just want to make it very clear that he is interested in operating a purely private commercial operation whereas we are interested in doing something that's more.

Mariano Cruz – Okay we'll see you at the next meeting.

Acting Chairman Michael Borja – Okay thank you very much for coming.

VII. DIRECTOR'S REPORT

A. Revenue collection report for the month of October 2013

Acting Director David Camacho – You have a copy of the financial in your folder as far as the collection is concerned. For the month of October we collected $72,990.05.

Acting Chairman Michael Borja – What is this thing for Guam Power Authority?

Acting Director David Camacho – The Guam Power Authority is under public law that every year the authority should pay Land Trust, correct me if I'm wrong Margaret, Land Trust certain amount.

Acting Chairman Michael Borja – And that's in what? It's in the law?

Acting Director David Camacho – It's a public law.

Margarita Borja (DLM) – A section in the law that transferred the Fadian property to GPA.

Acting Chairman Michael Borja – Which property? The one where they're building?

Margarita Borja (DLM) – Yes there was a section there right after the transfer so it mentioned that the autonomous agencies, like an autonomous agencies fund $875,000 would be I guess annually effective October 2013 to the Chamorro Land Trust Commission.

Acting Chairman Michael Borja – Have we issued them a formal invoice?

Margarita Borja (DLM) – I think they did that's why it's still being put down as a receivable.

Acting Director David Camacho – We did.

Acting Chairman Michael Borja – Because that would be great I mean I wouldn't mind having them do in-kind contributions of putting power poles and connection points to some of the lands that need that kind of service. But we need to definitely have this get worked out because if they want to still pay us I'm sure they're going to come out and tell us well they're going to tell the public they're going to raise the price of electricity and water because we're making them pay for something that was law.

Margarita Borja (DLM) – I'll provide you with a copy of that.

Acting Chairman Michael Borja – Let's make sure that they're well aware of it formally because it might have slipped their mind as they're building their nice beautiful facility on our land. But seriously this is good money for infrastructure development. Is this Guam Power Authority thing is it just specifically them or it's the utilities?

Margarita Borja (DLM) – Its autonomous agencies.

Acting Chairman Michael Borja – Any autonomous agency so it includes Waterworks?

Margarita Borja (DLM) – I believe so. I guess they put so much money into this one account and then I don't know how that goes.

Acting Chairman Michael Borja – So if they want to do some in-kind payment by putting infrastructure that would really be useful. That would help out a whole lot. Let's follow through on this.

B. CLTC draft rules and regulations

Acting Director David Camacho – GEDA has completed the draft.

Acting Chairman Michael Borja – So look through that I've already been kind of looking into a couple of things. My question here is it talks leases and in this case you know when we're talking about commercial properties I thought for commercial they're called licenses right?

Acting Director David Camacho – Leases.

Acting Chairman Michael Borja – They're referred to as leases as well? What is a license?

Acting Director David Camacho – The license is something that the Board could always do.

Acting Chairman Michael Borja – So the questions he's asking are you'll see he has questions; CLTC needs to advise whether only Chamorros are allowed to lease properties for commercial purposes. The answer I saw in the law was no. But there's a bunch of different questions in here which would be wise if our legal counsel would have been able to go through some of these.

Acting Director David Camacho – That's why Larry Toves from GEDA is asking to get together to go down the line and address what's the dos and don'ts between GEDA and CLTC.

Acting Chairman Michael Borja – One of the other things that I saw was subletting. Now I didn't think we allowed subleases so there shouldn't be a section discussing subletting.

Acting Director David Camacho – I think they're using the GEDA type of, when they lease it out the lessee could lease it out to..(interrupted).

Vice-Chairman David Matanane – You're questioning this Mr. Chairman the audit report or whoever, here on number one; no rules and regulations, there is rules and regulations which is promulgated by Senator Paul Bordallo.

Acting Chairman Michael Borja – Well that's for the regular rules and regulations for all this but not specifically for commercial purposes.

Vice-Chairman David Matanane – But it does include commercial there.

Acting Chairman Michael Borja – But we need to be more specific on certain commercial stuff and that's the reason for this is that it creates something that's specific because there's not too much commercial stuff out there but the commercial properties could be enormous. I mean one of the ones that we just talked about recently was for GEDA to try and get the Oka Point leased out. That has major potential and if it's not done right we need to have something like this in place before they even allow to lease.

Vice-Chairman David Matanane – I'm wondering who wrote this? Is this coming from Senator..(interrupted).

Acting Chairman Michael Borja – Which one is that?

Vice-Chairman David Matanane – It was together with my package with this letter.

Teresa Topasna (CLTC) – That came from GEDA.

Acting Chairman Michael Borja – This one is from GEDA the OPA findings?

Teresa Topasna (CLTC) – Yes.

Acting Chairman Michael Borja – They were using based on what the previous OPA concerns were.

Acting Director David Camacho – But those things need to be ironed things out on the table between CLTC and GEDA.

Vice-Chairman David Matanane – Yes but like tenants are not allowed to sublease property however subleasing might be allowed if consistent with law. There's no such thing that there's law saying you could sublease.

Acting Chairman Michael Borja - So that's what they're basically saying is that you can make the law saying you can sublease but right now the law is no subleasing. So in my book the rules and regs should not include subleasing because all you're doing is opening up a can of worms. Someone who signs up a lease and if this is the rules and regs they're going to take that Oka Point and turn it into a condo department, a little hotel with a bunch of subleased condos right.

Vice-Chairman David Matanane – I was going to sit down and counter for each statement here but I was wondering it's going to take me quite a while.

Acting Chairman Michael Borja – Well that's why I think there needs to be somebody; who is GEDA proposing to sit down with, us or someone within the CLTC?

Acting Director David Camacho – CLTC and you Mr. Chair.

Acting Chairman Michael Borja – Let's just arrange a time because you know it goes through like a lot of these things; should percentages be negotiable or fixed? I should always say negotiable because you never know what's (inaudible). Some people shouldn't have to pay more than others and some should probably pay quite a bit more than others depending on what they're doing.

Acting Director David Camacho – So we'll be checking when is your available time.

Acting Chairman Michael Borja – It even talks about assignee and I'm thinking what is assignee? To me an assignee is somebody..(interrupted).

Vice-Chairman David Matanane – Like mortgaging it.

Acting Chairman Michael Borja – What I've seen a lot of his questions are and I think we have to..(interrupted).

Commissioner Amanda Santos – Maybe the applicant, assignee.

Acting Chairman Michael Borja – No if you are the leaseholder or the licensee, the commercial leaseholder I can assign you another part or I can assign you the whole part. I think one of the things that I think is kind of sensitive in the way he asks these questions is that we have to be careful for is is this Chamorro only. I just refer back to the law the law says yes you have to be as far as what the requirements are for eligibility are.

Commissioner Amanda Santos – If the applicant got a lease for agriculture is he entitled to sublease that to another person?

Acting Chairman Michael Borja – No that's what it says in the law they're not allowed to sublease.

Commissioner Amanda Santos - There's a lot that are doing it. Some are receiving more than $10,000 on the sublease.

Acting Chairman Michael Borja – But that's the point when we find out from people like these individuals that tell us that something is going on. Who knows maybe what's going on with this gun range was its being sublet and it's not even being sublet properly because they no longer have it. And then someone is going to be angry because he spent a lot of money and it's not our problem. So set a date and time to go over this and just let me know when we can sit down. Send it to all of us so if anyone who wants to show up.

Acting Director David Camacho – We'll give you ample time at least a couple of days before the meeting date.

Acting Chairman Michael Borja – A week.

C. GICC renewal of lease

Acting Director David Camacho – According to the attorneys that I've consulted with on the option to renew the letter that we received dated October 25th when we stamped it received automatically the lease agreement continues; it renews it. What's going to happen later it took for us to address is on the part or the portion where the condition comes in or as to the amount of rental and all those things and this is coming from the two attorneys Arthur Clark and Sandra Miller.

Acting Chairman Michael Borja – Well it says on the lease that GICC is exercising their right to renew for another 25 years. My question was are we obligated to the new law that says that there's only 5 year increments unless cleared by the Legislature or is this a grandfathered case because it's already an existing contract?

Acting Director David Camacho – According to them because it's already in the system it's an ongoing lease.

Vice-Chairman David Matanane – It's just a renewal but check out the lease and make sure that upon renewal it will be evaluated again because they got improvements in there now. Now the fees or the amount of the lease would increase.

Acting Chairman Michael Borja – Exactly and that's what we have to determine.

Vice-Chairman David Matanane – Everything remains the same except the amount.

Acting Chairman Michael Borja – And the amount could be adjusted every 5 years according to the lease.

Acting Director David Camacho – That's one thing I'm addressing it now because of the legal counsel I'm in communication with the AG's Office Lenny Rapadas I talked to him and they're willing to help Land Management out to provide us which I stated down in E. to

provide us a full time attorney to handle CLTC, GALC, and GLUC and all the needs that we have. So that's in the making now and hopefully that it comes through before Christmas.

Acting Chairman Michael Borja – Right but we need to also get with somebody from, we need to begin the discussion on the rental and we need to get this done before the lease expires on January 31st. I know that they know that the lease is going to change but we don't want to over price them but it should be more fair. Right now the current amount was based on something that was developed 25 years ago.

D. Zone change application – Tract 10123, Yigo

Acting Director David Camacho – The zone change application on Tract 10123 in Yigo we had the public hearing on Tuesday evening, November 19 up at the community center in Yigo and the people who were present they're very favorable of the project that we're going to do up there.

Acting Chairman Michael Borja – Is this the one across the community center up in Yigo?

Acting Director David Camacho – It's across right directly from GAIN. So we have no static from any individual that attended the meeting.

Acting Chairman Michael Borja – They're favorable of this to what?

Acting Director David Camacho – As to rezoning of the property and we did mention that it's going to be a structure for affordable homes and to cater for the Land Trust recipients. On Tuesday, this coming Tuesday there's going to be a special meeting, GLUC to present this in front of them so that they could approve the zoning request.

E. Legal Counsel Robert Cruz

Acting Director David Camacho – As I mentioned Attorney Bob Cruz his contract is not renewed. It expired since September 30 and I consulted Monte on this and wanted Monte to agree that we should..(interrupted).

Vice-Chairman David Matanane – Oh I miscommunicate because you have termination.

Acting Director David Camacho – No it's not termination it's not renewed.

Acting Chairman Michael Borja – So you're communicating with the AG's Office to..(interrupted).

Acting Director David Camacho – To get a full time AG.

Acting Chairman Michael Borja – And are we going to be paying the AG to be doing this?

Acting Director David Camacho – That's one discussion that we have to sit down on the table because since we do have money available money we could be paying him on the appearance of the Board. Let's say they requested that they get paid $100 for the duration of the meeting that would be..(interrupted).

Acting Chairman Michael Borja – Well one of the things that Monte had always tried to persuade them in the past was give us a lawyer from your staff, we'll fund it. You know this lawyer will be a part of your staff but we fund them, they have to provide xx number of hours of work for us, attend our meetings. Now that you're in the same house you should be able to do something more readily with them there should be a reason why they can't travel.

Acting Director David Camacho – The feeling I got from Lenny Rapadas is that he's going to provide us an attorney I'm pretty sure on that. However, as far as funding we mentioned about funding and payments and all those things that will be when I requested to sit down with them to iron things out what they want. They're going to help out I'm pretty sure.

Layao

Commissioner Amanda Santos – So what is the status of Layao?

Acting Chairman Michael Borja – That is a good question because we were expecting Mr. Cruz to help resolve that and he has not so it's still on the burner.

Acting Director David Camacho – That's one of the questions that me and Monte brought up to Attorney Cruz that there's several things that needs to be addressed and up till now we haven't seen any black and white only verbal. But the contract is not renewed and we're on the verge of trying to get an attorney from the AG's Office.

Memo from Senator Ben Pangelinan

Acting Director David Camacho – This was dated November 12, 2013 it's addressed to me concerning his letter to Mr. Monte Mafnas dated August 6, 2013 requesting a legal opinion if there's one that exist to allow Chamorro Land Trust Commission to approve any land exchange within its authority granted in statute. We are following this up and we're going to send..(interrupted).

Vice-Chairman David Matanane – Does the Senator knows that it has to go through them?

Acting Director David Camacho – Well what he wants is an opinion from the AG's Office.

Vice-Chairman David Matanane – Why is he sending it to us? You know it surprised me why is he sending it to us asking that question where he knows that any land exchange has to go through the Legislature.

Acting Director David Camacho – So we're writing a letter to the AG's Office for an opinion on this.

Acting Chairman Michael Borja – Well that's the proper route to do whether he's asking someone in the executive department about the question that he needs the AG is a good response. Well basically I think he's wanting to know if we can do it, we could do it but if it's truly required by law that the Legislature is the only one that can do it then he as to deal with that.

Vice-Chairman David Matanane – Just put out a law that says Chamorro Land Trust can do exchanges and we'll do it.

Acting Director David Camacho – We're addressing that already and we're going respond to him that we're sending the request to the AG's Office. On the second paragraph they're asking about the SUTA program. We did, our department we created a taskforce for that being led by Marvin Aguilar our Chief Planner with the invitation to GPA, Waterworks to be included on that taskforce. We're already pursuing the SUTA program request..(interrupted).

Vice-Chairman David Matanane – Wasn't GHURA spearheading that?

Acting Director David Camacho – No. This is in regards to the meeting that we had down at the Legislature. We had a meeting with Ben Pangelinan and the PUAG and the GPA plus the representative from USDA.

Acting Chairman Michael Borja – Who is Mr. Diego?

Acting Director David Camacho – Diego is the Regional Director for USDA. So Marvin Aguilar is already communicating with Joe Diego and all the necessary documentation that we have to gather and put together is already in the making.

Acting Chairman Michael Borja – Isn't SUTA already underway? I mean they were already providing low cost mortgage rates to qualified people. Remember that individual that was sitting there Mario Cruz he was just telling me that his mother was able to qualify for something through USDA just recently. He couldn't believe how great of a thing it was because basically they paid for quite a bit of stuff. So apparently this is already underway.

Acting Director David Camacho – It is and just recently Dededo area was included on that. Before it was not because of the size of the village then they went in and cut it down in pieces and then they qualified for that program too from that area. So we're address that already. Once we finalize all the documentation and the needed things Joe Diego is going to help us do the process to borrow money to do the infrastructure up in Yigo.

Ko'Ku Recycling/JR Mateo

Vice-Chairman David Matanane – I've noticed there was under the Ko'Ku, Mateo was the one that signed the lease aside from..(interrupted).

Acting Chairman Michael Borja – He was the one that had the adjacent property with all the cars that had to be removed because of the oils and batteries and stuff he had to clean it up which he's done right?

Vice-Chairman David Matanane – But he's also representing Ko'Ku right?

Acting Chairman Michael Borja – Who's representing Ko'Ku?

Vice-Chairman David Matanane – Mateo.

Acting Chairman Michael Borja – No.

Vice-Chairman David Matanane – Yes he signed the lease with Mr. Borja.

Acting Director David Camacho – No he's helping out Bello that's a different company.

Vice-Chairman David Matanane – That's the reason why I asked the lot numbers and all that because I think it's the same thing as Mateo. I even noted it down here that Mateo is 5219-1-1 at 2001, Bello was 2000, Lot 10122-15, HMS. That's the reason why I asked him does he know HMS which it's a dba so it's one of the same. But there's two leases.

Acting Director David Camacho – Mateo is leasing on the upper portion where the junk cars are at.

Vice-Chairman David Matanane – The reason why because Benny Bello is saying that this is the lot number according to the lease but Mateo also has that lease.

Commissioner Amanda Santos – Same lot?

Acting Director David Camacho – Same area.

Vice-Chairman David Matanane – Yes, the same lot number.

Acting Director David Camacho – They call that un-surveyed property. That's the basic lot but it's not actually surveyed out yet. They call it this portion and that portion. Mateo is on the upper portion where all the junk cars are at.

Acting Chairman Michael Borja – It hadn't been properly subdivided.

Acting Director David Camacho – Right not subdivided and that's the reason why it's the same lot number. When you talk about them you talk about a portion of that lot, a portion of that lot.

Vice-Chairman David Matanane – Okay.

VIII. EXECUTIVE SESSION – None.

IX. ADJOURNMENT

Vice-Chairman David Matanane moved to adjourn the meeting. Commissioner Amanda Santos seconded the motion. There were no objections, meeting adjourned at 2:55pm until December 19, 2013.

Transcribed by: Teresa Topasna: Teresa Topasna

Approved by Board motion in meeting of: December 19, 2013

David V. Camacho, Acting Director: D.V. Camacho Date: 12/19/13

Michael Borja, Acting Chairman: M.B. Date: _____