



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

Phone: 649-5263 ext. 400 Fax: 649-5383

Eddie Baza Galvo
Governor

Ray Tenorio
Lieutenant Governor

Commission Members

G. Pika Fejeran
Chairwoman

Joseph I. Cruz
Vice Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

(Vacant)
Commissioner

Michael J.B. Borja
Administrative Director

COMMISSION MEETING MINUTES

Department of Land Management Conference Room
3rd Floor, ITC Buidling, Tamuning

Thursday, February 15, 2018, 2017; 1:09 p.m. – 4:45 p.m.

I. CALL TO ORDER

Meeting was called to order at 1:09 p.m. by Chairwoman Pika Fejeran.

II. ROLL CALL

Present were Chairwoman G. Pika Fejeran, Vice Chairman Joseph I. Cruz, Commissioner Pascual V.A. Sablan, Commissioner Amanda L.G. Santos, Administrative Director Michael Borja, Legal Counsel Nicolas Toft, and Chamorro Land Trust Commission Staff. There was a quorum.

III. APPROVAL OF MINUTES – September 21, 2017, October 6, 2017, and October 19, 2017 board meeting.

Administrative Director Michael Borja: On October 19, 2017 I just want to point out that's when we went into an Executive Session at the request of the Attorney General of Guam the Minutes for that meeting are sealed for 6 months so that Minutes does not include the Executive Session.

IV. PUBLIC COMMENTS

Administrative Director Michael Borja: While they are getting the sign-in sheet I just wanted to let you to know that because the last meeting had to be nullified due to the lack of a quorum because one of the members' term had expired and I just want to read out for the record when there is expiration in terms of when it will be expiring. For the Chairwoman Fejeran your term expires April 10, 2020, Vice Chairman Cruz the term expires April 10, 2019, Commissioner Santos the term expires April 10, 2020, Mr. Sablan his term expires April 10, 2019 and the nominee Austin Duenas when he is confirmed he is filling the seat whose term expires on April 2021.

Chairwoman Pika Fejeran: Thank you for that. So just to reiterate our last meeting any motions with decisions made in that meeting are null and void which is why we have all the same items in our agenda. Okay, Public

Rev. 2/27/2017

Comments. Mr. Vincent S.N. Aguon. Please come forward and state your name for the record.

1. Vincent S.N. Aguon

Vincent S.N. Aguon: Is it okay...because my doctor wants to hear what I'm saying. My name is Vincent Aguon from Dededo. Mr. Borja, I don't know if you remember me. Since we last spoke with the board and Mr. Borja I was talking about the land I was given in Yigo where we cannot do nothing with it because of the water thing underground since then Mr. Borja instructed me to find a location where I can raise my animals and raise my crops. But I lost my property because of a...I don't know, technicality...I got married to another Chamorro Land Trust's lessee. Now when I lose my land the problem that we were experiencing up where my wife's land is, is exhilarated to the point that my doctor told me do not come to this board meeting, do not come to the Chamorro Land Trust office, do not even look at the neighbor. I have a disability of IED and PTSD. IED is the Intermittent Explosive Disorder from the military and my PTSD. Now since I lost my property I accepted it, explanation was clear enough, only one person in on a marriage can happen. My problem with that is ever since that happened, the squatters were able to stay in the property, they found a way to stay on the property and sad to say the Chamorro Land Trust kept coming up because the police were coming up, the Palacios were calling, the Chamorro Land Trust calling the police and I was hoping Ms. Lorraine would be here to say it that what I'm saying is right because the poor lady has to keep coming up. Now, we don't bother no body. Every neighbor there will tell you except for the Palacios, we mind our business and everything. Mr. Borja, you know, told them they cannot be trashing in that place so he instructed them that those have to be clean, that building has to be taken down and they weren't supposed to be on that property. The last time you guys were up there you were severely disgusted right? I don't know what to do. I asked my therapist, can I please go up and vent it up in the Chamorro Land Trust maybe...I'm at the point my doctor is going to have me committed and if that happens...my wife has no help financially. I don't know how this happens with the squatters, I really don't care, I'm tired of rocks flying at my truck because they are over at that vacant lot bush cutting and I keep telling them "can you please knock it off Lorraine already told you guys to stay over there stop coming this way". They trashed and my truck has to be rewired because the rats chewed it up. My truck sometimes is idle for a month as you can see, sometimes I can't go anywhere, and I'm stuck at home.

Chairwoman Pika Fejeran: Sir, I have a question. The property that you are having these issues with, is this your wife's Chamorro Land Trust property that you're...?

Vincent Aguon: That's where we are staying. Then there is a lot next to my wife's which when Chamorro Land Trust dugged into it, they removed the person that was leasing it because they found out that somehow they are not...any way that's Land Trust. The one next to my wife is Joe Palacios married to Glenda. Joe Palacios used to be married to Sophia. When they took the land from Joe Palacios and Glenda, Sophia jumped in trying to get it because she has every right because that's her husband. It's a roller coaster ride.

I went from 2 medications to now 6. When I take my medicine I am knocked out. I told my doctor I'm going to quit taking this pills I can't deal with it, there are side effects. That's why I'm recording this because he wants to know, am I explaining myself properly and you know...I'm at the point of getting committed. Are there any veterans in here? Now you know if you get shipped to Honolulu it's not good. I'm two steps from being shipped to Honolulu. Mr. Borja and a couple of board members, am I right, went up there, they tried. I lost my property and they got theirs now they are talented people, they are working on the one next to my wife and I'm scratching my head, how the hell they doing this? I can't even get a land to plant my crops or raise my animals. I had a land in Yigo since 1997, I believe, I was instructed by Agriculture, GWA and EPA to raise animals with proper septic for the animals, a proper pen to contained the animal's urine and feces. Then to construct the building that we have to have the special septic for our bathroom that's going to cost as much or more than a house so we couldn't do nothing. I explained this to the board once but you know my hands are tied, 2005, I got tired of waiting for EPA, Agriculture and GWA to authorize me to use the property that I went on ahead to have it extended. Now I have been paying taxes, maintaining it, doing everything you guys want me to do except utilize the property the way it's intended to because I couldn't so you know the board, Mr. Borja said it's okay so that's what we did, go find a land that you know you can plant and raise your animals. Not even two months into that I was disqualified. Now Ms. Margaret will tell you every year I come to this office can you help me get my tax paper. I don't run for my tax. I was so worried that if I don't pay my tax I will lose my land. I pay my tax every year. I cannot do nothing at my wife's property because my doctor is telling me stay away from that site because there's where the dirt is the other side is gravel. You telling me to go back to my gardening because it seems to work, in the '90s it seems to work in the early part of (inaudible) I lost my (inaudible). What do you want me to do doc that we have that police report on you? In fact that's the neighbor, that's the squatter harassing us to get me to snap then call the cops, then call the Chamorro Land Trust and then they are questioning me. I am sorry I'm venting on this side but I just cannot...I want to stop going back to that...he's not a stupid doctor, he's smart because he's a doctor. I just want to stop going there because every time we talk they add one more pill or increase the milligram. I'm venting out because of my meds from mental health to my physical health. We can run a pharmacy out of my house, then my wife is sick...you know what are we going to do?

Administrative Director Michael Borja: Sir, let me come back out and look at this area again and we'll let you know when we will be back out, maybe it might even be tomorrow and we will work on this. If we need to I will bring in the regulatory agencies that can take the legal action on the neighbors that's causing this problems, okay.

Vincent Aguon: But you know how they got the property, I mean, my god-daughter has been waiting for her property since the late '90s. The guy that got the property, the grandson, is way younger than my daughter, my goddaughter, she's still waiting for hers. This guy's got it just like that, I mean, (paused).

Administrative Director Michael Borja: We will be back out again it will be very, very soon like I said maybe even tomorrow just to take a look just to see what's going on and

then if we can catch them up there we will definitely (inaudible) but if not we will call them in.

Vincent Aguon: Excuse my language, but I just want the bxxx sxxx to stop. I go to one therapy every two weeks, I go to one every Thursday, one every month and we got this guy from Honolulu coming in because of my IED if he finds out I stopped taking my pill I'd be committed. They cannot have Veterans of IED running around.

Administrative Director Michael Borja: I don't want you to get over heated here either.

Vincent Aguon: I don't deserve to get committed, not for minding my damn business and just want to go on with my life.

Chairwoman Pika Fejeran: Mr. Aguon, thanks for coming here to us bringing it to our attention and as the director said this is on his priority list to see what's going on up there and make sure that things that shouldn't be happening are not happening, okay. Thank you for your time. Is there another item you would like to address with us? I'm really sorry to hear your story and this is living your life trying to do the best and by bringing it up to us we will make sure that things are good for you so that you don't have additional stressors on your life.

Vincent Aguon: I know life ain't perfect, I don't want it perfect, it ain't perfect, and it will never be perfect. It get so much things going on and I said what the heck is going on around here? Then you get caught (inaudible) you know what they're going down telling Chamorro Land Trust and all of us here 'cuz that's what they did the last time, Marget and everybody else can confer to that, that all neighbors does until later on they found out it wasn't him it was them, you know. I'm just tired.

Chairwoman Pika Fejeran: Well, thank you for your time today. As I said it's on the director's radar, priority and...okay, thank you Mr. Aguon.

V. OLD BUSINESS

1. Black Construction – Request to Use Land Along Route 3

Chairwoman Pika Fejeran: Moving on to Old Business item no. 1 Black Construction. This is a request to use land along Route 3, again this is an item that was on our last meeting that was null and void but it's my understanding that they withdraw their request to use the land. Do we have that in writing, I mean does their comments during our last meeting are those also null (inaudible)?

Administrative Director Michael Borja: I went to ask, where an individual's brought up and wants to illiterate what was being said to be for the records, but I did see Mr. Garcia couple of days later he actually came to visit me and expressed that he was going to go into (inaudible) but he didn't give anything to us in writing to say...unless you guys received

it, we haven't receive anything in an email or writing to say he's withdrawn his offer except for when he came to see me he verbally said he was going to go elsewhere.

Chairwoman Pika Fejeran: So I think we can table that until if and when he comes in.

Administrative Director Michael Borja: Close it.

Chairwoman Pika Fejeran: Closing it? Okay.

2. Guam Rugby Club – License Option to Extend

Chairwoman Pika Fejeran: Next item is the Guam Rugby Club – License Option to Extend.

Administrative Director Michael Borja: As we mentioned before, they did exercise their option on a timely basis to extend it and the question was whether or not to extend it with an amendment that was done before they granted the easement across the football field but it was my understanding the desire with this Commission that we approve their right to exercise their option to renew but on that amendment I'm still working out between the football league and the rugby folks on that easement. I'm still waiting for the football people to...by the masterplan like I had spoken to them and their attorney about this and they haven't come back since the last meeting. The only thing I got was a phone call from their attorney in January to ask what's the status was and I'm still waiting on their client to submit the last request.

Commissioner Pascual Sablan: This item was discussed in the last meeting, but the meeting was cancelled so what's our position now?

Administrative Director Michael Borja: That's what I'm presenting to you that they did exercise the option to renew on the timely basis so that's not really something that we vote on but the questionable part is the desire of the Rugby was to have that amendment also fall along that allow them to use the easement to cut through the football's area. That if you guys want a motion to go ahead and agree with the option to extend minus the amendment until the item is worked out between the two parties.

Vice Chairman Joseph Cruz: I think what we did is we acknowledge the renewal subject to the agreement of the settling of the 40 foot easement.

Administrative Director Michael Borja: And it was on the agenda to bring it back again to see if there's any progress, the football people had not completed their end of what they are expected to do so that's all it is.

Chairwoman Pika Fejeran: The amendment is subject to further discussion between all parties. A motion to acknowledge the basic license for extension. Do I hear a second?

Commissioner Amanda Santos: I second.

Chairwoman Pika Fejeran: Seconded by Tan Amanda, any further discussion? All those in favor.

All Commissioners: Aye.

Chairwoman Pika Fejeran: The ayes have it so the Commission has just made a motion and passed to acknowledge the Guam Rugby Club's option to extend their basic license, any decision about the access or amendments will be further (inaudible) Rugby and Football.

3. Matthew Quinata

Okay next item under Old Business no. 3, **Mr. Matthew Quinata**. That item is actually a New Business so we are moving that down to the New Business no. 5. We will move on to Old Business no. 4 Guam Raceway Federation status update.

4. Guam Raceway Federation – Status Update

Mr. Simpson folder is here, if I can an update from...(paused) okay, so Guam Raceway Federation, we have Joey from the Chamorro Land Trust staff to give us an update I believe the last time this was on the agenda was in October 19 where had a staff report that we were looking at so Joey can you refresh our memories and bring us up to date from that last meeting.

Joey Cruz: Last meeting we conducted a site inspection and we had some findings and this meeting GRF is still not in compliance with Public Law 20-204. We still have not receive any Quarterly Reports regarding event submission, the Guam Autosports LLC dba Guam Adventures is still conducting business from the Guam Raceway there's filling and grading activities being conducted by the Hawaiian Rock and Smithbridge during our inspections that we conducted on February 8 and February 13 the materials that are being used for land filling are asphalt and base course and the Guam Raceway Federation has a receivable balance of \$4,000 which is for the month of February.

Chairwoman Pika Fejeran: You said that they are grading and filling?

Joey Cruz: Grading. That's what the operator of the excavator or bulldozer that was there (inaudible).

Chairwoman Pika Fejeran: On the raceway property?

Administrative Director Michael Borja: There are photos in the report.

Chairwoman Pika Fejeran: It's my understanding that we put a moratorium on all earth work on that property.

Administrative Director Michael Borja: There's still outstanding clearing permit that hasn't been signed off.

Chairwoman Pika Fejeran: And there's a clearing permit that hasn't been approved?

Administrative Director Michael Borja: Correct.

Joey Cruz: On January 4, 2018 we had inquiry from Mr. Camacho from Duenas, Camacho & Associates regarding the amended clearing and grading permit and at that time I was informed that Hawaiian Rock had over graded so I'm not too sure what area or...we didn't identify what area...so I'm assuming that's what the activities is for. In the last meeting there was some additional requirements by the board, so our recommendation is considering any modification of the lease, where additional requirements, we put in writing to ensure modification and additional requirements are binding as stated under Item 14 Modification of Agreement, attached is the sample for your review.

Chairwoman Pika Fejeran: Correct me if I'm wrong. The first meeting we had with this licensee when we talked about the audit where we don't have all the topographical information to support the monies we are receiving and how it kept coming up in our audits, we instructed to stop all activities until that item has been resolved, is that right?

Administrative Director Michael Borja: But they couldn't clear anymore, right.

Chairwoman Pika Fejeran: So there it is, it was no more grading or clearing to occur on the site until the item is resolved and the item is yet to be resolves.

Administrative Director Michael Borja: and they also had a financial obligation which they...their current as of this month but yes that was (inaudible) because the audit had required us to have a methodology in place to determine what was the exact amount being excavated out of there, that's what we're still pending and I don't know if Mr. Simpson has further information on that with this report...I haven't looked at it.

Henry Simpson: I do.

Chairwoman Pika Fejeran: I'm trying to understand how, there's grading and clearing happening after we've instructed you not to, so we had that methodology and issues settled.

Henry Simpson: There actually isn't any grading going on. In the middle of the track where there's a stock piling permit for outside materials, those are being moved into filling in a backfill of the area. So it's not new, it's not a new work going on, it's over. But if I could I think a lot of this could be explained by...we put together a report to satisfy the amount so I have a way that you can check how many yards of materials had been taken off the property and that's what this report is about. I brought people from Duenas & Associates are engineers and do this from Hawaiian Rock and from others that are very familiar with this as to how can we satisfy this requirement to show how many yards of

material have been removed and so that's what this is about if I can step through it I think you would understand.

Chairwoman Pika Fejeran: I'm still not past the fact that there's earth moving going on, on the property that we told you over a year ago that all work has to stop, and one of the issues is we don't know how much has been removed until now when you are back filling it, now we're in an even greater sense of confusion.

Henry Simpson: This report should satisfy that.

Chairwoman Pika Fejeran: You said you have a stock piling permit?

Henry Simpson: Yes

Chairwoman Pika Fejeran: and that's s current permit?

Henry Simpson: Actually it's not under our name it's under Smithbridge on the property there and so what that would allow us to do is to store excess materials for back filling...if I could (paused).

Chairwoman Pika Fejeran I'm sorry how did Smithbridge have a permit on a property that's not leased by them?

Henry Simpson: They are one of the sub-contractors that is helping us grade the property to the final level so we can build the race track.

Chairwoman Pika Fejeran: Why would that be getting done...we've asked that you stop that activity until we close this audit finding so we can move forward?

Henry Simpson: There's no materials being brought in in stockpile but it's being moved from the stockpile into filling up the excavation. Also Hawaiian Rock is bringing in materials to fill up the excavation is done after this topographical survey was taken. So we have a beginning survey (interrupted).

Chairwoman Pika Fejeran: I'm sorry, going back to Smithbridge, your subcontractor, and so you have a contract with them to use the property?

Henry Simpson: No they are to move materials off the track to get to the level we need for the Race track and so part of those (interrupted).

Chairwoman Pika Fejeran: Is that the level you need from the previous clearing and grading permit, an old one that is still current, is that right?

Joey Cruz: I'm not too sure if they any grading permits, but there's one pending approval that it hasn't (inaudible).

Vice Chairman Joseph Cruz: Joey, did you review the grading permit that was originally given to the race track?

Joey Cruz: No.

Vice Chairman Joseph Cruz: Do you have that old Mr. Simpson?

Henry Simpson: We don't. I asked Duenas & Associates if we had the old permits from 2000 and we do not have those right now.

Vice Chairman Joseph Cruz: Why is it that you don't have that copy of the permit?

Henry Simpson: I don't know exactly (interrupted).

Vice Chairman Joseph Cruz: That's not an answer Mr. Simpson. You have a million dollar investment up there and not for you not to have a copy of a grading permit?

Henry Simpson: Well that's 20 years old.

Chairwoman Pika Fejeran: The work that's being done is not associated with any current permit that you have. It doesn't sound like it.

Henry Simpson: The bank filling that's done, we have a permit for that.

Chairwoman Pika Fejeran: You have a copy of the back filling? Can we have a copy of that permit because from our Commission meeting when you appeared before us, when we talked about all the issues and a non-compliant with the public law we instructed you to stop all activities and back filling would be one of those activities which should have been stopped.

Henry Simpson: All new grading, new cutting, that is all stopped. What we are trying to do is get back to the level we need for the future drag strip and that required the back filling of an over excavation and the over excavations are a by-product of... we were at a point in time where we couldn't do anything else, we couldn't pour concrete, we couldn't build anything, we couldn't build anything with our property, anything with our lease, and we were asked if down the main straight of way of the draw strip and the Formula 3 Course if they over excavated that and back filled it would we allow that and so we went to the engineers and said if this was done could we back filled and would it work for our future use and they said yes and so at that time I had just a verbal agreement with Mr. Mafnas because they explained to me that that's a great ideas you will be able to still have an income, loyalty income and you will still get your place graded and you will still have some activity so we were in a real tight spot there from the 2007, 2008, 2009 and even later we were in a quandaries of what to do we had the wildlife biologist and herbalist and people all over that area studying that place for the firing range and so it was at that point in time...we thought it was going to be condemned, we were told it was going to be condemned and that we should go out and look for a new piece of property so we looked at Dandan, we

looked at Paluntat, we looked a lot of other places and we couldn't find a place that would suit what we are trying to build in the way of the race track that could have an off road track that could have a drag strip and in a safe place so for about 2007 until now we haven't been able to do any work out there. We haven't had any construction let's say, I should say work, I should say construction, we haven't poured a single yard on concrete since 2006 because we didn't know if we're going to be there or not so what we could do was to grade the property so we did that to the best of our ability and that included the over excavation because had we not over excavated the excavation would have stopped and there would have been no income as (inaudible) to continue on with and it became kind of critical toward the end because it looks like we're going to get the land back and it looked like we were going to go someplace else, you know and we were going to have a chance to build the race track and so that was the premise that we were working on when we did the over excavation when we did the grading work that we're working on now. So I understand that it's hard to proof how much materials were taken and how much actual work was done. We think in this report and what the engineers with us that we can satisfy your questions about how much materials was taken. We've come up with what we think is a very scientific way answering your questions and satisfying yourselves and your auditor and everybody that there was no misappropriation of materials or money or anything else from there that we strictly trying to get this race track build and very (inaudible) situation being almost literally under the gun with the Marine Corp wanting that property. They sent people out there almost every week they were surveys, there were archeologist, there was a biologist, there was all kinds of people that surveyed that track from one end to the other for the military and so we thought, and we were told by Madeline Bordallo, we were told by Kin Perez, we were told don't worry these guys will buy you a new race track, you know, go find the place they will pay you for a new track. And in the beginning for about a year or so we believed them and then after that there wasn't going to be another place and their end result was when we got through all the documents they were going to give GovGuam \$6,000,000 a year for that property and I honestly thought with that much money that the military is offering \$6,000,000 a year for that piece of property that the government will take it and run and we wouldn't have a track and so that didn't happen the combination, we combined with the Pagat group we raised 13,000 signatures to move the firing range from that area and that's just our group by itself without the Pagat guys and I think raised enough concern that it asked them to at least stay on the property they already own So we went for a long time without being able to build the track or do anything except grade and run our motor cycle races and drag races on our temporary drag. So it was a difficult time for us. During those times this same question of how do you tell, how do you tell that there's no missing material from the track, how do you prove that, how do you check, right? And so nobody want to go to the expense of hiring a guard to sit there and count the trucks that would end up being more overtime than we would get from the royalties. When we first started this we did it at 50 cents a cubic yard and that number was taken from the amount that Black Construction was selling their excess materials at the airport for. So they had excess graded of materials and they would sell it for .50 cents a cubic yard and you had to come and take it. So we started asking Perez Brothers, Hawaiian Rock, Smithbridge would they take this material from the track and get it down to the level we need and pay us 50 cent a cubic yard and they said yes and we started. We put it in the license agreement and so we started. And then the question came on how do you count

it? How do you account for it? And so the Chamorro Land Trust at that time didn't want to pay for a guard to count the trucks, we didn't want to pay for the guard to count the trucks because there was more than the money we were making. Every truck at 50 cent a yard on a 14 cubic yard truck, every truck that's \$7 for us, \$3.50 goes to the Chamorro Land Trust and \$3.50 goes to the Racing Federation so it's a small amount compared to the work that those guys put into getting the truck loaded with the material. So it was more important to the company to make sure that somebody didn't spend seal that truck and take it to their brother in law's house than it was for them to try and hide that \$7 from us. So we counted a couple of times, we tested the system a couple of times and it always work and past board had said you know that's good enough. But I know it's a large amount and we had several boards involve since then so we came up with the map to scientifically measure how much materials were removed from the truck from 2007 to 2017 that's the vast majority of the material.

Vice Chairman Joseph Cruz: So you have that here on the report?

Henry Simpson: I have it here on the report. If you go down this front page to 2007 and it says 1/6/2007 okay, at 1/6/2007 a Lidar, which is the black eliminating radar, a laser illuminating radar was (inaudible) over and given a level that the engineers could use as a that's what the property looked like at 2007. So we used that as our starting point and we calculated all the material taken since then and then we minus the backfill amount and we came up with the number and then we asked the engineers to take that number and check it, is that the right number, can you prove that that's the right number of cubic yard taken from the place? So if you guys wouldn't mind Ken Rekdahl, was a Chief Engineer at Duenas & Associates who did this study and also Ray Johnson and Peter Eric from Hawaiian Rock they were involve in the drone, they actually go the drone working and they flew over and measured all the materials on the pictures on the back of this. If they can explain how this process went, they are the ones who that we asked to test it for us please, to test it so we can present it to you folks that we have a method of showing what was there so if you wouldn't mind can I ask (interrupted).

Vice Chairman Joseph Cruz: Do you agree this (inaudible) did you over pay or under pay?

Henry Simpson: It actually showed it overpaid. It actually showed we overpaid because...when I say we, okay, in this case, "we" is GRF and Chamorro Land Trust, we got overpaid, the guys that took the material out they paid too much according to our study, not by much, a small amount but it is our in our favor so I'm not going to complain because it's in my favors and Chamorro Land Trust favor and it shows I think at least the proper amounts are there that are very, very close.

Chairwoman Pika Fejeran: The audit was asking for the methodology and the background so these numbers and our number make sense?

Vice Chairman Joseph Cruz: So if these number is being used and our audit is saying less (paused).

Henry Simpson: Your audit should match these numbers that I gave you because these numbers are taken from the checks that we've given you over time.

Chairwoman Pika Fejeran: Mr. Simpson, I really appreciate that you have put this package together, we've been asking for it for a long time.

Henry Simpson: It took a long time believe me, to do this.

Chairwoman Pika Fejeran: At this point, Joey, have you seen this? Or is this the first you've seen it?

Joey Cruz: We saw it earlier.

Chairwoman Pika Fejeran: Oh, okay today though.

Henry Simpson: While these guys are here it might be nice to hear them out and answer any questions on how they did it and what the basis for and how it works and get those questions out of the way and then if we wanted to do...what I really like to suggest is to questions these guys about how they did it, how they came up with these numbers, how they came up with this method and then have our next meeting or maybe a special meeting out in the racetrack o we can actually see what's going on, what we are doing, what we are trying to build and what I like to do too is compare it to a place where they are just doing strictly mining for material more of a places that Hawaiian Rock and Smithbridge are just drilling, blasting and drilling, blasting just to make material. You can see there are (interrupted).

Chairwoman Pika Fejeran: Is that happening right now? Are they drilling and blasting currently?

Henry Simpson: Not on this property right now but they are drilling and blasting on an adjacent properties and you can see how different it is from what we are doing.

Chairwoman Pika Fejeran: Mr. Cruz, you had a question?

Vice Chairman Joseph Cruz: No I was just going to ask you what is your current permit that you have right now on whatever project you have up there?

Henry Simpson: Well, Hawaiian Rock has a backfilling permit that we are backfilling an over excavated area. We've been waiting for two and half years every cents we applied for our next grading permit in 2014 (interrupted).

Vice Chairman Joseph Cruz: So your permit should reflect the topographical area that you are filling and the volume of fill that you are putting? We would like to see a copy of that.

Chairwoman Pika Fejeran: I haven't had a chance to review this, the package, the DCA report has the scientific analysis you were mentioning but it does only have the information from 2007 onward, so how do we account for 2001 up to 2007?

Henry Simpson: There's not a good way to double check that. The prior boards were happy with those amounts, they are the ones that tested truckloads, because all I could do at that time if they didn't want to pay for somebody to check the trucks I would say, "come out on a Thursday afternoon from 12 to 4 and count how many trucks and then when you get your report in, see how many trucks they counted". So they did some testing and pretty soon they realize that the trucking company, the people mining the material are more interested in making sure their drivers don't get away with material than they are of not paying us for the material. The Perez Brothers was a main one at that time, they were more than happy to pay for the material, they wanted to make sure it got from our race track to their plant and get sidelines some place because they had more to lose than we did. If that truckload was for \$70 worth of raw material, ours was only \$7 theirs was the rest of it and if they lost that and so that they were really checking on where their trucks are going so after testing that several times, every former board and former Chamorro Land Trust directors that we had dealt with had said, okay the system is working and we were left to run it like that. But now know in the future, work like this, we did with Smithbridge we're going to have a starting topo and a finishing topo and we can have a process report, you know, every month we're getting a check saying, okay this month we took a 100,000 yards and moved it over to our plant and get a check for it and we total that up and at the end of the time you do the topo again and you can see how many yards are missing so that's a way to double check it.

Chairwoman Pika Fejeran: Is that what's in this addendum that's moving forward?

Joey Cruz: The license for Guam Raceway expires May 31, 2018.

Henry Simpson: We've been working/asking Senator Ada's Office to work with us to do a new long for a 50 year lease for this property and they said they want to make sure the Chamorro Land Trust agrees that would be the right thing to do. We need a long term lease there so that we can do long term sub-leases for things like a gas station, we need a fueling station at the race track or race fuel for other things so that long term commitments can be made by people to support the track there.

Chairwoman Pika Fejeran: You know, Mr. Simpson, I understand the value that the facility has for the island, however, before we can look ahead and talk about the next 50 years we have to fix the last 18 years that we've been working together. This report that was provided is definitely a step in the right direction but as Joey mentioned in his report there's still issues of non-compliance happening, have we ever received the quarterly report? We've never received the quarterly report that tells us the activities happening via the revenues generated from events and this is still happening. Backfilling is happening, stockpiling is happening when we have not settled the past issues of the methodologies for figuring out if the numbers we have are accurate.

Henry Simpson: Stockpiling isn't happening. There was a stockpile there being moved to a backfilled area it's not new stockpiling. They are just clearing out the old.

Chairwoman Pika Fejeran: Backfilling is an activity that (paused).

Henry Simpson: We have a permit for it right now and would like to continue it because (paused).

Chairwoman Pika Fejeran: How old is that permit and is it a current permit (inaudible)?

Henry Simpson: We would like to continue that because that's where our (inaudible)

Chairwoman Pika Fejeran: Do we have the old Minutes from what was discussed last time when this first came to the Commission?

Henry Simpson: One thing that has been a kind of a thorn on everybody's side, our side from us not reporting and our side for being a fairly new thing is the 10% admissions, the quarterly report for that. Most of the rules and regulations we have were started in the inception of the Racing Federation were started with GEDA. That one was added on in the middle by Senator Ben Pangelinan. Senator Ben, God rest his soul, is a great guy in a lot of ways but he hated this race track. He voted against it when it was on the legislature he took the million dollars of our funding away to go to the soccer field, threw in things like this that he knew would make it difficult for us to do. What this 10% does is if there's going to be a rock concert someone is looking for a place to have a rock concert and they want to use UOG or they want to use the race track, if they go to UOG they don't have to pay that 10% that's what makes the difference in who wants to come out and use our track.

Chairwoman Pika Fejeran: Do you charge them to hold rock concerts?

Henry Simpson: Yeah! We would charge a rent of \$2,500.

Chairwoman Pika Fejeran: Sir, the law as the property owners'...that's the law regardless of who puts the law out there and what it's meant to be (interrupted).

Henry Simpson: I understand so (paused).

Chairwoman Pika Fejeran: the Law has to be followed and it has not been (paused).

Henry Simpson: I agree we haven't been able to follow. What we did, and again I spoke to Mr. Mafnas about this before I said, what do we do with this problem? And he said do the ones you can control and that's to us is what we could control was Smokin' Wheels so we paid the 10% of the Smokin' Wheels every year that's the biggest event we have out there so we do that, the other ones we haven't done it because they wouldn't be there had we asked them for the 10% so it's kind of a (inaudible) so what we are proposing to do is when take it to the legislature for a new lease that we deal with at that time there's a back

'em up if we paid, they can assess it if that's what they want to continue on in the future at least we get to negotiate about it.

Chairwoman Pika Fejeran: My understanding is P.L. 32-204 is requiring Guam Raceway Federation to pay 10% of any events for which he is charged. Your charging this third parties to hold events in the property with 10% of that fee should be paid to us.

Henry Simpson: That would be find. We could do that in a heartbeat.

Chairwoman Pika Fejeran: Okay, that's what we are asking.

Henry Simpson: No but that's not what the law says. What it says is, let's say we charge a rock concert \$2,000 to rent it from the night, I would gladly give you 10% of that but what they say is that rock concert has to charge every one of it's customers 10% so if they are charging \$20 you have to charge \$22 hold that make the report turn the money over to us so we can turn it back over to them. It's really an onerous situation.

Administrative Director Michael Borja: But you must understand that what we have to comply with we are held accountable by even the public auditor and that's why it's a repeat right up for the last three consecutive audit reports because the technicalities of this whole process is not being followed. It's not because we don't desire to do something or it's not because it's what the law says, it's what the requirements says and there is no fudging that.

Henry Simpson: We try to get the law change (interrupted).

Administrative Director Michael Borja: But until you do so we can't (inaudible) it and make a judgement call on any of that kind of stuff. We have to deal with the law as it sits in front of us period and as long as that's the case the auditor is not going to wait for the, you know, because somebody wants to change the law. They will change their processes and expectations when the law changes then...but in the meantime we continue to take the heat and that's why we had you here numerous times to go over the processes, we've seen the incremental changes over the last year or so to try to (inaudible) but now we're racing to the end of the line and at that point, you know, if the legislature doesn't do it for you and the contract comes to an end, it's the end and the only other alternative we have is to go through what is already allowed for us in doing a commercial license agreement or lease agreement under the current rules and regulations that we have and there is no guarantee that you will get it because we would have to go through a whole bidding process. But before we even get to that the Commission and the Guam Legislature have to agree that we can use it for commercial purposes and if we are looking at a main deadline which is only 3 months away we have to begin executing either a bill or...it actually it has to be spontaneous, the bill or the commercial license or lease agreement in accordance with the rules and regs because even that is strict and we don't have (inaudible) we can only function according to what the rules and regs allows us to do.

Henry Simpson: We have been talking with the Senator Ada and Joe Borja at his office and they want us to have a discussion with the board where the board agrees that it's okay for us to go in for negotiations with them for a long term lease.

Chairwoman Pika Fejeran: Is the Commission ready to make that call today?

Administrative Director Michael Borja: I don't know if you can because the public law doesn't give us that authority...there's not this option for renewal that the public law gives us. It sets a period of time and that's it. Now if they gave us the options than absolutely it can be one of the things we use but I must remind you too that the author of our current rules and regulations is Senator Tom Ada and so if he has some beliefs in that then that's probably the way he wanted it to go just because those rules and regs are established. And the law for the Chamorro Land Trust stated that for anything that's commercial, it had to be in accordance with rules and regulations so that's what we got here and so even moving forward, a lot of this discussion I believe, commissioners, is that as we come to the end of the term of this agreement whatever we look at today it really now had to shift the focus on whether or not we agree to either move on with furthering the use of this facility by either getting the public law to extend the current users time or to go to the commercial rules and regulations process and you would have to make that decision whether you want to go to the rules and regs but as I mention the rules and regs remember, you have to no. 1, declared publicly through public notice that you want this line to be for commercial, go through public hearings, go through another set of hearings here, have a resolution, submit the resolution to the legislature, wait for it's time period whether they concur or no concur and if they don't do anything they concur and then you got to go through the RFP process. I can tell you right now that's not going to happen by May 31st and so what happens then in this time period, do they have to shut down or the legislature gives them a stay for one year while we go through this process. I mean, this is the only other thing I can think of but we can give them that stay but I don't think we have that authority of the law, you know, legal counsel you can review the law and determine whether or not there is any flexibility but I never read flexibility in the law because the law didn't on its options.

Chairwoman Pika Fejeran: Again, that's looking past May 31st, right? I want to talk about the last 20 years.

Henry Simpson: That law has only been in effect for 5 years.

Chairwoman Pika Fejeran: Mr. Simpson before looking forward, like I said we have to look back. You mentioned here today the third party events that have happened that's easy for you to write a report and tell us how much is owed to us, 10% of the lease that were charged.

Henry Simpson: The fees we charge, yes, that would be fine.

Chairwoman Pika Fejeran: Well we can't go back and ask those other third parties for the admission assessment that's 10% on top of that.

Henry Simpson: I'd be happy to pay the 10% of what we charged them.

Chairwoman Pika Fejeran: Okay, I think again that would be a step in the right direction that would kind of beef up your case with us to move forward you have to correct everything that's happened in the past. Then in regards to the back filling that's happening. Again, I don't have the minutes of that last meeting when we said we need to settle this audit finding and get the methodology down before any earth work happens. To me that filling is earth work.

Henry Simpson: I think we consider that as any new work like the one we're getting the new permit for.

Chairwoman Pika Fejeran: And the new permit has not been approved right?

Henry Simpson: Right it's waiting on you folks.

Chairwoman Pika Fejeran: If your lease is up end of May this year, what is that permit also end with it because you are no longer with lessee, right? You know, I understand that so much work has gone into the master plan to improve the race track and have better facilities and really and if my understanding is correct, create a strong industry for Guam and the region and while I support that I can't in good conscious look passed all of the non-compliant issues at this point.

Henry Simpson: I think the only non-compliance really is the 10% of which we were advised by former folks in your position to pay what you have control over and get it change by law. That was the direction we were given much like you were saying pay us the 10% of what those folks were charged when you rented on the area, I'll be happy to do that.

Joey Cruz: Do you have any contracts (inaudible) you can provide a copy because the auditors will ask (inaudible)?

Henry Simpson: Yes we can.

Chairwoman Pika Fejeran: The first meeting that we have with them like early last year sometime where we talked about...I think this is a good report Joey if you can take this into our records and see what this says to help with this one issue, non-compliance issue.

Administrative Director Michael Borja: Can we just give Mr. Simpson an opportunity to explain what he presented to us so we can have an idea (inaudible).

Henry Simpson: Would you like to hear from the people who did the report or you just want to hear what I?

Chairwoman Pika Fejeran: Share briefly.

Ken Rekdahl, PE, Duenas & Associates: You mentioned my name a little earlier, I was assisting the DCA with this project, we were just (inaudible) we were helping with some of the construction that was ongoing up until 2006, 2007, and so we were heavily involve with the early stages and then construction slowed down to nearly a halt and how Henry said there was earth work activity happening up from the beginning of the project up until I guess just maybe like 2016 earth work had stopped. Henry came to us asking for help on how best to quantify the materials removed from the site. The first pass that this sort a daunting thing to do with the limited information we had available to us, you would think though as the engineers involve we would have all kinds of survey and everything but that's not the case. We had spot surveys done through the years in different areas with different phases of the work on what's going to be done. So Henry mentioned back in 2007 there was Lidar that was to used Lidar and satellite to sort of generate a terrain. So we used that and just so you know there are limitations to that, I don't want to come and say this is the best data but it was the best thing available at the time of what we have. There are limitations with those, limitations are lessened if the ground is disturbed. If there's trees than the tree will create problems but if it's kind of flat or no tree than (inaudible) pretty reasonable, pretty fairly depiction of your terrain. So we use that as our starting point in 2007. We didn't have any of that data before 2007 which why we chose to use that mark. Hawaiian Rock who did a lot of their earth work out there had some fancy drone technology now that they use and maybe they can explain it a little more. But in late 2016, 2017 last year, they went out and flew the drone over with a purpose of developing a contour that could be used to generate the difference. So really what we're doing is we're getting a contour on the site 2006, the contour of 2012 and we're calculating the difference, 2006 - '17 and calculating the difference and that difference times a (inaudible) which I will explain briefly is the volume that we're presenting was removed from the site. I about some of the challenges of Lidar, you know, the trees and the things to overcome that. You know the technology and Hawaiian Rock will explain more about that than we also had to know the boundary of where we're taking the material out. For that, that was very straight forward, that was just a Google Earth and you can see where it was cleared that was our boundary. So using those two layers we got the difference and the questions that you had earlier you put that long compressed graph...you're right it really should be shown on an 11x17 paper. What it is it's just a crossed section through the property or you can sort of see through your magnifying glass to the 2007 layer and 2017 layer.

Administrative Director Michael Borja: So this is time across the bottom?

Ken Rekdahl: Yes correct. So you will see, if you look at that, it says cut fill summary.

Administrative Director Michael Borja: So what is the line tell me on the inside?

Ken Rekdahl: I believe that's the 2007 contour, one of the other contours. There's another lighter line you're not seeing. What you are looking at is the cross section. What we did is we generated as a 3D image of our models. Now what you are looking at was provided by Hawaiian Rock. We did ours independently but I took their numbers to double check our numbers. I didn't want to get (inaudible) but their number was the 17 of the net, 1785, 71 that's the number that the Hawaiian Rock or third party did. The number we

came up with when you subtract the two was 1735 so Hawaiian Rock was 1785 and ours was 1735. I should say 1.7 million and Hawaiian Rock was 1.7 million. You can consider that pretty close or at least 2% off. Now lastly without explaining is that that was taken out of the ground, when they take it out it swells up. You know when you dig something, dig it up there's going to be air in there. There's a swelling fact here. It's different for different materials. The materials in there are largely limestone, hard rock. Our engineering guidance says that the swelling (inaudible) can range from 50% to about 67%. What that means is if you take out one cubic yard from the ground you multiply it from swell factor of 50% it equals 1.5 cubic yards in a truck or when you throw it in a stack pile. That's what that means there. So we use that to develop the range. We took our number of 1.7th a million cubic yards times the swelling factor and we got a range and that range is 2.6 to 2.8 million cubic yards and what I present here is that from 2007 to 2017 somewhere between 2.6 and 2.8 million cubic yards were removed based on our analysis and I had to also call out that on our analysis there are limitations to our analysis (inaudible) we started in 2007 (inaudible) started in 2001 or earlier. In over the area if you were off by a foot that could also be a big difference right. But with the data we had this was the best we can present so I am suggesting the data we're sharing is more of a lower boundary if you, if you will, it's not the higher end. The range we're getting is the lower end of what we would expect has been taken out from the sight. The data we had (inaudible) it was the most we can do with the data we had available to us at the time. Any comments or questions?

Chairwoman Pika Fejeran: Were you able to also contact the other contractors like the Perez Brothers and Smithbridge that had done work at the same time?

Ken Rekdahl: We had a series of meeting with them, mainly Hawaiian Rock, they were the largest they took the most (inaudible). What I tried to do though is keep our independent of the information I was giving as best as I could and of course I had to rely on Hawaiian Rocks fly over. We researched the technology, we got some more information from them it's pretty slick and we probably will use it ourselves in the near future but a short of sending a whole survey crew out there to do what is really...how many acres is that Henry?

Henry Simpson: (inaudible).

Ken Rekdahl: It's a pretty big acreage, it a pretty big cost so we just said this would be the next best thing to use.

Chairwoman Pika Fejeran: If you factor in Mr. Simpson's numbers from Perez Brothers and Smithbridge, where is that bring us?

Henry Simpson: On the sheet there's a calculation at the very top from this original sheet all three companies total up to 4,680,186 total estimated lose cubic yards removed and then on the sheet where it goes to subtotal of 2007 I added all of that up and the subtotal for that is 1,076,102 cubic yards taken out before 2007. So the balance was 3,604,084 that we asked them to measure that, that was removed and paid for. So the other thing that affected that was the amount of the back fill and that back fill was mainly done by

Smithbridge and if you look on Smithbridges calculation here they took 415,170 cubic yards total but if you take away the once before 2007 it was 365 and then Hawaiian Rock backfilled their portion of 61,000 so there was a total of 428,849 cubic yards of material put back on the property so we minus that from the amount that was removed and sold so the remaining amount that should show from the measurement is 3,175,235 and so that's the amount that we say is in lose cubic yards was taken off the property. His calculation came out a little bit below that. The contractor asked me if this is right because they had their money back and we said no but I think it's very, very close to the actual cubic yards and the factor being taken out of the ground and put it to the trucks and counted is the biggest kind of unknown that we have there.

Administrative Director Michael Borja: But also the 2007 Lidar was not on the surfaced (inaudible).

Ken Rekdahl: No, no, no let me clarify. Where we took it that was on the surface the boundary around was outside the...we saw the two lines opposite it was nothing going on there that wasn't graded disturbed area so we used that as our boundary. So that wasn't really a factor.

Henry Simpson: Here in 2004 here's some progress pictures starting with 2004 you can see the light areas in the jungle that's where we clear the ground, we took all the tress out of there so we had all the clearing and (inaudible) permits to clear the area. Those pictures are over the (inaudible) area so we should have had a very clean picture for Lidar. We had taken all the trees and stuff out at that time.

Ken Rekdahl: So Henry did ask us to look at this numbers and these numbers were higher than what we got and how we explained that was it could be some (inaudible) but we really think on the (inaudible) they took there were truck loads that were being counted and some (inaudible) they don't necessary all fold in nicely there's going to caps. As you move there's going to be more caps maybe even less caps but we think over a period of 10 years you know you're going to get more air, the trucks are going to be filled to the tipping (paused).

Administrative Director Michael Borja: It's 7% variance so that's over a 10 year period that's pretty reasonable, pretty close.

Chairwoman Pika Fejeran: So Joey will use this report, this whole package, perhaps we can, if you have any questions would it be okay to contact Mr. Simpson?

Henry Simpson: Yes, absolutely.

Vice Chairman Joseph Cruz: Do you have a finished plan on typography? This didn't show us the lot line. The whole lot do you have a typographical map for it? Finish grade.

Henry Simpson: Yes. we have a design number for that.

Chairwoman Pika Fejeran: So should all this information from 2007 onward we still have those years that are unaccounted for and is that was these affirmations from the three companies?

Henry Simpson: That's what they said they took and that's what they said they paid for and they checked with our records and it's the same as our records. The only one that is missing is the Perez Brothers had a Peach Tree computer system that went down and they lost their material, they lost their ability to go back and check it before 2005. But at that point in time the Board was happy with what had happened there. They had been out there to check it because you can imagine when it all got started everyone wondered how we're doing, how's this working. So a lot more attention was to go out there and counting trucks and stuff and then even there was a GPS truck tracking but there was a mechanical truck tracking to make sure the trucks weren't going away with the material.

Chairwoman Pika Fejeran: So I guess this whole package can address that. I did want to mention I kept talking about that first meeting when we put a moratorium on the earth work, it was specific to coral extractions so you were okay for the back filling. I know there were some people in the public that had seen that earth work happening and raised some red flag but there have not been any coral extractions on the property since June 16, 2016. Okay, moving forward, can you bring yourself...at least there are historical records of the past, the quarterly reports with those third parties and the fees that you charge, the 10% and I guess some kind of affidavit stated that there's no way for you to recoup the admissions portion from those events?

Henry Simpson: Yes, I can do that...bring that in, will you guys sign the permit?

Chairwoman Pika Fejeran: You know, let's bring it in and I like I said today this is absolutely wonderful step in the right direction.

Henry Simpson: There's been a lot to do.

Chairwoman Pika Fejeran: Yes, I can see that.

Henry Simpson: All right. Thank you very much.

(10 minutes recess then resumed)

Chairwoman Pika Fejeran: Okay, I would like to call this Chamorro Land Trust meeting back to order for the record. Commissioner Amanda Santos has left the meeting but we still have a quorum with the three of us so we will continue. We will continue with the New Business agenda item.

5. Matthew Quinata – Request to Land Exchange a Portion of Private Lot 214-3 Municipality of Santa Rita for a Portion of Chamorro Land Trust Lot 243-REM-8-R/W, Municipality of Santa Rita.

Chairwoman Pika Fejeran: We have a staff report that was prepared and provided to us. Looks like Margarita prepared this to us.

Margarita Borja (CLTC): We have Mr. Matthew Quinata, he came in and provided us with a letter on January 9, 2018 requesting for a land exchange for portion of his property Lot 214-3 Municipality of Santa Rita for a portion of an adjacent lot under Chamorro Land Trust Lot 243-REM-8-R/W. Mr. Quinata currently has a concrete overhang and portions of the concrete housing encroaching on to the right of way and you can see that on the attached retracement survey sketch done by V.P. Olivares Surveying, LLC and on his property there's an existing semi paved dirt road servicing Chamorro Land Trust lessees for the adjacent lot and that can be shown on the sketch survey map from Lot 243-REM so what it is, is he's encroaching to the portion of the right of way on by the Chamorro Land Trust and our lessee's are utilizing portions of his property for easement and the reason why this was done in 2003 so it was evident back in 2003 that they were already encroaching on to Mr. Quinata's property.

Vice Chairman Joseph Cruz: Do we have a problem continuing non to route on that...(paused)?

Margarita Borja (CLTC): If you see the sketch right here Lot 243 REM done by Ray Cruz there's "as built" that was done that shows the dotted line.

Vice Chairman Joseph Cruz: The 243 REM is an approved subdivision or is it a sketch?

Margarita Borja (CLTC): It's a sketch put in 2012 these in house maps were approved (inaudible).

Vice Chairman Joseph Cruz: So it's considered a legal approved map?

Margarita Borja (CLTC): Yes.

Vice Chairman Joseph Cruz: So what are we curing here, his encroachment or the Chamorro Land Trust?

Margarita Borja (CLTC): Both basically. Mr. Quinata on the encroachment of the overhang can you just (interrupted).

Administrative Director Michael Borja: I just want to let you know both of the Survey Division, our Chief Surveyor went out to review the site to determine what the issues were and the outcome of whether or not the solution would be viable and logical and so what he found it would be even in the Chamorro Land Trust interest to do this because where the existing roadway is that encroaches into Mr. Quinata's property and in to those other properties. It's that way because there's a hill.

Vice Chairman Joseph Cruz: In other words you are aligning the easement with the existing roadway, it's not a straight (paused).

Administrative Director Michael Borja: No what was drawn for a proposed easement is not functional.

Margarita Borja (CLTC): and also just to add to that there is an encroachment again if you see on this map here it's encroaching on one of our lessees on 243 REM-2, it's a semi concrete garage so with that it's encroaching on to the right of way. So that may have been the other reasons why they (paused).

Vice Chairman Joseph Cruz: You know the mapping here, they issue a realignment of easement, you going to have to delete this because it's illegal access. Turn around and sever the existing road on Lot REM-3 so that will lessen the acreage on this lot and you're going to consolidate the right of way with REM-2. You said the lot is encroaching into the right of way so you're going to consolidate that?

Margarita Borja (CLTC): Right! So we're going to consolidate that and then make it (interrupted).

Vice Chairman Joseph Cruz: But before you consolidate it you have to delete it.

Administrative Director Michael Borja: Paul Santos is well aware of what the needs are to make this work where it's actually practical.

Vice Chairman Joseph Cruz: Any waterline on the alignment?

Margarita Borja (CLTC): Yes I believe so, there's a water pipe that's running through the existing easement.

Vice Chairman Joseph Cruz: So how much area is Mr. Quinata getting from the right of way? How much area is Chamorro Land Trust getting from the realignment?

Margarita Borja (CLTC): 223 Square Meters is going to be a (inaudible) being that it's just within the same adjacent lot so we're looking at 223 square meters of portion of 8-RW will go to Mr. Quinata and 223 Square Meters from Mr. Quinata's property will be transferred to the Chamorro Land Trust. So basically it's an area for exchange.

Vice Chairman Joseph Cruz: And what is our 6RW who's being (inaudible) with that?

Margarita Borja (CLTC): 6RW the REM-4 and the REM-5.

Chairwoman Pika Fejeran: Mr. Quinata thanks for waiting I know that was a long meeting to get through, could you state your name for the record.

Matthew Quinata: Matthew Quinata. This is my Lot that we're talking about I'm totally new at this so. The house is (inaudible) that's how we came across this property and

(inaudible) we had hired somebody last year to take care of this but I guess we had to step up and do it ourselves. I don't want to mention no names but (inaudible).

Administrative Director Michael Borja: If I might just add this is just the first step if the commissioners concur then we actually have to get legislation to do that and at this rate there's not much left in this legislative session to do this kinds of things so if you are trying to sell they are waiting it could be a 3-4 month wait depending on how much the legislature can act.

Matthew Quinata: We approached Senator Ada's office and they are just waiting for this.

Administrative Director Michael Borja: So he's got a lot of details already then.

Chairwoman Pika Fejeran: My only question was how this came to your attention and there was going through selling the house.

Matthew Quinata: Actually, when we first bought the house we never came across this.

Chairwoman Pika Fejeran: So you didn't build the house?

Matthew Quinata: No it was bought like that.

Administrative Director Michael Borja: When did you buy it?

Matthew Quinata: '89

Administrative Director Michael Borja: The banking law has gotten extremely strict since 2008 where even if you're like a millimeter over the line (interrupted).

Matthew Quinata: I'm just curious we bought the house in '89 how come we didn't go through this problem back then?

Administrative Director Michael Borja: Because they may not have done an appraisal or looked at the property in the detail they do today but the banks are extremely strict about that.

Matthew Quinata: In '89 it was (inaudible).

Administrative Director Michael Borja: The banking laws for home sales were much looser than they are today because in the end if the bank is stuck with this it's going to be their problem so they don't want to be stuck with anything like this. The rules on the banks are even more strict so they have to be extremely conservative on the properties that they going to give mortgages on or sales on assuming the buyer has to get a loan and they had to do their due diligence of getting the appraisal.

Commissioner Pascual Sablan: What made you bring up about the bank? I guess this is being finance through the bank, right, Mr. Quinata's house?

Administrative Director Michael Borja: Well, somebody wants to buy it. He's selling it.

Commissioner Pascual Sablan: Currently are you financing your house?

Matthew Quinata: Yes, I don't understand when you put a lien on the house we didn't come across this.

Administrative Director Michael Borja: Because in the '80s the banks didn't scrutinize these kind of property issues.

Commissioner Pascual Sablan: Is there still an outstanding loan?

Matthew Quinata: Yes.

Commissioner Pascual Sablan: We need to get clearance from the bank because of the mortgage.

Matthew Quinata: The bank is the one who sent us to do this.

Administrative Director Michael Borja: You would have to deal with the bank in agreeing to the intent of the bill as well. He will probably have some kind of lease portion.

Vice Chairman Joseph Cruz: The portion we are getting from his lot they need to lease the mortgage because that's still encumbered as its part of that from the loan.

Commissioner Pascual Sablan: Because if it's clear and free from the loan then no problem.

Matthew Quinata: We had the title company take care of that.

Vice Chairman Joseph Cruz: But will the bank approve a partial release for the portion that you are giving us? Because if you got no lien (interrupted).

Matthew Quinata: That what's my understanding, everybody is in the talks right now we're just waiting on this board hearing.

Vice Chairman Joseph Cruz: So you're waiting for this because they already said they're going to release it or they release it when (inaudible)?

Matthew Quinata: If that's the case, if it doesn't get approved then I guess we have to knock down the house, the portion of the house and then the road had to be (inaudible).

Administrative Director Michael Borja: But the title company is aware...the commissioner is saying is that if we take that apart it could come with a lien so it has to be free. They have to agree that they going to free the Chamorro Land Trust from any liens and then they going to receive one that's clean.

Female voice: From escrow, everything will be paid off he will not have a mortgage or lien once this is clear then title will then be transferred clear to the next client.

Administrative Director Michael Borja: Our concern is that the banks is not going to encumber us on the lien and there has to be something clearly stated. Even for the legislation that the title company, the bank, are all in agreement to deal with this change because as the commissioner pointed out there's not a simple step, you heard the technicalities we have to delete this (interrupted).

Matthew Quinata: Even the bank was telling me that as long as I provide whatever from here and whatever was being done at Senator Ada's office they take it from there that's as far as we can go right now.

Vice Chairman Joseph Cruz: What's going to happen is we're going to give you a clean map stating a consolidation of what needs to be adjusted. Keep in mind the official designation of that roadway is already legal so we need to delete that so portion of that goes to you so by deleting is erasing that listed designation so that's what we need to do. On the other hands your mortgage of your basing lot that portion that we're taking it's going to be a different partial is going to be severed out of your basic lot to be consolidated into lot remainder lot 2 because that's the one that's fronting that portion that we're taking from your lot so that lien has to be cleared remove by the bank on partial release and then it's going to be part of this lot now because all these lots will be change. The three lots that are affected is yours, the roadway, and the two lots from the back which is four now. The remainder three and the remainder two will change the configuration and lot numbers. So it's not as easy as what the bank saying or the broker are saying because yes you can do it but the technicality of changing those lot numbers...now if this is a real map and these owners that are leasing has a mortgage through that then we have to clear that also.

Administrative Director Michael Borja: It will be even more complicated. You're lucky you are dealing with the government's land rather than individual properties.

Vice Chairman Joseph Cruz: So all I'm saying is it could be done but it has (inaudible).

Chairwoman Pika Fejeran: We need to make a motion here.

Administrative Director Michael Borja: To concur for doing a land exchange for Mr. Quinata and by Resolution we will supply that to the Guam Legislature so that they can incorporate that into their bill.

Vice Chairman Joseph Cruz: But the information that we're going to provide the legislature has to be an approved map. Because once the law or the bill or the public law

is in place the exchanges between the two portions that we're going to sever so we need a map.

Administrative Director Michael Borja: If we can't get a recorded survey map we probably a sketch to begin with to identify what's going to happen when they are going to be called.

Margarita Borja (CLTC): We're able to do that, we did that with GPA and it was just a sketch for the 421, it's possible.

Administrative Director Michael Borja: and then once the map is completed then it gets recorded. Ones the bill allows we record the map.

Vice Chairman Joseph Cruz: But do we need these tenants to sign these maps.

Commissioner Pascual Sablan: We need.

Administrative Director Michael Borja: We're going to have to adjust their lease.

(discussion ensued on property location)

Chairwoman Pika Fejeran: any further discussions, questions? Do you concur with the staff recommendation to exchange?

Vice Chairman Joseph Cruz: Do we have jurisdiction over the roadway as Chamorro Land Trust?

Margarita Borja (CLTC): Yes.

Vice Chairman Joseph Cruz: So Chamorro Land Trust owns rights of way designation?

Margarita Borja (CLTC): As long...no it hasn't been granted.

Vice Chairman Joseph Cruz: I just asked whether this map is an approved map and you guys said yes.

Administrative Director Michael Borja: It is an approved map.

Vice Chairman Joseph Cruz: What is an approved map, rights of way is the jurisdiction for Public Works.

Margarita Borja (CLTC): We have a legal opinion that states that any rights of ways that are severed out of Chamorro Land Trust property remains (inaudible)

Vice Chairman Joseph Cruz: (inaudible) terminating the statement because of the subdivision law. When I subdivide private land my property belong to the right of way

under, we only fee simple, but they own the easement right. So in this government of Guam (paused).

Margarita Borja (CLTC): It can be used as a right of way.

Vice Chairman Joseph Cruz: Double check because the intent of the approved subdivision is already granting that rights of way. We don't want to make a resolution then it's not our jurisdiction to give away.

Margarita Borja (CLTC): I can go ahead and provide you guys (inaudible).

Administrative Director Michael Borja: We can do the motion and subject to all the requirements of the law.

Vice Chairman Joseph Cruz: Before you make the motion, what is our action here, how did this come about to the Chamorro Land Trust? Did he turn in a letter?

Margarita Borja (CLTC): It's attached.

Administrative Director Michael Borja: The cost Mr. Quinata, you may need to understand for more likely will be borne on you. The cost of the surveys. The surveyor will, of course, will coordinate with Land Management but those kinds of cost, because it's you needing to do this not us needing to do it. And all those land filled that you've done for the land exchange usually put it on the person who's requesting.

Vice Chairman Joseph Cruz: I move to approve the request for land exchange on Lot 214-3 and with portion of subdivision of 243 REM-8-RW subject to compliance with subdivision law and Public Works right of way realignment.

Chairwoman Pika Fejeran: Motion's been made.

Commissioner Pascual Sablan: Second.

Chairwoman Pika Fejeran: Second by Commissioner Sablan. Any further discussion? No. Okay those in favor say aye.

All Commissioners: Aye.

Chairwoman Pika Fejeran: Ayes have it.

Administrative Director Michael Borja: Okay, so I submit a resolution for this for the Chairwoman's signature.

VI. NEW BUSINESS

1. GEDA- CLTC MOU Update

Administrative Director Michael Borja: In your packets we had been discussing this in the past our current MOU had expired and we had talked about where we wanted to go and what we wanted. The issue we had was the amount of the fee and it had been at 14% and we wanted it to be something different. During this time we now have had some additional discussion with GEDA and there's on the terms of the agreement for the MOU is that there will be a 14% charge basically until the cost of engaging in this agreement the cost has been extinguished and thereafter it will be 10% for the duration of the MOU and that sounds really reasonable 10% is the going market price for management of contracts this also states that they would require that the lessee make two payments, one will be the portion that would be payable to Chamorro Land Trust and one will be the portion paid to GEDA as opposed to the past where...or what was intended before is that 100% of the pay will go to GEDA they cut out their portion and pay Chamorro Land Trust theirs. Now other things have changed in here as well is that I had asked about the possibility of allowing this MOU to go beyond what initially was three years and then have additional three year terms and I asked a question, can it be longer because that's really just 9 years that's not a lot of time, and their counsel says yes as long as there's a termination clause that will allow either party to terminate for whatever reasons they can usually terminate. So the term of the agreement would be proposed a singular 10 year period with 3 additional 5 years so that will give you 25 years. The last thing I asked if they could look at and see if it should be included in here and that had to do with the possibility of also assisting the Chamorro Land Trust Commission to obtain financing for capital improvement projects. So let's say for example we are able to lease a piece of property, and I'm just going to use round numbers just for easy math, that we lease a piece of property for a million dollars, of course, escalate over time for fifty years and roughly you're going to make fifty million dollars, that's going to be over a fifty year period, but we want to use the money now to do capital improvement project, put sewer and water into all our properties, so can we get a loan for thirty million dollars and we can finance that loan through this long term lease, can they help us with paying the financing and the answer was yes. So that's also included that they would be able to assist with that. They did include language in here as well, there is a process that they do through for financing and I know they stated in here where there is fee for helping to get a financing for any government agency and that's just set by their rules. So in essence what this MOU does is that it allows GEDA and the Chamorro Land Trust to engage in a...for to assist with Chamorro Land Trust in finding people to lease our commercial properties, but they have to go through the procurement process. We will probably have to do the determinations of needs for some of these properties definitely should exceed five years require by law but determination of need you could go longer. So they go through the whole RFP procurement process to find the best proposal and then collaboratively we make the selection of who this will be then go through the process of getting the lease done. So this is pretty much of talks about, and get at 14% for the period that it takes to exhaust the cost that they took to do that procurement and they would have to definitely have to define in writing what those cost are for us so that we know specifically what it is that we got to pay for in those 14% will pay. And then once those cost are extinguished then it goes to a 10% maintenance. I don't expect a decision today to allow you guys to look at this but I do want you to look it over and GEDA folks are here to speak about this, Larry Toves and Mike Cruz, to talk about this process from GEDA and this is the

only thing holding us up from moving forward on the commercial properties that we have already approved and had gone through the entire approval process in accordance to the rules and regulations. It also states that from time to time should the rules and regulations need some kind of modification because really there may be some things that laws change and what not they will assist in getting the rules change. So we will turn it over to the representatives to give comments on this.

Larry Toves: Good afternoon thank you everyone. As it was mentioned earlier it's been almost a year since we started this process on this new MOU. Just going back to some history in 2010 we had the original MOU with the Commission and at that since expired in 2016 so working together with our director I believe we came up with an amicable MOU that everybody (inaudible) we've been doing back and forth on discussions regarding a reduction of the initial fees and so we've kind of justify on our papers that we presented to the Commission a few months back. And so again, we're eager to do this for the Commission, it's part of our job being with the Real Property Division of GEDA and so we extend our services to other government agencies, as you are aware, we do this with the Ancestral Lands Commission. So in a similar way we are using the same template that we use with that Commission. Yours is a little bit different because there's more involved in this process. Your Commission doesn't have an ability to pay out and so again we're asking in this MOU that once we negotiate a lease, the tenant will pay two separate payment, one to the Commission and one to GEDA so there's no issue with respect to amount of monies that would be remitted to the Commission. Mr. Borja had already explained thoroughly what's involve with this revision so we're here to answer any questions that you have in specific to this.

Chairwoman Pika Fejeran: I'm sorry, can you state your name for the record.

Larry Toves: Larry Toves and this is Mike Cruz.

Chairwoman Pika Fejeran: You said you are from the Real Property Division?

Larry Toves: Yes, manager of the Real Property Division.

Chairwoman Pika Fejeran: Thanks for coming. I too feel that it's been a long process and I appreciate that you and your board are listening to our concerns and trying to meet us in the middle. I really like that you've included the financing activities that you guys can help us especially...one other thing that we struggle with as well as our lessees is a lack of infrastructure so if we're able to use you to help us really plan the future and get those capital improvement projects going.

Larry Toves: and I do that anyways with all the other government agencies so it's not something that I would have a problem with.

Chairwoman Pika Fejeran: It's your expertise. I guess I can start with some questions. You mentioned the previous MOU, through that MOU, you issues out the RFP that is now subject to litigation.

Larry Toves: That's correct there's one property in particular that we started negotiations with, we went through the procurement process, we entered into negotiations and then there was a law that was passed that (inaudible).

Chairwoman Pika Fejeran: So my question is, with this new MOU and with these new items in here saying that the 14% will be collected until the initial cost are recouped.

Larry Toves: (inaudible) and again because the Commission felt that we can actually at a lower rate of fee our board took the position, initially, (inaudible) during the initial states of the negotiated lease putting one together, procurement, even as far as advertising and everything, there is additional cost and that's been doing by GEDA including staff time, putting this process together and so the board thought that as long as we are able to recoup our initial cost they have no problems, at some point, say 2 years after the lease is executed once we determine what those actual cost are, we presented to the Commission and the fee will go forward from that period is reduced down to the 10%.

Chairwoman Pika Fejeran: So for those initial cost, does that include let's say it was another litigation for that subject property, is that going to pass through to us?

Larry Toves: So how this works is if you read through the MOA it clearly spells out each agencies responsibility, so it allows GEDA to hire expert consultant and even legal services to make sure that these leases are legit and they get approved. So if there's any legal cost involve on our part then that is included as part of our cost so we use that 14%. Again, initially there is a risk to GEDA because we step up we do all these processes if you will, and then it comes to the point where we have to pay our cost and for example in that particular instances with the former lease that we were negotiating we lost everything, we expanded a huge amount of money just on legal expenses and we weren't able to recoup that. So again it's the board's position since we are taking a risk at this point we willing to take that risk and at some point it will be a benefit to both agencies and to the Commission that these is a reduce rate at some point.

Chairwoman Pika Fejeran: The cost associated, those will be lease specific, so let's say you have four leases maybe three of them you will be able to recoup your cost, those drops down to 10%, the 4th one you haven't so that will stay at 14%? They are each individually specific?

Larry Toves: Yes they each leases are individually although they incur the same cost but as you were saying it depends on the severity of the property and issues that come about. In some instances, there's some (inaudible) issues that have to be taken care of in the property, the developer wants to do it's due diligence before he actually signs a lease so that they know they have a property that's clean and have no issues on them so that's the whole new process and it take some time to do as well and there's cost involve in that too.

Chairwoman Pika Fejeran: Previously you (inaudible).

Larry Toves: That was the only property that we actually working on at the time.

Administrative Director Michael Borja: That last MOU was also was about was also for them to assist in the creation of the rules and regulations so they were very instrumental in that process.

Chairwoman Pika Fejeran: I also see that the agreement includes helping Chamorro Land Trust prepare a land use plan and analyze infrastructure needed by the Chamorro Land Trust, how would you bill us for those cost that is built in?

Larry Toves: It's built in to the MOU it's part of the 14% but again most if not all of the cost associated with those issues we pass on to the lessee so once we execute the lease those cost will be borne by the tenant and if there's anything outside of that, that is (inaudible) by us then that's part of our 14%.

Commissioner Pascual Sablan: My question is for example, let's say you help Chamorro Land Trust, you put all the RFP and everything, the deal was closed then several years down the road we start having problem collecting, for example, a lease from that particular lessee, are you going to help us in going after that lessee to collect the money or are you just going to dump everything to us?

Larry Toves: The way the MOU is drafted that responsibility falls with the Commission as far as the enforcement and the eviction notices if there is a lease that is going to be terminate. We will recommend to the Commission what action to take and then it's up to the Commission to take and then it's up to the Commission to take (interrupted).

Commissioner Pascual Sablan: But will your legal counsel get involve in collecting whatever is owed to Chamorro Land Trust?

Larry Toves: During the process of termination, for example, we will give a notice of first default or whatever so usually our legal counsel will draft those up.

Commissioner Pascual Sablan: Would it charge us an additional 14% for getting our legal counsel involve?

Larry Toves: No it's not.

Commissioner Pascual Sablan: It's not here. What happened if you also held Chamorro Land Trust go through the whole nine yards then when it reached the nine yards Chamorro Land Trust, no, are we obligated to compensate you people for all the time and effort that you?

Larry Toves: No, only when there's a lease.

Commissioner Pascual Sablan: But there's no language that says that we have that option?

Larry Toves: It does say that, on Section 5c, page 6, line 10. Once a lease is executed that includes the Commission may approve a lease but the legislature doesn't, it covers that as well. You have to have an executed lease in order for us to charge the 14% and the 10%. But if there's no lease for whatever the reason...that's why we are charging 14%, right, the Commission's position has been the 14% is high, well that's because there's a lot of risk involved including Chamorro Land Trust not approving lease, the legislature not approving lease or the legislature passing laws that nullifies negotiations that we've had. There could be all different reasons that a lease is not executed. The 14 and the 10% apply only to when you have an executed lease.

Commissioner Pascual Sablan: My concern here is that like broker if you talk to a broker and later on down the line the new (inaudible) that broker can come and say the reason why you found that lessee because I talked to him and I never knew or I never authorize the broker to go to talk to that lessee. Will you do that on Chamorro Land Trust?

Larry Toves: I do understand your question but I will tell you this that we won't do anything without the Commission's approval first of all but if the Commission should decide on its own to enter into a separate agreement with a proposal or (inaudible) then that's up to the Commission. You give us a portfolio of what properties, commercial properties, that is, that you want us to lease and we will deal with those properties. But in this example, what you are trying to saying is that if you decide at some point not to use us and want to do something separate then we're not going to charge you for that.

Commissioner Pascual Sablan: So you have no objection if we put another sentence here saying that?

Larry Toves: We can get our attorney to draft up some language.

Chairwoman Pika Fejeran: I guess I appreciate a little bit more time to look at this revised MOU.

Larry Toves: Again, we just submitted the revised one to Director Borja before lunch so please take a look.

Chairwoman Pika Fejeran: I just have a question, when we kind of move forward I would like (inaudible) it's pretty good shape where both parties feel like we've addressed. Now, just off the top of your head knowing the properties regarding the push forward are ready to be leased out commercially, what are your contacts to bring to the table for some of these properties? Do you see Chamorro Land Trust commercial properties opening up new industries on the island strengthening current industries?

Larry Toves: That's one of the factors that we use in our evaluation for these proposals that come in once we put on our (inaudible) for particular piece of property so we look at those things so as you know our charge in GEDA (inaudible) and to attract new industries to the island so of course we're going to look at that and again we do have a guide, an

evaluation guide as we go through each of these proposals and it helps us and whoever is on the evaluation team and most likely it's going to be one of the board members or a staff from Chamorro Land Trust to be part of that evaluation team so we look at those, you know, what's important, what the goals are, what the mandate it for the Commission, I believe similar to GALC, your goal is to try to get the best use of the property at the highest rate possible as far as the fair market value so that's our aim as well. I have to tell you looking at some of the properties that we initially looking at as far as the portfolio for the Commission but you have some really good properties that I'm sure will attract some industries maybe some new ones, maybe some existing ones, but in the end I do believe these properties have high value.

Chairwoman Pika Fejeran: Any questions?

Larry Toves: I do have one last question to the Commission but I talked to Mr. Borja about this earlier. But just to be clear are we doing existing leases as well or are we new doing new leases going forward?

Vice Chairman Joseph Cruz: Just throw that out you don't need an answer now.

Larry Toves: You can think about it and see, I mean, because you do have some existing licenses and leases, do you want us to go ahead and manage those as well or are we just talking about new leases to go forward on properties that's not already leased out.

Vice Chairman Joseph Cruz: Do we have a commercial lease to be expired or anything?

Administrative Director Michael Borja: Well, we talked about one today. That one is set to expire so it's a matter of what we want to do with that.

Vice Chairman Joseph Cruz: Whatever listing is coming up from the legislature whether it's existing or not should be covered under the MOU.

Administrative Director Michael Borja: We just want to insert the language so hopefully by the next meeting we can look at the final product and in the course of the next few weeks when we pass this back trying to get it to all commissioner for your review so that you have a chance to look at it and then we can talk about it...hopefully approve it.

Chairwoman Pika Fejeran: Thank you.

2. Lot 7054-R8, Yigo – Yigo Mayor Request

Administrative Director Michael Borja: I had a discussion with Yigo Mayor this morning and he is unable to make the date as he's under the weather but he did want to emphasize again as he had discussed in the last meeting, which was nullified, his position is still the same he seeks the desire for this property which is already deemed to be for commercial use by this commission and approved by the legislature to be transferred over to be under the control of the Yigo mayor for community uses so I just...he's not present I don't want to

Speak more on his behalf but except to express what he told me over the phone this morning so I just want to make it for the record.

3. Vision & Mission Statement

Vice Chairman Joseph Cruz: Any further discussion on Item 2? Going to Item 3, Vision and Mission Statement.

Administrative Director Michael Borja: It should be a part of your package that the Chairwoman had met on a number of occasions with the staff and I to come up with the set of Mission and Vision and goals and she just wants to kind of go through...let her speak when she gets here. Basically she's looking at the Commission as a whole to concur with the goals and the vision statements that we have discussed.

Vice Chairman Joseph Cruz: On the last discussion on this item, I think we did make a motion to (paused).

Administrative Director Michael Borja: So then we have to do it again.

Nicolas Toft (Legal): I had reviewed those and they were legally fine they didn't interfere with anything as far as any existing issues.

Chairwoman Pika Fejeran: Ok, good that was a concern. Before we make a motion to adopt it maybe we can put it out there and ask for public comments before we finalize it so that anyone can comment, any of our lessees or the public at large before we finalize it. We can put on our website. Proposed vision and mission please submit comments so that next time if there's no comments fine, but if there are we can consider them.

4. Lot 354-4-R2, Inarajan – Haya Foundation Request

Chairwoman Pika Fejeran: Is this the same packet from the last meeting?

Matthew Leon Guerrero: Since that meeting being nullified we worked with Zita, the staff, Jhoanna, she's taking them out on sites already. From the last meeting they didn't realize the topography of that lot so we had started coordinating with Zita already to find a suitable piece of property that would fit their needs at this time but the thing has been made solid yet. I still need to meet with Zita because she mentioned the staff when they showed the location of the property she wanted us to identify a starting point of the beginning, we don't do that it's only done by Survey. We can only show you general vicinities and general location. And since she's off island I haven't spoke to her about her request to get that point of beginning or starting point to identify the actual locations that were shown them out there.

Chairwoman Pika Fejeran: So the item on our agenda is basically to say yes please let's find another location that we can make the motion and approve, is that right?

Haya Representative: Other than that maybe we can get the property we looked at and see how it is.

Francis (Haya Foundation) This is Senora Francis (Haya Foundation)(inaudible) thank you very much for your time. If I'm not mistaken that we had conversation with Zita prior...it's something about a mis confusion of the lot numbering or something. I'm not too sure maybe you guys could shed some light on that.

Matthew Leon Guerrero: Zita was considering going back to that original lot but then again she wanted to do the site visit which we have not scheduled yet. She wanted to go out there with the staff to (paused).

Vice Chairman Joseph Cruz: So what's the other lot they are referring?

Haya Representative: That's the other lot (inaudible) we're supposed to look into. I think they were saying something about the lot that we're asking for is another suitable place for us.

Matthew Leon Guerrero: If it's another lot in Inarajan it's in Lot 8 the Ija area. That's another site.

Administrative Director Michael Borja: But the problem with that is that they are like individual lots? And part of that some of it is supposed to be returned back to Chamorro Land Trust from the land for landless or is this clearly all?

Matthew Leon Guerrero: This is by the experimental farm.

Jhoana (CLTC) (CLTC): We took them, I think it was last year, when we showed them the general area.

Administrative Director Michael Borja: This is just really based on introduced legislation, not a public law, right? There's no public law requiring us to do this. We're trying to find a suitable piece of property to be put into a bill so that they can be used for this purpose. So we're just waiting for Zita to show and she wants to see about map?

Matthew Leon Guerrero: We have sketches.

Jhoana (CLTC): She wanted us to actually show her where it starts because we showed them the general but she wants to know exactly where it's located so that (paused).

Administrative Director Michael Borja: It not shown on aerial diagram?

Jhoana (CLTC): We have and Matt's also showed her the topography and so forth but she wanted to I guess get a more focused area of where it starts, where it ends.

Administrative Director Michael Borja: So that's where we're at. We can't just expend resources to go out and survey and say here's your four points because we can't define the lot until we're told to define the lot for your purpose. It's not even an introduced bill. The original request is to get an area behind Inarajan Middle School but that place was topography unusable. It looks good on a piece of paper. What you saw was the back yard of the school and it looks like the perfect place but it belongs to the school. So we are trying to find an area. That place in Ija.

Francis (Haya Foundation): That's the one that's on the agenda that piece of (paused).

Administrative Director Michael Borja: It's not on the agenda but that's what they went to show her up by the agriculture farm, the UOG experimental farm rather.

Jhoana (CLTC): She wasn't shown that yet. We expressed to her that most of the lots given out are mainly residential and if they were to utilize part of the property it's mainly a slope down so you know it may say that the remainder is 20 acres but only say 3 is usable. Just like Mangilao where usage is only, I believe 5, and the rest is cliff line. But we did expressed to her that the Ija area is mainly for residential and she did express that you know they were (inaudible) of doing plantation as well as bring in livestock so that's why we suggested that, that may not be the most feasible area for what she would like to do.

Administrative Director Michael Borja: You know we got some farmers down there, some young man who are really avid farmers and they are commercial farmers and if terrain doesn't stop them from disappearing from the landscape to get down to their farm and they are even using the river to irrigate so there can be challenges but the challenges too, you have opportunities there so you it could be great fertile soil but it's over the hill and around to the side and that might be an issue of where getting to and from there. These guys they wake up at 3 in the morning and drive from Tamuning down to their farm in Inarajan and come back at 3 o'clock in the afternoon to take the kids to soccer so you know it's doable up there. That's why you have an agricultural experimental farm up there and you have several lessees over there who have plantations of different kind of crops so the soil is good, you are up in the hill, you are not in the main flow of traffic where you have to worry about people coming out all the way up there to mess with you.

Francis (Haya Foundation): So that's in Ija separate from the piece of property that's in the agenda, no?

Administrative Director Michael Borja: Yes, behind the Inarajan Middle School.

Francis (Haya Foundation) So I guess we just have to wait for Zita right?

Administrative Director Michael Borja: And the reason you had to come back and because when she did give her discussion last month the meeting unfortunately had to be nullified meaning...basically everything she said was struck, it's not going to be recorded. We will still work with her to find a place but her eagerness to find the 4 points she has to look beyond that.

Francis (Haya Foundation) So just for the record what is it that you want us to rely to her on that regard so in order to identify your proposal on this area in Ija in Inalahan and she's going to have to find a surveyor to do all those things?

Administrative Director Michael Borja: Not necessarily just say she has an interest in that and again nothing gets transferred until the law says to do it. There's no law. We just have to define something for her which is not a hard definition just a rough definition and an unofficial definition and that's what the bill would use to find the land if she agrees in principles to that area and then it's done we then define the land with the survey.

Francis (Haya Foundation) I guess that's it. Thank you very much for your time.

VII. DIRECTOR'S REPORT

1. Financials

Administrative Director Michael Borja: You should have gotten one of these from Joey and basically it shows what we have in the bank under Chamorro Land Trust. This is the monies that are for the loan guarantee program. I want you to also know that the Chamorro Land Trust is completely funded by the Chamorro Land Trust monies and not anything from the general fund so the recent call for the government to cut from it's general fund it did not affect the Land Trust because there are not general funds money, however, that doesn't preclude us from squeezing the belt a little bit so we are looking for ways ensure that we cut our cost but the process is already doing it for us we've lost several different land agents moving to other place and we haven't even yet been able to fill them so we are short on personnel by...just walking back there, there are 4 empty cubicles so we do have a shortage of people now and they have not announce the opening. So I'm going to have a discussion pretty soon with the BBMR to give justification to announce those jobs because they are not funded by the general fund. Joey, you have any comments on the revenue collection report.

Commissioner Pascual Sablan: Yes, remember the money that they took, the general fund borrowed like \$2.2 million and they only returned \$2 million?

Joey Cruz: It's been returned but increments.

Commissioner Pascual Sablan: What happened to the \$300,000? This was several months ago one time they (paused).

Joey Cruz: They probably returned it already and if they didn't through our audit because our audit should be completed by next month we will do some audited adjustment to record in a government side books for them to (paused).

Administrative Director Michael Borja: Once the audit is done and there's a shortage from what they borrowed they will be required to put it back. By the way the audit for the

Chamorro Land Trust has begun it's actually began while back already we had our opening entrance meeting with the public auditor last Friday morning and I did ask her too to please find out what the status is to the challenge to the Lahuna project not that we want to continue with it but it's frozen that property from anything and it was appealed with the public auditor then the people doing the appeal then challenge the public auditor's qualification that she should be recused and so they took that to court so it's not only sitting in the auditor's waiting resolution it's also sitting in the court waiting resolution. Nick is there anything we can do kind of kick that out of the court...it not been active. I have a feeling that what is happened is that the case was introduced but now there no activity because they are not pursuing it.

Nicolas Toft (Legal): (Inaudible) whether the decision has been rendered on it. The court traditionally takes about 3 months to issue a decision. I know it's been a year so if we can track down the case number maybe I can go to the court and see.

Administrative Director Michael Borja: Ask the auditor to give us the case number.

Chairwoman Pika Fejeran: Joey, you mentioned that for February commercial license payments previously (inaudible)?

Joey Cruz: No Mr. Simpson just paid \$12,000 today, so that's \$16,000.

Chairwoman Pika Fejeran: Is there anyone else that's outstanding?

Joey Cruz: Evelyn Store is outstanding but we sent her a letter, I believe, we informed her (inaudible) so everybody who has a receivable we're sending letters to either through email or through mail.

Chairwoman Pika Fejeran: I like those reports that has everybody, all the commercial, and all the payments they made.

Joey Cruz: We just didn't generate the report only because our audit hasn't finish yet so any report submitted to you now is unaudited but there may be adjustments.

2. GPD/Yigo

Administrative Director Michael Borja: Lastly what I gave each one of you is a letter from the Chief of Police, the public law that took part of our IBC property in Yigo allowed them to take a three acre portion of it and the law also said pick your part so the part they picked we subdivided out and then when they went back out to begin the process to begin the construction they discovered that what was there from the onset not as a left over from IBC is a stuck of tires. It actually contained within a concrete barrier and EPA estimated it was 20,000 tires I went up to take a look and how do you get 20,000 out of that stuck like that so I don't know how they came up with that number but what this letter from the Guam Police Department is asking is that we request to remove the tires on to the adjacent to the Chamorro Land Trust property. It's 20,000 tires and the cost will be around

\$250,000 and so they are going to look at the recycling funds to try to help sort some of the removal of these tires. But the issue with the Guam Police Department is that they are under a time constraint to commence construction so that's why this deal with the land went pretty fast, the only problem is not like they were given one year to do it, they were given five years to do it so they are on the last final ones of this project going so the money is made available.

Vice Chairman Joseph Cruz: I think it's easier for us to relocate the lot then the tires. We can relocate GPD in the back.

Commissioner Pascual Sablan: Mr. Director, they got this property, it was Chamorro Land Trust and the legislature gave it to them right?

Administrative Director Michael Borja: Yes.

Commissioner Pascual Sablan: Then tell them to go to the legislature, get an appropriation, why should we pay for them?

Administrative Director Michael Borja: We're not going to pay for this. They just want to clear their lots so they can use it.

Commissioner Pascual Sablan: Are we going to allow that to have them put their trash or junk on the Chamorro Land Trust area? So we're not going to pay right?

Administrative Director Michael Borja: I'm asking you to give me direction on responding to this request to move the tires to move the tires to our side of the property.

Matthew Leon Guerrero: On that meeting we had with them it was just the need to move it because of their building but they are working with EPA and the last police officer who came by is working on a grant to get it funded. They are still working with EPA to get it completely removed but just so they can get their building started there asking that it be stored there so they can get their thing started while they are working with EPA and (paused).

Chairwoman Pika Fejeran: Their letter just said they going to move it temporary and then the year goes by and then it's our problem again.

Administrative Director Michael Borja: What I'll do is I'll write to EPA and ask them what the plan is given to me in writing and because it seems just a waste of time and money to move it from here to there instead of to be disposed off completely. The cost of moving it to disposed is equal to the cost of moving it a hundred yards over.

Vice Chairman Joseph Cruz: Recommend to relocate the site.

Chairwoman Pika Fejeran: Director, there was a recommended Chamorro Land Trust resolution?

Administrative Director Michael Borja: That was the one we talked about that just describe the land, I'm sorry, I didn't get that done yet but it was just to change the property description of the Tamuning property to the correct lot.

VIII. COMMISSIONERS' COMMENTS

1. Resignation of Commissioner Pascual Sablan

Commissioner Pascual Sablan: I think I'll take this opportunity to inform everybody for the record that I have before me a letter to the governor resigning from the board. I really enjoyed every minute it's just that because of health problem that preventing me from continuing serving in the board. I need to take time off, my wife, she needs my full attention and I like to thank you Madam Chair, Vice Chair, you folks, the Director and the staff thank you very much for everything thank you for all the support like I said I enjoyed serving on this board it's an honor and that's what I told the governor it's just that because of my wife's health problem I have to step down in order for me to provide her my assistant and attention. It's very difficult really it's very hard. I guess I have to let go this responsibility that I have here on Chamorro Land Trust so please accept my sincerity that I really appreciate everything and I'm sorry that I missed the past three meetings. It's not

(Continue on next page)

because I want to it's just I have to, and thank you and hopefully we will remain friends and if there's anything I can do let me know. Thank you very much.

Chairwoman Pika Fejeran: Mr. Sablan, I'm sorry to see you go but I absolutely understand and I emphasize with you, sorry you're going through that our prayers will follow you and your family.

Administrative Director Michael Borja: It was a pleasure working with Mr. Sablan through all these years I think both as a commissioner under the Chamorro Land Trust and later as an Administrative Director and your counsel and your advice have both been proven to (inaudible) so I think you for your time and know that the (inaudible) Governor appreciates the time too that you've given to the community. This is not always been an easy task we get in the lime line quite a bit for this and for that but you've been there to help us move along whether it was through the different processes as we gone through this many years so thank you, thank you in my behalf personally for all you've helped and done for the Chamorro Land Trust and I wish you all the best. I understand your wife's condition is significant that you have to care for her as well as for yourself so good luck and if there's anything we can do for you please by all means let us know.

Commissioner Pascual Sablan: I know that Chamorro Land Trust still have to face a lot of humongous hurdle before you people but I'm very confident that with your background and Chair's background, the professional staff here, you can overcome it and please do it because the people of Guam needs your help.

Chairwoman Pika Fejeran: Thank you sir.

Administrative Director Michael Borja: I'll make sure this is delivered to the Governor.

Chairwoman Pika Fejeran: Any other comments. Okay, the next meeting is scheduled for Thursday March 15, 2018. Do I hear a motion to adjourn?

IX. ADJOURNMENT

Commissioner Pascual Sablan moved to adjourn the meeting. Vice Chairman Joseph Cruz seconded the motion. Meeting adjourned at 4:45 p.m.

Transcribed by: **Ruth Sakuma**, Administrative Assistant: RS Date: 3/13/2018

Approved by Board motion in meeting of: March 15, 2018

Michael J.B. Borja, Administrative Director: MJB Date: 3/15/18

Chairwoman Pika Fejeran: Pika Date: 3/15/18