



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

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

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

Oscar A. Calvo
Commissioner

David J. Matanane
Commissioner

Michael J.B. Borja
Commissioner

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

REGULAR BOARD MEETING AGENDA

Guam Housing Corporation Conference Room
5th Flr. ITC Building, Tamuning
Thursday, November 17, 2011; 1pm

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES
 1. October 20, 2011
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS
 1. Guam International Country Club - payment status
 2. MOU between CLTC and GEDA
 3. MOU between CLTC, GHC and USDA Rural Development
 4. Layao Enterprises
- VI. NEW BUSINESS
 1. Johnnie & Veronica Patao and Wilfredo T. Garrido - Lease of Wilfredo Techaira Garrido
 2. Jeanith A.M. Cruz - application processing
 3. Tonko Reyes Inc. c/o Richard Untalan - St. Lourdes Subdivision nka Pacific Meadows
- VII. DIRECTOR'S REPORT
 1. Monthly Revenue Collection Report - October 2011
- VIII. EXECUTIVE SESSION
- IX. ADJOURNMENT

Island of Guam. Government of Guam
Department of Land Management Office of the Recorder

File for Record is Instrument No. 830186

On the Year 11 Month 12 Day 14 Time 2:24

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**CHAMORRO LAND TRUST COMMISSION
BOARD MEETING MINUTES
OF NOVEMBER 17, 2011**



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Monte Mafnas
Administrative Director

COMMISSION MEETING MINUTES

Guam Housing Corporation Conference Room

5th Flr., ITC Building, Tamuning

Thursday, November 17, 2011; 1:10pm - 4:10pm

I. CALL TO ORDER

Meeting was called to order at 1:10pm by Acting Chairman Oscar Calvo.

II. ROLL CALL

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

III. APPROVAL OF MINUTES (October 20, 2011)

Vice-Chairman David Matanane moved to approve the minutes of October 20, 2011. Commissioner Michael Borja seconded the motion. There were no objections, **MOTION PASSED.**

IV. PUBLIC COMMENTS - None.

V. OLD BUSINESS

1. Guam International Country Club - payment status

Administrative Director Monte Mafnas - I don't see an official representative but I do want to mention to the Board that they have paid twenty five thousand dollars (\$25,000) last month and as of yesterday they paid an additional twenty five thousand dollars (\$25,000). So pursuant to those two payments they are current in the terms and condition of their lease excluding the real estate taxes which we are working on at this point in time.

Acting Chairman Oscar Calvo - Okay.

Vice-Chairman David Matanane - Is that the amended..(interrupted).

Administrative Director Monte Mafnas - Amount, that is correct, that is correct.

2. MOU between CLTC and GEDA

Administrative Director Monte Mafnas - We have a memorandum of understanding with CLTC and GEDA represented by Mr. Mike Cruz and Mr. Larry Toves. What happened is I've been meeting with Mr. Cruz and Mr. Toves to effectuate a memorandum of understanding. I wanted the GEDA staff who are experts in marking and collections to represent the memorandum of understanding why we should. I do know, I've discussed it

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with the Board in prior meetings but I strongly suggest that we hear it from the representatives the plus and minuses, the pros and cons.

Vice-Chairman David Matanane - Is this a draft?

Administrative Director Monte Mafnas - Yes that is a draft but it will be the final form.

Vice-Chairman David Matanane - Oh okay. I'd like to make still another comment because on this particular this is the final form but why do we have cross outs and all these things?

Administrative Director Monte Mafnas - That was a working draft.

Vice-Chairman David Matanane - We might accidently type it in anyway on a particular amount, if it's fourteen then it's fourteen I guess the typist kind of looked at it but I believe well I would suggest that we discuss this with GEDA.

Larry Toves (GEDA) - Thank you Mr. Chairman and members of the CLTC, my name is Larry Toves, I'm the Real Property Division Manager at GEDA. With me is Mr. Mike Cruz he's the Project Director of GEDA and we have our staff Mr. Diego Mendiola who's also from the Real Property Division. As Mr. Mafnas indicated we're here basically to present to you our services for property management. What you have before you is actually the latest version, it's a draft version subject to approval by the Commission and to eventually our legal counsel as well. GEDA is offering property management expertise to assist the Chamorro Land Trust meet its objective of generating revenues to the CLTC beneficiaries. GEDA currently manages a hundred and forty three acres of industrial park program property including the E.T. Calvo Memorial Park which is where we're at today. We also manage property up at the Harmon Industrial Park and we have property down at the former Naval Ship Repair Facility and some property over at Cabras Island. So all in all we generate about one point two five million in annual lease revenues under the industrial park programs for GEDA's operations. In addition to that GEDA also manages a hundred and thirty seven acres of Guam Ancestral Lands Commission properties. Eighty five acres of which is not currently leased. For the fifty two acres that are leased GEDA generates approximately six hundred and seventy thousand annually for the GALC beneficiaries. This afternoon GEDA proposes to assist the Commission in resolving issues raised in the 2005 and 2009 audit reports prepared by the Office of the Public Auditor. To accomplish this we have developed a draft memorandum of understanding in which you have before you and if you could just refer to page two, I'll go down that list on the types of services that we would like to provide to the Commission. First off, General Consultancy and Property Management Services to be provided by GEDA. Within the scope of services, first we manage commercial leases/licenses and prepare billing, accounting and receipts of money from these licenses; negotiate payment plans for those in arrears if necessary; and remit commercial lease/license rents to the Commission as provided for in the MOU. We also propose to develop rules and regulations for commercial lease and licenses including legal review to allow the Commission to submit rules under the Administrative Adjudication Act process for the Legislature's approval. We

also offer to analyze the amount of money needed by the Commission to carry out its mandates as one method of determining the targeted amount to be generated from commercial leases and licenses. We also offer to prepare requests for proposal for the development and/or leasing of Chamorro Homelands designated for commercial lease and licensing. We offer to advertise these RFPs and receive all proposals. In collaboration with the Commission we also will evaluate all proposals received and rank prospective developers and/or lessees. Also offered is to negotiate license and lease agreements to be entered into the highest ranking developer again in collaboration with the Commission members. We recommend the execution of any commercial lease and license agreement by the Commission and do all other things necessary to carry out the above objectives. In addition to that we also require cooperation from the Commission or by the Commission and there's a list there on page 3 that describes that in detail. If you'd like I can go ahead and go through that or if you want to just read it.

Acting Chairman Oscar Calvo - Yeah.

Larry Toves (GEDA) - First, provide GEDA with an inventory by lot number or location of Chamorro homelands that are covered under the scope of this Memorandum of Understanding.

Vice-Chairman David Matanane - So we're discussing this and that's the first thing that I wanted to emphasize is it a blanket deal that you will come in to the inventory of the Chamorro Land Trust? Or is it assigned to you the properties that are available from Chamorro Land Trust and you take care of that of going through the motion of this MOU? So that doesn't mean that GEDA can come in and check all the Chamorro Land Trust properties and deal with it.

Larry Toves - No we understand that.

Vice-Chairman David Matanane - So I just want to clarify that. You know I had a hard time when I was reading that I said wow if Monte has nothing to do with but just my concern was that if the Director can give you five lots, give it to GEDA and approve what we have..(interrupted).

Administrative Director Monte Mafnas - Pursuant to what we give them as an inventory.

Vice-Chairman David Matanane - But it has to be clarified and specific thought is that we give it to you guys and based on that and you're proposing we can always settle for a rate right?

Larry Toves - Right.

Vice-Chairman David Matanane - That's with one of the questions but go ahead sir.

Larry Toves - Just to further clarify that's the first task is that the Commission will provide GEDA that list of properties.

Vice-Chairman David Matanane - Not GEDA coming in and say okay give me all your inventory, we'll pick and chose where ever we want to.

Larry Toves - No not at all.

Vice-Chairman David Matanane - So understood okay thank you.

Larry Toves - Secondly, we ask that the Commission provide the Legislative notification of GEDA's involvement with this MOU. We ask that the Commission provide survey maps, sketches, etc. of property in the Commission's inventory and if not available the vicinity maps of the properties that are going to be managed by GEDA. We ask that the Commission provide lease/license files for each of those properties listed. We ask that the Commission authorize GEDA to speak with staff and lessees when necessary to ensure completeness and accuracy of the inventory of leases and licenses. We ask that the Commission participate in the evaluation and selection of prospective developers and/or lessees. We ask that the Commission review periodic reports submitted by GEDA.

Administrative Director Monte Mafnas - Mr. Toves, can that be a monthly report?

Larry Toves - Sure we can include that as a monthly report.

Administrative Director Monte Mafnas - I'm not asking for daily cash report a monthly report will suffice.

Larry Toves - Sure. In collaboration with GEDA we seek all necessary approvals for the commercial lease/license of Chamorro homelands that the Commission wishes to provide to us. We ask that the Commission evaluate and act upon commercial lease/license agreements recommended for execution by GEDA. We ask the Commission to execute all other documents necessary for GEDA to carry out the services listed in the MOU. And then we finally perform all inspections, we ask the Commission to perform all inspections of current and future commercial leases/licenses, issue and enforce eviction notices and pursue any legal action against tenants including but not limited to evictions based upon advice and recommendation of GEDA. So basically, gentlemen that's what we have presented before you as far as our services. If there's any questions from the Commission members at this point. Again this is still draft it's open to any suggested changes from the Commission.

Commissioner Michael Borja - How did we come about the 14%?

Administrative Director Monte Mafnas - As you can see Mr. Toves just cleverly just stopped there. We'll we've been negotiating and please be mindful that money saved is money earned. However, if we go right above section 5 on page 4I, it says perform all inspections...and pursue any legal actions against tenants including but not limited to evictions. Now I had a hard time going up to 14% I agree with the Board, right. But what has happened here is GEDA would be responsible for collecting all uncollected receivables and they have to hire an attorney to file unlawful detainers and whatever legal

documentation necessary to accomplish the mission of collection and eviction. So as we all know unfortunately we don't have legal counsel to assist us at this point in time so this is really a cheaper solution rather than hiring a counsel outside of the Attorney General and having them file as a collection in the amount of 33% we are actually saving 19% as opposed to the 14%. Again, money saved is money earned and that's the true nature of the intent.

Vice-Chairman David Matanane - Let me clarify that, that's inclusive of the receivables that we have currently on hand before the MOU.

Administrative Director Monte Mafnas - Correct.

Vice-Chairman David Matanane - That's fine.

Administrative Director Monte Mafnas - Whatever we provide them in terms of the business in the commercial applications and licenses and leases that's what they would work with. So there is a point in time when I can only do so much and you have to go to court.

Commissioner Michael Borja - This is intended to proceed from the signing forward on new leases or to take over existing and to handle new leases?

Administrative Director Monte Mafnas - To handle retrospectively today and forward perpetually pursuant to the terms of the lease.

Commissioner Michael Borja - And management of all existing lease.

Administrative Director Monte Mafnas - Yes. The usual settlement for collections is 33% and I got it down to 14. In addition to that they're going to assist us in the rules and regulations not excluding the property management, the advertisement, the negotiations, the prequalification, etcetera, etcetera, etcetera. I really believe that we're getting a good deal right from the get go.

Acting Chairman Oscar Calvo - Did I hear you respectively that you said from a 14 to a 9%?

Administrative Director Monte Mafnas - I tried that but they out muscled me they're bigger than me, there's two of them.

Acting Chairman Oscar Calvo - I only have one little comment on this portion is you know if we task that to you and for example the individual defaults on their payment or whatever okay and you guys can collect money and the fact I mean I know maybe one or two cases that you guys have right now in GEDA I think in the agenda I guess that you're having a hard time to collect that money from the individual. What other things that we can claim out of that individual let's say hypothetically that they built a condo for that matter whatever they decide to do that I mean you know.

Administrative Director Monte Mafnas - The fees are only paid wherein they perform. If they get zero times a million a zillion percent is zero. But if they produce any amount of money..(interrupted).

Acting Chairman Oscar Calvo - But if they default on this Monte this is my you know..(interrupted).

Administrative Director Monte Mafnas - No they're not going to default.

Larry Toves - You're asking if GEDA has a problem in managing defaults.

Acting Chairman Oscar Calvo - That's what I want to know if they default.

Larry Toves - If we default?

Acting Chairman Oscar Calvo - Yeah.

Vice-Chairman David Matanane - No, no.

Acting Chairman Oscar Calvo - If they default, if the tenant defaults on this.

Mike Cruz (GEDA) - Yeah we wouldn't charge 14% only on what's collected.

Acting Chairman Oscar Calvo - Okay.

Administrative Director Monte Mafnas - That is clear and there's no ambiguity with that statement.

Acting Chairman Oscar Calvo - Okay I just wanted to make it clarified that portion. Well I have, in a sense this is good for us because it alleviates the problem from Mr. Monte's position in trying to get all these paper works and legal counsel fees and so forth. So like you're saying we're saving like about 33% if we were to do..(interrupted).

Administrative Director Monte Mafnas - 19%.

Acting Chairman Oscar Calvo - Or 19% for that matter instead of 33% so I have no qualms with this to support this issue in respect to that. I don't know have you any further comments to this?

Vice-Chairman David Matanane - I would like to put an option there where the Director of CLTC and GEDA, it's got an option at the request of the Director that if at such time that there is any problems between the two the Director can retrieve that particular. You know there's an option if anything comes up and you feel that we should take it away from, a one liner there where an option where if we can't do anything with it and it's going to sit with them and we have no operation to get it back from you guys it stays there with you

guys and darn if we do and darn if we don't. So there's a safety factor that we need to do that.

Administrative Director Monte Mafnas - Well the way I see it Commissioner Matanane on Section 8 there is a 90 day provision of this MOU that either party may terminate this agreement. So there's the protection clause but I have total faith in GEDA to do the right thing.

Vice-Chairman David Matanane - Not to alleviate with the MOU what I'm saying is for a certain problem you have the right to bring out that particular problem and not to concern the others you know on a particular. You have an option to retrieve it if it's necessary.

Mike Cruz (GEDA) - I don't think that will be a problem if the Commission wanted it back we will give it back.

Vice-Chairman David Matanane - We just don't want just obliterate you know remove the MOU at that instant that's not what I'm saying. That there's a consensus that you can talk it out with the Director and if the Director you know and if you got your hand tied that's it I mean you know you're still going to be on your hands and if you really wanted to do something else on it then you should have the right to retrieve that.

Administrative Director Monte Mafnas - I foresee a very amicable and civil and profitable relationship.

Vice-Chairman David Matanane - One sentence there that the Director has a right to bring back that particular account okay that's all I'm asking because you know things can happen you know and I don't want to see the Governor come down to see you.

Acting Chairman Oscar Calvo - Can I just pose a question if once the negotiation goes through just a classic example you have a business venturing into building a condo for that matter or in that issue and let's say they get caught in between some lawsuit or for that fact because of their inability or some issues that they have whether it be Public Works, EPA or whatever for that matter I'm almost sure that I know before these things are really signed off these things would have already been settled. Because you know we don't want to go ahead and continue something and then one part of the equation was missed out because of either for EPA or for road or easement road things of that nature so I think I want to be very cautious to that portion that whoever that you people find the tenants for us for that matter you know that all these dotted lines and whatever has to be really checked off and you know. And I'm pretty sure that Monte would and I recommend that Monte that all those issues would be addressed from Public Works to EPA all the agencies I want to make sure that we don't have any setback on these issues you know.

Administrative Director Monte Mafnas - Actually if we go further with the MOU we would require all lessees to pay for the maps, we require them if an environmental impact assessment study is needed and that will part be part of the conditions. So everything is forthright.

Acting Chairman Oscar Calvo - Okay I just wanted to clarify that and also the legal fee to that.

Vice-Chairman David Matanane - And on side of caution.

Commissioner Michael Borja - Part of the thing you're doing here is accounting, how are you reporting that? I mean if lessee A pays \$10,000 and you take 14% out of it how is that being reported?

Larry Toves (GEDA) - What we do is every month when we present our progress report to the Commission there is a breakdown of all revenues collected for that time period and we can actually ask our accounting division to break it down, the percentage to the Commission, the percentage to GEDA.

Commissioner Michael Borja - Is it subject to audit?

Larry Toves (GEDA) - Yes everything is subject to audit.

Acting Chairman Oscar Calvo - I agree to that portion where the you know whatever of course your percentage to that and I'm hoping that you guys can narrow this down 14% to maybe you know. Can you notch it down a couple of inches?

Administrative Director Monte Mafnas - Again I went through that exercise and I appreciate that Mr. Chairman but if you really read between the lines all lessees and licensees will be making a payment to GEDA therefore after they receive the funds they will pay themselves the 14% and guess where the other 86% goes to.

Commissioner Michael Borja - That's a good question, can it go into a Trust?

Administrative Director Monte Mafnas - Exactly, that's where it's going to, it will go to the CLTC account. Now I need to get the blessing of the Governor and the Legislature but that is the intent to open up our account for operational purposes wherein GEDA cuts the checks straight to CLTC. That's another important valid point.

Acting Chairman Oscar Calvo - Well the fact remains that yes you guys will do all the leg work for us and so forth and you know it's not so hard..(interrupted).

Administrative Director Monte Mafnas - They got long legs.

Larry Toves (GEDA) - We fully understand the concerns of the Commission members and we appreciate that. In our experience in working with the Guam Ancestral Lands Commission we encountered initially the same concerns and so we were able to show or in this case prove to the Commission that we could manage the properties on their behalf. And that is pretty obvious if you look at their progress reports that we give on a monthly basis and the fact that they've already collected over a million dollars in revenues since we started in 2007. So it shows that our record is good. Going back to your concerns Mr.

Chairman about making sure that all the particulars are done before we actually get these tenants on the property that's part of our responsibility in evaluations of the proposals we always ask that at least a member of the Commission or a staff member be involved in the evaluations so that when it's presented to the Commission for final approval that there's an understanding of what's involved. As far as the lease execution there are conditions within the lease that require the developer or the tenant at this point of their responsibilities and so if there's any non-compliance issues then there is a first notice and a second notice and finally a termination if it comes to that.

Acting Chairman Oscar Calvo - The only reason why I brought that out is you know in the past there are issues like that and I don't want to fall that into those kind of crack holes where because of issues that weren't followed through. And you know once this thing is going on I mean and a developer either he or the developer presents theirs and their financial status and so forth and all these things and I know that you guys have to look at their financial status make sure is this company is really legitimate, is this company really what they are and so forth. So I need to forth come with that issue because I don't want to be you know in that situation where media calling for that matter because of issues of those so I want to make sure that those are really embedded into the lease or contract in the developers or whatever. And then I think it's only fair play that if you and I know that when you do find a tenant and so forth of course you would come to the Board and say we do have a company that's going to build this so and so forth and you know being the developer, being involved also which is you guys at the same token but also the Commission would also would like to hear say so in the developers on what their ideas and so forth. Because you'll be negotiating but at the end of the day we are really the real tenants you know we're really the landlords of those issues. So I think it's only fair that when you do find that of course Monte will be aggressively would say we do have someone that's very interested and gives us the proposal of what their contemplating on doing and so forth. That way we'll have that clear thought and that way we envision the same thing and if there's any problems within that negotiation we can always come forward on some issues with the developers. Maybe the developers might say I can do this but then maybe the Board members itself can have some sort of rational questions to them. So I wanted to make sure that that's..(interrupted).

Administrative Director Monte Mafnas - That's a very good point Mr. Chairman but in the spirit of accountability and transparency basically the Governor's platform we are conforming to that and I salute GEDA's performance in the past and believe me I tried to reduce the fees. Actually it's a reduction from the Ancestral's fees.

Acting Chairman Oscar Calvo - No the only reason why I made that comment Monte was because I just I don't like to see something falling back on the crack for whatever reasons and I just want to make sure that you know I'm not saying that you GEDA and I know there's been a downfall in some areas but I don't want to see that coming to at least to this Board you know. I want to make sure we have a clear cut, clean cut to all these issues.

Commissioner Michael Borja - I think that's what it says here right on 4i, page 3, in collaboration with GEDA, seek all necessary approvals for the commercial lease/license of the Chamorro homelands. That means we have the approval of..(interrupted).

Acting Chairman Oscar Calvo - Yeah.

Larry Toves (GEDA) - The final approval rests with this Commission.

Vice-Chairman David Matanane - And may I ask how much are you charging Ancestral?

Administrative Director Monte Mafnas - 14.75.

Vice-Chairman David Matanane - We have .7.

Administrative Director Monte Mafnas - Hey money saved is money earned.

Mike Cruz (GEDA) - That's just for ground work we also negotiate with the developers on participation of a certain percentage of their annual gross. If we reach an agreement on that based on the agreement that we have with Ancestral they give us 20%. So in this case we're looking at (inaudible).

Administrative Director Monte Mafnas - Percentage lease as an additional rental derived from the lease. So proportionately an increase on the percentage would also yield us a percentage of that gain.

Acting Chairman Oscar Calvo - Speaking on that on a timeframe on the lease and so forth once we find a tenant for that on the proposal of course it'll be embedded in as the years go by the rental or whatever will escalate but the 14% would still stand the same.

Larry Toves (GEDA) - That's correct.

Acting Chairman Oscar Calvo - Okay I just want to make that sure that in a 5 year or let's say hypothetically that they're going to take a 20year or 10year lease for that matter, the first 5 years whatever or 10 years we then option to you know okay. So but the 14% even if it is the rental goes up the 14% still stands to you guys no matter what each way.

Mike Cruz (GEDA) - You'll see that GEDA's initial costs are high probably higher than 14% but over the years that will average out.

Acting Chairman Oscar Calvo - Okay so I just wanted to clarify that. Are you okay with that Monte?

Administrative Director Monte Mafnas - Of course when you analyze all the attributes of this MOU it's definitely a win-win.

Acting Chairman Oscar Calvo - Oh yeah I have no qualms with that but I think it's only that we you know we have clear thoughts and minds.

Administrative Director Monte Mafnas - We will attain an approval of the rules and regs which has never been done. We will receive an income, what's done but revoked. So we're just taking this to the next level.

Vice-Chairman David Matanane - And I guess the Trust itself has to open up an account on their own.

Administrative Director Monte Mafnas - We do have an account it's just its frozen and impounded at this point in time by the OPA so we have to refer to the legality of it and I will definitely work on that with the front office with the OPA and the AGs so we will soon address that issue.

Acting Chairman Oscar Calvo - We need that because all this if we don't see the money, all that blood sweat and tears.

Administrative Director Monte Mafnas - That's it we're moving forward.

Acting Chairman Oscar Calvo - Okay I have confidence in you Monte.

Administrative Director Monte Mafnas - Thank you.

Vice-Chairman David Matanane - I just want to make it clear that it's only on the commercial side right?

Administrative Director Monte Mafnas - That is correct.

Vice-Chairman David Matanane - Okay I'm game for, I move that you know the 14% that the Director and GEDA has agreed upon I guess and I move that the 14% is acceptable.

Commissioner Michael Borja - Is there anybody else here present to comment on this? None? I second it.

There were no objections.

Acting Chairman Oscar Calvo - Okay so be it passed.

Mike Cruz (GEDA) - Just to clarify on the approval of the MOU.

Commissioner Michael Borja - Yes, motion to approve the MOU.

Acting Chairman Oscar Calvo - Yeah approval of the MOU.

Administrative Director Monte Mafnas - Unless you want to do more work for us?

Vice-Chairman David Matanane - With the minor corrections on those that we have discussed. Thank you gentlemen.

Acting Chairman Oscar Calvo - How early can we start?

Larry Toves (GEDA) - Thank you Chairman and members.

Administrative Director Monte Mafnas - And the AGs they all have to sign off.

3. MOU between CLTC, GHC and USDA Rural Development

Administrative Director Monte Mafnas - Next is an MOU with CLTC, Guam Housing and USDA Rural Development which was originally submitted to the CLTC in the year 2005 unfortunately nothing ever happened on it. But with Mr. Diego on the driver's seat and our current Board I feel very confident that we're going to take this to the next level.

Joe Diego - Good afternoon Mr. Chair, Commission members, Director Mafnas. Thank you for inviting us here today. My name is Joe Diego I'm the area Director for USDA Rural Development I'm also accompanied with Steve Cruz, he's our Loan Specialist for our housing program. Before we get into the MOU I wanted to take an opportunity again to discuss a very important and critical initiative that is a process that began in May of this year. It's what we call a Substantially Underserved Trust Area designation, it's an initiative initiated by Congress through the 2008 Farm Bill that initially recognized native American lands, Alaska native villages, to get enhanced program criteria. It gives a secretive agriculture discretionary authority relating to financial assistance in terms and conditions that can enhance financing possibilities in areas that are under served by certain RUS electric, water and waste, telecom and broadband programs. What this basically boils down to is we are going through a process right now to designate at this point the Chamorro Land Trust as SUTA eligible. What we call SUTA is the Substantially Underserved Trust Area and what this basically would benefit is that any Chamorro Land Trust property would be eligible for enhanced program terms and conditions for like water and waste. You need water, wastewater, electric any infrastructure type assistance that the Chamorro Land Trust needs in support of commercial development, residential, this is an initiative. I'd like to pass out the proposed rules because this is a process again as I mentioned it began in May through a consultation that we invited all the Government agencies and Director Mafnas was there where we invited comments to include Chamorro Land Trust as part of what we call SUTA eligible. So based on that consultation process the next step here if I may pass this out is the proposed rules to include Guam and the CNMI as SUTA eligible in addition to native American and Alaskan village entities. And again our infrastructure programs we can offer loans and grants to support water, wastewater, electrical at affordable rates. Our rate for the loan can down to 2%. The term currently is 40 years. If we need longer than that you can go 50, 75 years on an infrastructure loan to make it affordable that way the cost is not as substantial of an impact to residents that intend to build on Chamorro Land Trust properties. The proposed rules was published October 14 and the deadline to respond is actually on December 13,

2011. So this proposed rules is currently on the federal register. You'll notice on this it does include Guam and the CNMI as eligible for SUTA. So we want to encourage CLTC to review these proposed rules. If there's any comments that you need to make on these and the comments were recorded back in May with all the Government entities that participate into this consultation process, it's a formal consultation, we had a court reporter there to record all the comments and everything was positive. GPA, GWA were all there and you know whenever you can do an infrastructure loan at 2% over more than 40 years makes it really affordable to the ultimate beneficiaries and the Trust recipients. So that's what I want to introduce to you today that this is currently out. We are working with the affordable housing coordinating council to also submit comments because there might be an opportunity to expand the SUTA designation not only to Chamorro Land Trust but for the entire island. So that's where we are with this proposed rule. I believe after December 13 if there's no adverse comments and everything moves forward the Chamorro Land Trust could be SUTA eligible by as early as March of 2012. So that's basically what I wanted to discuss and bring to your attention today.

Vice-Chairman David Matanane - But right now Chamorro Land Trust is not in the SUTA.

Joe Diego - Chamorro Land Trust currently can apply for our regular program, that's the same programs that I just spoke of but the rate is fixed at 4%, it adjusts quarterly. So what SUTA would do is bring that rate down to even lower to 2% and currently you can get a 40 year term on infrastructure but with SUTA designation it can go beyond 40 years. And also it provides funding priorities from the secretive agriculture for any applicant that comes from a SUTA eligible area.

Vice-Chairman David Matanane - That's what I meant I mean right now Chamorro Land Trust is not within the SUTA.

Joe Diego - Currently it's not.

Vice-Chairman David Matanane - It's not.

Acting Chairman Oscar Calvo - But if we applied this at this given time now it most likely would be a part of 2012 you said right?

Joe Diego - At the earliest possible considering there's no adverse comments which we don't foresee any at this point.

Acting Chairman Oscar Calvo - So I think and it might go down 2% right now it's at 4% and still even at that 4%..(interrupted).

Commissioner Michael Borja - This 2%, people who are eligible for this are the lessees?

Joe Diego - Well how we envisioned it is either the Chamorro Land Trust applies for this you have the operating agreement with GWA, GPA to maintain and operate the system or those entities can apply on their own to put in the infrastructure on Chamorro Land Trust.

Acting Chairman Oscar Calvo - The only thing if we get that infrastructure issue okay let's hypothetically that we get that portion and you know the rate of ours is at 2% or 4% for that matter and with the GPA or Guam Waterworks applies for this okay and we also apply and we get that granted that we can get that infrastructure in you know and we get our lots and properties to the individuals out there that are qualified for this you know Guam Waterworks and GPA will still make money on the side on us even regardless or what and we're going to be providing the infrastructure for them. So what I want to see here is maybe some sort of and maybe this is where you might want to look into this Monte is when that does come down that trench is you know I think that every client or every tenants that we have that they should be given some sort of you know I don't know discount or whatever for that matter. Because if we provide lets say a thousand feet of infrastructure of water and power and GPA just comes in and puts his pole and PUAG comes in there and then you got 10 lots you know and we provide the infrastructure. But that's been the problem in here in the Chamorro Land Trust is getting infrastructure and I've been trying to get PUC to you know be in line with us, share the cost. I want that cost to be shared with us you know. I don't know how you envision that Monte.

Administrative Director Monte Mafnas - Okay so please be advised that I've been working closely with Mr. Diego with USDA. This SUTA program is brand new it's a Substantially Underserved Trust Area based on aboriginal rights. This program is really a fantastic program which enables CLTC to embed infrastructures and basically free money. Now we put in 20%, we borrow a 100% based on a fixed rate of 2% amortized over 40 years with a possibility of extending the terms for additional 35 years conceivably up to a 75 year loan. Now as I mentioned to the Board that if and when we do get this seed money, if and when we close the loan the first site that we are going to embed infrastructure is Tract 9210 in the municipality of Yigo. There's 450 lots readily available for this SUTA program. Which we will work in sections, in phases pursuant to how much money we generate and of course we'll be working closely with GWA and GPA to realize some form of grant or assistance from them but we want to embed all this infrastructure as expeditiously as possible. It's never been done, this is the first time this is going forward and the biggest thing is we qualify and that's huge and we're going to get this loan and that's huge. So it's really a win-win for the beneficiaries of the Trust.

Acting Chairman Oscar - The only reason why I brought that you know because I mean like for example we talked a lot about that track up there in Yigo and that's prime and that is ready to go all the..(interrupted).

Administrative Director Monte Mafnas - And it's a recorded subdivision.

Acting Chairman Oscar Calvo - So I know that we don't have any you know problems to that I mean it's ironically I know for that period of time for 40 years that's man you can't get that in a bank loan for 40 years and up to 75 years. So it's a win-win and I agree to that I just you know it boggles my mind because you know we're providing these things but that itself will work on that on the next corner of the world.

Administrative Director Monte Mafnas - But this MOU was drafted by the United States Department of Agriculture Rural Development from Region 9 so this is the real deal. This is the people that we fall under and this is loud and proud. I'm really happy that USDA has given this, afforded us this opportunity again because nothing ever happened in the past 6 years.

Acting Chairman Oscar Calvo - I know that in the last we were talking with you Mr. Diego with Joanne Brown and Doctor and we did have you know because I know one of the problems that we had with the USDA back then according was because we didn't have the right infrastructure and so forth to be forfeited but and I guess but I know there was money available to this program back then that was offered but to this program that we're going to be getting now it's I mean you know it's like you said it's a first time, it's a done deal. And if and then we sign this MOU today what is the next status step to this issue and how long will this be? Can we look at this down the line?

Joe Diego - If I could because I don't want to confuse the two issues here because this is separate from the MOU. This actually is just currently a federal effort to include Guam in the SUTA designation that was authorized in 2008. So this actually works in conjunction with what Steve is going to talk about with the MOU because Steve cannot put houses there unless there's proper infrastructure. So this can be used to construct new infrastructure, it can be used to refurbish and rehabilitate current infrastructure, water, wastewater, power, anything infrastructure related broadband, telecommunications. So it's really a good, there's nothing you have to lose. You can apply, you don't have to apply but if you do apply you got favor rates and terms and priority funding.

Acting Chairman Oscar Calvo - When you talk about infrastructure in this terms is because infrastructure also provides roads that also encumbers in right?

Joe Diego - That's correct.

Acting Chairman Oscar Calvo - Not only just the utilities itself but also the opening of roads and whatever has to be done for constructional portion.

Administrative Director Monte Mafnas - And that's the first phase that's SUTA program.

Acting Chairman Oscar Calvo - Okay alright so I'm okay.

Administrative Director Monte Mafnas - The next phase as Mr. Diego mentioned and Steve would reiterate is the MOU itself.

Steve Cruz - Thank you Mr. Chairman and Board members. Again I'm Steve Cruz I assist Joe in providing single family housing direct loans and guaranteed loans to our community. I'm sure everyone knows that we have a shortage of housing and we're going to even have more of a shortage of housing as the buildup begins. And so we are very excited to try to work with CLTC to review and maybe perhaps approve this MOU because the MOU that was initiated in 2006 because of the lack of activity and the agency

felt that there was a need to update it. Just to give you an idea who we are for this program we offer housing loan program to low income families. We all know that there's a lot of people in that bracket in our communities and a lot of them are just either living with family members or they're on subsidized rental programs and so this program will allow them to perhaps have a homeownership you know dream of owning their own home. We used to be called Farmer's Home Loan if you don't remember who we are and so now as far as getting into the MOU that's just a little bit of who we are. We offer not only just for low income family home loans we offer payment subsidies that make it affordable to these families otherwise they wouldn't be eligible at a lender a private lender or even so Guam Housing Corporation. We get them into a home initially maybe they're at a very low income and as they perhaps maybe increase their income over the years then our payments will increase to whatever the maximum interest rate is at the time of when they closed the loan. So right now we have a 3½%.

Acting Chairman Oscar Calvo - When you say a low income home what are we looking in dollar figures?

Steve Cruz - That's a good question, we base this on the HUD's adjusted median income. And so for example very low is defined by 50% below the area medium income and below 80% and 50% is called low income. That's the definition. And so for example lets say the average family of four persons, the household adjusted income annual income cannot exceed \$50,400 and of course it's a table depending on the household size. For example, a family of eight, \$66,550 is the adjusted annual income limit. They can't even exceed it by \$1, they would be ineligible for this..(interrupted).

Acting Chairman Oscar Calvo - So when they apply that for if they apply for that loan lets for example a family of five their limit is up to \$50,000 of that loan income.

Steve Cruz - That income limit.

Acting Chairman Oscar Calvo - Yeah income limit and of course a family of eight is \$66,000 when they do apply for that applicants and to you guys for that loan and that could go as far as like you said as 1% to 3%.

Steve Cruz - Yes again if they exceed that adjusted income limit they won't qualify for this low income family direct loan. We do have an alternative program it's called our guaranteed loan with the banks, the lenders. Again these programs offer a 100% loan programs so basically you just have a good credit, can repay the loan and good employment history you can get into a home with basically no down payment. So both programs allow that to be eligible and so again if you exceeded the limit we can refer you to a guaranteed loan program, if you're within this limit we can do a direct loan program.

Acting Chairman Oscar Calvo - So lets say an individual I'm just kind of maybe jumping ahead of this if the person that qualifies lets say for the \$66,000 okay a class example and there's a defaultment on their house for that matter or on their loan okay to that what would come to that lot to the Chamorro Land Trust? Because you know if they defaulted

for whatever reason they couldn't pay you know or be terminated I guess up to you guys does that also holds the Chamorro Land Trust responsible for whatever they defaulted at?

Steve Cruz - That's very good, yes, that is what is showing on the MOU. I can refer to the right page to answer that question. I just wanted to give you an overview of the programs first of all.

Acting Chairman Oscar Calvo - I know I'm ahead but because you know the reason why I pose that question here is because I wanted because we're on that low income home and I know that we're ahead of that but go ahead I'm sorry.

Steve Cruz - Once you're in the program as far as the Direct Loan program and you exceed the income limit we're not going to kick you out of the program. We're not going to say you have to pay us off. We're not going to say you're not eligible anymore. So it's just the initial application that if you're within the limits you get the loan and you can be on the program you just probably won't be eligible for subsidy once you exceed this household income limits.

Acting Chairman Oscar Calvo - See my question there let's say that you do qualify when you submit that okay but down the line for whatever reason maybe they defaulted that's my posed question to that.

Joe Diego - Okay the mechanism here allows us to and again before we get into that Steve would probably talk about it but we exhaust all efforts. We want to see families become successful homeowners. That's our mission. We exhaust all servicing efforts to kind of make them successful. They might have fallen behind because they had a sudden medical emergency or they had a lay off or reduction in hours. We can lower payments, we can offer moratorium. So when we get to the point of foreclosure we've exhausted everything. So what would happen we would say okay CLTC we've tried everything we can't collect you would actually when we go back because we can't take a mortgage you give us a deed of trust. So when we're going to foreclose we give you back the deed of trust saying this is how much is owed you need to pay us back. But what we would do is work with CLTC, you could put another eligible homeowner there we can finance that. They can get their own financing.

Acting Chairman Oscar Calvo - That's what I wanted to hear.

Joe Diego - Right so we're not like the bank we're not going to say pay us right now. We'll work with you and you can put another eligible homeowner in there and they can get financing through USDA or another source to kind of pay back what's owed on the..(interrupted).

Acting Chairman Oscar Calvo - The only reason why I pose that question Mr. Diego because you know the whole thing here is this program is for to try to help our people here to have a home and so forth and be as it is maybe this individual might lose his job for whatever rational reasons at that point in time. And I know that the only thing that I'm

so much concerned back is the property itself belongs to the Chamorro Land Trust and it remains in the trust of the Chamorro Land Trust for that matter. Just for example if one home that is on a half an acre piece of property because he or she on their own fault or even opted for that matter they decided one day they just wake up one morning and say lets back our bags and disappear. So I just wanted to rational those issues right now you know. Because a lot of these I mean I like the program and I think everybody should participate and I know that you would have to screen every applicants and also too the Chamorro Land Trust we would have to do that same thing Monte in who are the qualifying individuals.

Joe Diego - Part of what we do also on this in our servicing is we share our delinquency list with you for Chamorro Land Trust so you'll know who is going to be accelerate is what we call it and we're going to foreclose. So you're prepared it's not something that we'll just knock on your doors and say okay here we need to collect. We work with you we give you our delinquency list because we do the same we have the same MOU for Palau, CNMI, FSM, Marshall Islands. We can't take mortgages but we have the same MOU with them that we've been successful with all these years. To give you an example how liberal we are with our servicing when Pongsona hit we had at that time over 2,000 borrowers. We gave them all moratoriums, said don't pay us for 6 months take care of your emergency needs and if they needed more than 6 months we could go up to 2 years. So that's how we try to help the families. You know there's unexpected expenses, death in the family, medical emergencies, reduction in pays. So those are things we work with them okay. Right now if you had a reduction in pay you have to work only 30 hours instead of 40 and you're paying a mortgage at 3% we'll say okay lets see if we can reduce to 2% or 1% so you can still continue to make mortgage payments and still afford to live in the home.

Acting Chairman Oscar Calvo - You do know that the qualification on this has to be a Chamorro Land Trust recipient to this okay.

Joe Diego - That's correct, yes.

Acting Chairman Oscar Calvo - So it's not just open market.

Joe Diego - Correct. In fact the Hawaiian Homelands is a little bit more restricted because they're restricted to blood lineage where Chamorro Land Trust I guess it goes back to the 1950 census that if you're on island and you were there you're a native Chamorro.

Acting Chairman Oscar Calvo - There's an issue here Monte that I'd like to pose too is you know here on Guam it's pretty much I guess family related but if you're married to Mr. Cruz and Mr. Cruz passes away and so I think those are rendering type of that we have to look at.

Joe Diego - Even with the homeowner subject to the rules and regs of CLTC if the whole family can't afford the mortgage and they want to pass it on to another family we can work with them and have that family..(interrupted).

Acting Chairman Oscar Calvo - Right because the sibling itself they can qualify this is what I'm saying you know. I'm not saying you know there are I know that we have a couple of cases in those issues where I think that should be fair thought that if you know if Mr. Cruz and your wife happens to be haole or stateside for that matter so the sibling itself qualifies for that. So I think it's always good to whoever is going to inherit that you know I think that's one of the issues that we should really look at. Because that is one of some of the questions that really arises out there from people is says how come he or she's got that for that matter. So I think we need to clarify that Monte.

Joe Diego - And the MOU we're not trying to have..(interrupted).

Acting Chairman Oscar Calvo - I don't want to be discriminative to that you know but I'm just you know I'm always looking on the caution on that respective because it's a Chamorro Land Trust issue and it belongs to normally it will revert back to the Chamorro Land Trust for that matter.

Commissioner Michael Borja - What are we trying to achieve today?

Administrative Director Monte Mafnas - A couple of things, the SUTA program to identify that and to enable us to borrow infrastructure money and number two, to once and for all execute this MOU with USDA. It's really a golden opportunity it's living synergistically helps the beneficiaries of the Trust. I can't impress enough that this exercise should have been utilized this format years ago. Regardless, we're going to move forward and we can grow the economy. We can assist the poor people. We can take care of the beneficiaries of the Trust. There will be glitches and technicalities but those will be addressed at that point in time. Now this program basically enables everybody if you're a native Chamorro technically speaking. But once they're prequalified by Guam Housing not Chamorro Land Trust the lease the license will be Chamorro Land Trust but Guam Housing is going to run the numbers and achieve their repayment capacity. And adjusted income does mean combined income correct? Okay and does it mean also like municipality of Yigo? Any applicant in that municipality is approved technically? Or is it just the whole island or is there any deviation because in the past Dededo wasn't included. Now I want to quantify is it the whole island of Guam?

Joe Diego - There is an effort with the 2010 census to kind of establish further designations in Dededo so we could be back in Dededo once the official results for 2012 are out with the census results the 2010 census.

Commissioner Michael Borja - And what does it have to deal with?

Joe Diego - Population.

Administrative Director Monte Mafnas - Population base counts.

Joe Diego - Because if a village exceeds 20,000 it's no longer considered rural.

Commissioner Michael Borja - Oh okay.

Administrative Director Monte Mafnas - It's a definition of rural as opposed to urban which sometimes we need a professional planner like Mr. Benavente to enumerate. But this program really is a quantum leap in the right direction assisting the people of Guam. I don't know of any other program like this and we need to execute it, we need to move forward, we need to help the beneficiaries of the Trust.

Joe Diego - If I may just make one more comment to that and I know Steve still has some stuff here but I know in the interest of time one of the key things here again is we need that escrow account established by CLTC of half a million dollars that could be deposited and that doesn't limit our loan making to half a million. We could loan above and beyond that so that's described in the MOU.

Administrative Director Monte Mafnas - Okay the five hundred is coming from USDA or CLTC?

Joe Diego - From CLTC it's just sort of like a good faith effort that you have money in the capital to back up the MOU.

Vice-Chairman David Matanane - The same thing as 2005 now I was wondering why the federal government terminated the MOU on October 18, 2011.

Joe Diego - We terminated the old MOU and that's going to be replaced with that one.

Vice-Chairman David Matanane - What was the rationale for that?

Joe Diego - There's a bit difference we changed our name for one, there's wording like for instance we want more servicing assistance from CLTC when we can't collect if you can help us collect.

Vice-Chairman David Matanane - But comparing the old MOUs which I can understand that but the new ones you have so many blanks in there that or maybe some documents that have to be inserted in there but it's a little bit thicker for one thing and they just gave us this when we came in. So you know speed reading but not fast enough. You know on a caution side I need to digest all of this. I understand that 2005 has already been terminated but you know we had that \$500,000 in the bank already. We have that and it's still there. And there's another two in conjunction with this agreement it's still in the bank.

Administrative Director Monte Mafnas - But the lack of inactivity that's the problem that's part of the reason why it's terminated.

Vice-Chairman David Matanane - Check into that probably the interest is still coming up and is it an automatic renewal or what.

Administrative Director Monte Mafnas - Yes we will review this new MOU and we'll present to you other question that we would have but in the gist of time and the intent I asked USDA to present it to us in generality just a matter of fine tuning this MOU and answering and filling in all the blanks then we can just move forward. Basically that's why they're here and they're saying we're ready to help you guys CLTC.

Vice-Chairman David Matanane - And when Guam or CLTC becomes one of the SUTA because we're not yet according to Mr. Diego said we're not yet there. Citing the MOU and we're not yet there and it just so happens that we're not there.

Commissioner Michael Borja - But there are other low interest loans.

Joe Diego - Yes we can still get that.

Administrative Director Monte Mafnas - There's an existing 4% at this point in time but we want to qualify for the 2%. It's going to take us time to derive the seed money.

Commissioner Michael Borja - Can we put this back on the agenda next month?

Administrative Director Monte Mafnas - Sure.

Commissioner Michael Borja - So if there's a way we can get beforehand, give us a chance to look over these.

Vice-Chairman David Matanane - And hopefully that the CLTC is part of that SUTA because you know anything can happen on that. I know it meant Substantially Underserved Trust Area so we are, hopefully that's still where we are at.

Administrative Director Monte Mafnas - No we did and that's collective effort especially Mr. Diego bringing Region 9 to the table and they came over here and presented that together with all the regulatory agencies and it was really a well delivered presentation.

Joe Diego - I mean not to compete I know the Governor's success in getting that bond at 4.9 I believe..(interrupted).

Administrative Director Monte Mafnas - It was not lower than 4.9. We've been working on since March so please bear in mind that it just didn't come but we've been working on it.

Vice-Chairman David Matanane - Hopefully things will work out on that on a timely you know.

Administrative Director Monte Mafnas - Yes things are falling in place definitely.

Vice-Chairman David Matanane - Like his motion is to..(interrupted).

Commissioner Michael Borja - No, no motion just to bring it up for the next meeting.

Joe Diego - One more comment to the MOU is the old MOU included Guam Housing as the packager, this one because it's a bilateral thing with all the islands it just included USDA and CLTC. So the two options we can try to revise it to put Guam Housing as part of that or separately CLTC can have an MOU with Guam Housing to do the packaging. So that's one of the things we probably need to discuss in terms of the packaging. But you know the MOU does allow CLTC to charge packaging fees.

Steve Cruz - Plus the loan amount and a packaging fee and at 2% you would (inaudible) to the escrow account to grow it.

Administrative Director Monte Mafnas - Great we're always looking for revenue enhancement ideas.

Joe Diego - Just to clarify also with this program the maximum loan we can lend on this is two hundred fifty.

Steve Cruz - \$256,157.

Commissioner Michael Borja - Who's loaning the money the federal government?

Joe Diego - The federal government.

Commissioner Michael Borja - It's a guarantee and they have to go to the bank and get the loan and then you guys..(interrupted).

Joe Diego - That's our second program we have.

Steve Cruz - For moderate income families.

Joe Diego - But this one's a direct loan that we have where we don't deal with the banks because we know very low or low income you can't really get bank financing so with our ability to price loans down to 1% for 33 years on some cases 38 it makes their borrowing potential a lot.

Acting Chairman Oscar Calvo - And how much is it? Is it \$250,000?

Steve Cruz - \$256,157.

Commissioner Michael Borja - But they have to qualify.

Acting Chairman Oscar Calvo - But they have to qualify that's the highest.

Administrative Director Monte Mafnas - That's the max.

Acting Chairman Oscar Calvo - Oh that's the max.

Joe Diego - It's adjusted every year.

Commissioner Michael Borja - That's about right.

Joe Diego - Yes, I mean the family is not buying the land already because they lease the Chamorro Land Trust they're just building so that's more than enough.

Steve Cruz - Someone can build a \$256,000 building you know the land is worth something so it's not (inaudible) because it exceeded the market value. So we have to stay within that.(inaudible).

Administrative Director Monte Mafnas - That's partially true because there could be a family of 10 or 20 right, so that's when they're fit in.

Joe Diego - But it could still work that's what happened with Sagan Bonita. The developer there was able to capitalize and subsidize funding so although its market value was 250 we were able to do the loan still.

Commissioner Michael Borja - Where's Sagan Bonita?

Administrative Director Monte Mafnas - The one in Mangilao the new one in Mangilao.

Joe Diego - Behind DYA the developer there is Micronesian Self Help.

Administrative Director Monte Mafnas - Carlos Camacho.

Commissioner Michael Borja - Those are individual homes.

Administrative Director Monte Mafnas - I think 60 or 80.

Joe Diego - That's on private land and because what he did was the families are buying the land and building the homes. So they got the loans for a \$195,000 because GHURA subsidized about \$60,000. That's on private land.

Administrative Director Monte Mafnas - There was a ceiling that's all they can charge. Thank you very much gentlemen it's been enlightening and really appreciated.

4. Layao Enterprises

Administrative Director Monte Mafnas - What happened with Mr. Layao is his lease expired and the Board decided not to renew it for certain infractions so that's what happened. Mr. Quintanilla has always purported to be the partner of Mr. Layao. Is that correct Mr. Layao, Mr. Quintanilla is your partner? Okay so I asked the two gentlemen to appear before the Board to state their case but what I wanted to present to the Board is in my mind a fair equitable arrangement. Layao Enterprises has a 5 and a half acre lease..(interrupted).

Jesus Quintanilla - Less than 5.

Administrative Director Monte Mafnas - Or less than 5 acres and he had a commercial lease basically for agricultural purposes. Initially he had 12 sows of pig and 5 years later he has 12 sows of pigs. He was using the property for multi uses from heavy equipment, industrial, etcetera, etcetera. The lease expired and the Board decided not to renew. Now Mr. Quintanilla is a native Chamorro and he has a lease on Tract 9210, correct? So I propose to the Board a win-win situation wherein Mr. Quintanilla will sign a lease with Chamorro Land Trust and Mr. Layao would be living with Mr. Quintanilla and we would sign the lease for the term of 99 years as an agricultural lease to give them 1 acre. So Mr. Layao will return back to the Chamorro Land Trust inventory the 4 acres which we will subdivide and put 8 families and Mr. Quintanilla would give up his lease on Tract 9210. So it's a win-win, it takes care of Mr. Layao. Mr. Layao is not a native Chamorro he was married to a native Chamorro, she passed on. So it's really accommodation for both actually even for CLTC. It's really a win-win situation and I wanted to ask the two gentlemen are they amenable, agreeable to this proposal? Okay.

Acting Chairman Oscar Calvo - Mr. Layao you do understand what we're that you're going to be giving up 4 acres of your property basically.

Administrative Director Monte Mafnas - We're going to carve out where your house is and the piggery and give you that acre.

Feliciano Layao - Yeah.

Administrative Director Monte Mafnas - Understand?

Jesus Quintanilla - Are you content with that? Your house and the two piggeries will be given to you and you can still stay there. Would you be content with that?

Feliciano Layao - I'm eighty years old already and I know his father for a long time and I know him that he can take care of the land.

Administrative Director Monte Mafnas - I thank you Mr. Layao I appreciate and I allude you and I applaud you.

Feliciano Layao - And I don't want another people that I don't know that they don't know how to take care because I like the land my wife got all plants already, lots of fruit, two piggery and you know.

Administrative Director Monte Mafnas - But pursuant to the law it's clear you must be a native Chamorro and although you were married to a native Chamorro..(interrupted).

Feliciano Layao - Yeah I understand.

Administrative Director Monte Mafnas - Thank you for understanding but we provided you a win-win solution and you agreed to have the lease under Mr. Quintanilla and Mr. Quintanilla agrees to make you live in that house that you built.

Feliciano Layao - Yes.

Administrative Director Monte Mafnas - And Mr. Quintanilla will give up his Tract 9210 so that's it.

Acting Chairman Oscar Calvo - I have no problems with that and Mr. Quintanilla you got to take care of the old man.

Jesus Quintanilla - Yes that's not a problem.

Feliciano Layao - I don't have kids there anymore.

Jesus Quintanilla - That's not a problem for me.

(Chamorro translation by CLTC Staff Eileen Chargualaf)

Acting Chairman Oscar Calvo - *He's giving you a reason, so consider the man that he's living now and if they pass this agreement now technically you're the boss and you can kick him out tomorrow for that matter.*

Jesus Quintanilla - *I'm not going to do that.*

Acting Chairman Oscar Calvo - *That's the most important.*

Jesus Quintanilla - *I'm not going to that.*

Acting Chairman Oscar Calvo - *That's what I want to make sure.*

Jesus Quintanilla - *I've been attending to him.*

Acting Chairman Oscar Calvo - *He said you're the only one that he believes in and trust.*

Administrative Director Monte Mafnas - *He also understands that we are going to give another Chamorro and you have to pay your part. So we're going to prepare the documents necessary. So very good so we understand that we'll carve out your acre and everything less from that acreage of five will be returned back to the CLTC and will be leased to a native Chamorro okay Mr. Layao and we appreciate working with you. I wish I could live that long so that's it.*

Jesus Quintanilla - *Just one more I would like to tell you, in March I spoke to you and Mr. Layao said that he's going to fix everything with the property and he has two cows, two carabaos, two deers and a goat. Our plan was to have the kids come and see all the animals and crops but this is the problem now we'll have to sell because there's not enough land for all these animals, the two cows, two carabaos, two deers, goat, ducks*

and chicken. The plan was to have land where the children come and see the animals and the plants because there is no area in Dededo and most of the people are from this area. I'm a Chamorro teacher and if the kids were to go on a fieldtrip they would have to go to Inarajan to see the culture and language. This plan I told Mr. Layao that this is a good idea for the kids but if there's a place please if there is a vacancy where I can place all the animals or I'll sell all the animals.

Administrative Director Monte Mafnas - I would like to tell you I salute you for your intentions but since the beginning it's clear that his lease is finished. I salute you that the animals are important for the people and the children to see and touch. But the Cushing Zoo in Tumon is Chamorro Land Trust, I would like for you to understand the most important for the land is for the people not the animals. We are going to give the people what they deserve. If you're going to sell the animals check with the Cushing Zoo, James or Barbara Benavente Cushing because that property belongs to Chamorro Land Trust. But to give you more land it is not possible. More importantly is the people than the animals.

Acting Chairman Oscar Calvo - Mr. Layao you understand now once we initiate this today it will fall on the hand of Mr. Quintanilla okay. You're in good health and good hands and make sure you take care of the old man okay.

Jesus Quintanilla - Okay.

Acting Chairman Oscar Calvo - We know that he doesn't have any children.

Administrative Director Monte Mafnas - It's very good that we have a win-win situation thank you so much.

Acting Chairman Oscar Calvo - Mr. Layao have a good day sir.

5. Dan Swavely

Administrative Director Monte Mafnas - Can we include Mr. Dan Swavely under Old Business? I asked Mr. Swavely, unfortunately he is not on the agenda but I asked him to hire his services of defining a..(interrupted).

Dan Swavely - A permit nobody can pronounce.

Administrative Director Monte Mafnas - I got the word for it it's called extracting agreement.

Dan Swavely - Okay.

Administrative Director Monte Mafnas - So basically to the tune of \$250 Mr. Swavely will assist CLTC Board define the needs to produce and RFP.

Dan Swavely - We worked on this permit since 2006 actually on this proposed permit this idea that we discussed and the Commission approved on August 15th and at that time the Commission said well we won't proceed with it until the attorney gets on board to put it into operation. The fact is the attorney isn't going to understand the sequence of events, the steps, the types of conditions that should be there or if you know then when we negotiate so I thought we can do that for the Commission. I can't do that for the Commission for free because we need to have a contractual relationship here right. I mean I have to be your consultant directed by you.

Administrative Director Monte Mafnas - That's one of the components of a contract.

Dan Swavely - That's the way it goes so I'm suggesting that for \$250 I could put together this whole thing for you and then we'll discuss it and we'll work on it and then what you would have is a mechanism for you then to put out for competitive bidding properties that conform to that type of site development permit through a competitive bid process for awarding at that time. This is not about giving any property to any one contractor. This is about setting up the ways and means for you to do that.

Commissioner Michael Borja - Create the template.

Dan Swavely - Yes create the template there you go.

Commissioner Michael Borja - I thought you said something wrong I thought maybe you left out the thousand or something.

Administrative Director Monte Mafnas - It's pretty much a pro bono exercise but it will assist us moving forward.

Acting Chairman Oscar Calvo - And how much did you say for this?

Dan Swavely - \$250.00 but there has to be a contract.

Acting Chairman Oscar Calvo - Oh yeah definitely.

Dan Swavely - That's the part we didn't have on August 15th when we discussed it.

Administrative Director Monte Mafnas - And he's ready, able and willing and you can tell by the color of his hair he's very experienced too.

Acting Chairman Oscar Calvo - We need to do a motion?

Administrative Director Monte Mafnas - Yes can we make a motion?

Commissioner Michael Borja - What's the specific, they'll be extracting..(interrupted).

Administrative Director Monte Mafnas - Can you just reiterate on our proposal understanding.

Dan Swavely - Well it was really called a revenue generating short termed non-possessory site improvement license.

Commissioner Michael Borja - So we're looking to have a contractual relationship with Mr. Swavely to create this RFP.

Administrative Director Monte Mafnas - Yes.

Dan Swavely - To create the scope of work and the procedure and the schedule for the body language for that permit.

Vice-Chairman David Matanane - One time shot.

Administrative Director Monte Mafnas - One time shot and basically it's to provide GSA the mechanism to move forward because if we rely on them it'll be another 6 months.

Vice-Chairman David Matanane - Being an attorney he should know the jargons on those things.

Commissioner Michael Borja - I move that we work to contract Mr. Swavely to work on this template in the amount of two hundred and fifty dollars point zero, zero.

Acting Chairman Oscar Calvo - And that's a one-time fee.

Dan Swavely - One-time, one-time fee correct.

Vice-Chairman David Matanane - I second.

There were no objections.

Acting Chairman Oscar Calvo - We have the money on that Monte?

Administrative Director Monte Mafnas - Let me check.

Dan Swavely - Thank you gentlemen.

VI. NEW BUSINESS

1. Johnnie & Veronica Patao and Wilfredo T. Garrido - Lease of Wilfredo Techaira Garrido

Administrative Director Monte Mafnas - Next on the New Business is requested to present this to the Board for a final decision. Mr. Wilfred Techaira Garrido is an applicant, was given a lease and what transpired and recorded was an assignment of lease to his sister Veronica Patao.

Wilfredo T. Garrido - Good afternoon, my name is Mr. Garrido, Wilfredo T. Garrido. I'd like to present, I gave my sister a privilege now I'm going to revoke. I have a new document saying it's been revoked because I feel that I don't, it's not, you give somebody a privilege it's not personal, it's not because of blood it's because of my interest I was looking out for my interest and I see that she's trying to breach what I was asking for for help. That's what the privilege I gave her for not because she's my sister. So I lost confidence in her and I want it revoked. This legal document here saying that it's going to be revoked. It's entitled to in your contract that is I have the every rights to revoke it. I lost confidence in my sister. She's not here to help me she's here to possess my own and I'm a poor guy like Mr. the young man here that had not says it's for the poor. You know how much land this girl got, how much bank account, how many cars? I got nothing. In the eyes of God you guys I don't care you guys got voodoo or whatever religion, what God would tell you to try to steal or kill or rob anything. I'm not trying to be emotional I'm just trying to..(interrupted).

Commissioner Michael Borja - Okay so you own land, you don't have a lease you have a land.

Wilfredo Garrido - I have a Chamorro yes and I want it revoked because I lost confidence in my sister.

Commissioner Michael Borja - And you gave power of attorney to your sister. -

Wilfredo Garrido - She has a, excuse me sir I'm getting emotional because this is hurting me it's hurting my heart. I can't sleep I'm really very upset and disappointed with her. She is what you call that, I'm so upset I'm getting, she is my legal guardian. But what a legal guardian is supposed to be looking out for your interest it's not supposed to be legally trying to take your things. That's how I feel, that's why I had to go to a lawyer right here is his name and I just want it revoked. It's not right and I got every right it's in the documents at Land Trust that if I feel that I want it revoked it shall be I have a counsel right here.

Acting Chairman Oscar Calvo - *Wilfred do you understand Chamorro?*

Wilfred Garrido - Yes.

Acting Chairman Oscar Calvo - *So let's speak Chamorro. What you're asking forward is because you have a problem with your sister.*

Wilfredo Garrido - So this is what I want is to remove her name. I gave her authorization to help me. You know what she made for me? A dog house. Lucky I didn't bring a picture like you people would imagine what would you think of her. Man that was a dog house.

Acting Chairman Oscar Calvo - Well she's being inhuman about it that's for sure.

Wilfredo Garrido - Yeah in fact she's being in denial she's only (inaudible) on her own interest here. Her interest is more important than me. You know where I sleep? I sleep in, boy if I was to take a picture maybe I'll come by your office and I'll show you. Homeless is more better because they sleep under the stairway. You know where I sleep? I sleep in the hammock under a tarp with the mosquitoes. And my cousin here that's with me is trying to help me. I'm not trying, I love my sister regardless of what.

Acting Chairman Oscar Calvo - And where is your sister?

Wilfredo Garrido - She's right behind me.

Veronica Patao - I waiting for him to finish, we're making him speak first.

Wilfredo Garrido - No matter what she's my blood I cannot drain her blood I love my sister. What I do not approve of her devious tricks. And I have the legal documents here to revoke it. I got every rights in the Chamorro Land Trust it states that I could revoke it. She enticed me and she manipulated me that she's going to help me. She deceived me I don't know what you want to call it. It's wrong and I want it removed I have the documents here.

Commissioner Michael Borja - Do we have a copy of the lease?

Veronica Patao - I have a copy when he's done I'll present my documents to you.

Wilfredo Garrido - There's always a sister and a brother within a family that wants everything. This is what actually would you (holding up a magazine) see I'm not being sarcastic it's just a joke you want to laugh here now because you know this is not a laughing matter to me.

Commissioner Michael Borja - Mr. Garrido I'm trying to understand what's going on. There's a..(interrupted).

Acting Chairman Oscar Calvo - Okay lets hear from your sister.

Wilfredo Garrido - Sinner down the line.

Acting Chairman Oscar Calvo - Okay so give the opportunity to your sister now I want to hear.

Wilfredo Garrido - Okay but ask her how much land she has.

Acting Chairman Oscar Calvo - It's her turn now we'll listen to what she has to say.

Wilfredo Garrido - Here is the revoke it's your copy and I have a really urgent business to do and if you decide it's based on that now. Thank you for your cooperation and I'll see you next. God bless you guys do what's right.

Acting Chairman Oscar Calvo - God bless you too sir.

Veronica Patao - Hello Mr. Chairman, Mr. Borja and Mr. Matanane. Thank you for your time this afternoon to be for my husband, this is my husband John, my name is Vicky. I also have here from Senator Respicio's office Stephanie. My brother Wilfredo, before I begin, I love very dearly. I have spent 28 years of my life, he has a history of going in and out of court, drugs and alcohol. I believe he probably had a couple on board when he was talking because he just was very repetitive. Bear with me if I kind of like get emotional I want to stay focused, I also have cancer of the throat and I have irritation. But anyways I have taken care of my brother for 28 years. When I say taking care I've actually supported Wilfredo. I provided a roof over his head, my husband and I take care of him with his medications and so forth. He, a year and a half ago he ended up in the hospital and he almost didn't make it. My husband and I were alternating sitting at his bedside. Even prior to that I was the only one always coming forward going in to be his third party in the court system every time he gets arrested for drugs and alcohol and family violence. It always has been me. I believe I've attached a couple of documents there that would substantiate that. My husband and I like I said we're at his bedside and God forbid you know he came out okay and came home and we took care of him. And he's been like I said he's been under our care. He's given me power of attorney like I said we actually support him just like a child because he doesn't work, he cannot be gainfully employed because of his on and off incarceration through the 28 year period. And when he decided a couple years ago he also was ill he decided sister you're always there for me I decided to give you, include you and John on this lease. But even prior to that if I may go back more further my husband is a bonafide farmer and so am I, I'm a retired school teacher. That property that's in question my husband and I have gone there and planted dagu, we planted sour sap trees, a lot of vegetation. You know we love toiling the land it's such a, I never knew much about gardening till I met my husband and he taught me you know how to do these things. So it was, I really enjoyed myself. What had happened was there was an original lease that Wilfredo obtained through Chamorro Land Trust and this lease was granted in 2005 and he is the lessor..(interrupted).

Administrative Director Monte Mafnas - Lessee.

Veronica Patao - Lessee I stand corrected. So I have the lease here and then in 2005 he came in to Chamorro Land Trust and he made the decision without any coercion whatsoever to add myself and my husband's name on the lease. Again because of the fact that he acknowledged I'm always there for him supporting him and just you know unconditionally. And then of course Jesse Garcia signed it and he also prepared an addendum to this lease which in this addendum it shows my husband and myself. Unbeknownst to us till very recently I paid Mr. Mafnas a visit 2 or 3 times because we encountered a problem. Eddie Blas who is a relative of mine went to the property and started cutting down all the vegetation all the trees. He actually cleared it and I got pictures to show the Board.

Acting Chairman Oscar Calvo - Talking about Eddie Blas, the tall dark guy?

Veronica Patao - Yeah that was him here with Wilfredo yeah. And my husband practically was at the verge of tears when we got there and saw everything completely demolished. And at the same token what Eddie Blas was also doing was erecting a structure. He was erecting a two story building on that. And see as we drive by Batulo Road there's still trees. If you look at the map sir, if you look at the map that's attached to your packet, this is Batulo Road and this is the lot that we're referring to, Lot 9, Block 2 and there's a lot of trees here. All the way in was vegetation of dagu, fruit trees, calamansi, tangerine you name it we had it all in there, avocado. So we couldn't see until one day we took the back road and then we could see from an angle we hadn't gone to the property you know for a few months because of my husband being hospitalized and I also had my last cancer surgery. So we called the police that day and we filed a trespassing and destruction of property the vegetation. There is also there in your packet a police report that we got and the following day Mr. Eddie Blas came to me practically in tears. He said can we please sit down and have a meeting because he found out I filed a trespassing report. And I said what prompted you, what, where, you had the audacity to come there and he even acknowledged that he saw the lease the addendum and he saw my husband's name on there and my name but he said Wilfredo said he's giving it to me. I said where is the documentation? Where's the document saying? Wilfredo can just, he's not Chamorro Land Trust, he's not the Board. This is something that's decided by the Board members or you know. And he was very adamant he said no Wilfredo said he gave it to me. So anyways it continued to escalate I came back in and I saw Mr. Mafnas and we even wrote a letter come to find out that Mr. Mafnas stated that they couldn't find the supporting addendum. They couldn't find the addendum and all they had on file was his lease. I said wait a minute we were the ones, we were all together, we had it notarized, we gave it to Lorraine, Lorraine is no longer employed with CLTC, so we gave it to her. And as I met Mr. Mafnas I believe in the second meeting he said oh Mr. Blas already has a lease in the making if you will and it hasn't been signed by him yet but already the lease was prepared. I said how can you do a double on this property where it says on the addendum Wilfredo T. Garrido, Johnnie Patao and Veronica Garrido, there's ands. You know and if that in fact was to be the case wouldn't it be if you folks correct me if I'm wrong that my husband and I would have to concur if he's going to add on somebody? There is a power of attorney that Wilfredo had given me a couple of years ago in the event something happened to him and it was a full fledged general power attorney that's also attached on your packet. And he got upset with me because Wilfred when he asks for money and I don't jump and I don't give it to him he gets agitated he gets irritated. And he claims that he went in and saw an attorney to revoke. Apparently what I understand he's got is just an affidavit that he's verbally and also written request to revoke this addendum. And now with all due respect to this Board if you reference back the original lease I do not see a clause in anywhere on this 12 page original lease with Wilfredo's name on it that says lessor subject to rescind and/or cancel lease upon his discretion. I don't have, I don't see that clause there and that clause is not also in the addendum number two, and secondly the Chamorro Land Trust standard form which is this is what we completed this is what the Chamorro Land Trust gives us to either put beneficiary or add on. There's no clause there that says again subject to the lessor's discretion to rescind and/or cancel in the future. So you know to me and I want to quote Mr. Mafnas no

disrespect intended to you Mr. Mafnas you did say that if this was a lease or something that was not CLTC related it's actually a binding lease already. It's a binding lease so if this actually is rescinded or cancelled because of his request then where are all the other applicants and all the people who hold leases who adds on. So is this going to be a domino effect for others to say oh I changed my mind from 3 years ago I added Auntie so and so or sister so and so now I want to change. You're going to have a problem on your hands you know because he's now wanting to cancel and take us out of this lease because he's angry with me. You know and it hurts because I'm his oldest sister and I've always been there nobody ever stepped up in court to stand before the Judge and ask the Judge to go ahead Your Honor release my, I'll be the third party, release my brother to me. It's always been me and he cannot even look at you folks straight in the eye and bring those things up that I have done for him you know. Eddie Blas is even outside he cannot even come in here because he's embarrassed because we actually filed charges against him that he was the one that demolished you know the property and the vegetation and everything. What I would also to request, I humbly request of the Board in this lot that belongs, it's under the lease with CLTC which is Wilfredo, myself and my husband, there's an adjoining lot right here and there's an 8 foot drop right here along Batulo Road. So when my husband and I were farming this area a couple of years ago we had to take the wheel barrow and you know the top soil and take whatever and we had to, we couldn't go in through here because it's an 8 foot drop so we had to come around over here. So this is an empty lot, this a paved road, this is a cultisac that has not been cleared by CLTC. In this vicinity right here on this lot is the golf course warehouse, this is a fence and behind this lot is my brother Ricardo Garrido, my mother's is here and my brother Roque so this is a cultisac but it's not you know cleared. It's on the map identifying it as a cultisac but this is actually the road. During, when my father passed away in 1998 the former Governor Gutierrez, he died during Typhoon Paka I believe and he called me because of the rosary and it was very treacherous terrain going in there so former Governor paved this road over here and that's how we commute to go in and then we go access and cut across to go to the property. We can't go in through here because it's deep. So this is what I'm also asking of the Board if this you know the outcome of this can this be also adjoined or because we can't..(interrupted).

Johnnie Patao - Can I speak? This one here okay is not explained and you won't see it. There's two drainage, it's not a sewer drainage it's water drainage every time after it rains. There's one that goes in here like this and the other one that runs like this underneath here.

Veronica Patao - It runs across.

Johnnie Patao - So that place is like sometimes 2 to 3 foot about high and then all the debris and everything during the past has accumulated so much debris and it fills up and it gets muddy and everything. I was trying to plant, well I did, I plant taro and everything and it's a good vegetation area for that kind along here. Now if you're going to build a house there you'll probably have to bring the Army Engineer and look at that because it's going to cause a problem every time if you build a house there.

Veronica Patao - Because the drainage runs across Batulo Road.

Johnnie Patao - There's one on the road coming down and one on this side going this way, there's two drainage and it's always flooded during rainy season and it gets very high.

Acting Chairman Oscar Calvo - Monte, pretty much anything that you want?

Administrative Director Monte Mafnas - Yes thank you Mr. Chairman I requested Mr. Garrido and Mr. and Mrs. Patao to present their case to the Board. Mr. Garrido does own the application, he is the man of record. Now consequently, subsequently he transferred his rights pursuant to the assignment of lease. Now as a former real estate broker I believe that the chain of title is complete and that he did assign his rights. However, from a Chamorro Land Trust Commission I think the Board should decide what to do because he's ranting and raving to revoke that assignment and invoke his own rights to the application. There's only one person that owns the application, just like you only have one social security per person and I feel this is a very closely related activity. They're brothers and sisters, they're siblings and there's an emotional thing and I didn't make a decision. I want the Board to make a decision because I think that's the right thing to do. I mean three heads are a lot smarter than one head.

Acting Chairman Oscar Caivo - Basically from what your brother wants is to revoke to take you out of the lease. The lease itself from what I'm understanding from Mr. Monte is that its free and simple that he has that right but he's revoking now you guys from that lease too. But the other question to that if he's going to tap it on over to Mr. Blas just hypothetically if he does, Eddie does not, does he have a lease in the Chamorro Land Trust by any chance?

Administrative Director Monte Mafnas - No he doesn't have a lease.

Acting Chairman Oscar Calvo - Doesn't have a lease. So giving up that right that next in line individual that should have gotten that the person does not get it.

Administrative Director Monte Mafnas - Well actually if you analyze the transaction he released his right twice. Once giving his sister the power of attorney okay and she can act on his stead legally and number two, he did assign the lease to his sister. So I just want to put everything on the table so the three heads smarter than one can make a decision.

Veronica Patao - I still have that power of attorney and it's still in fact in effect. It's a full general power of attorney and it's attached to your.

Administrative Director Monte Mafnas - I was not aware of the request for the additional lot and I don't think the Board should make a decision at this point in time of that lot. I think we should address all our consensus to the ongoing application and request.

Commissioner Michael Borja - You did not apply for, you don't have an application that..(interrupted).

Administrative Director Monte Mafnas - No they have a lease already.

Veronica Patao - We have a lease yes.

Commissioner Michael Borja - Oh you have one that's in the vicinity or elsewhere?

Veronica Patao - No it's right across the street it's an agricultural.

Commissioner Michael Borja - Oh okay so the family is all in one place.

Veronica Patao - Yes.

Administrative Director Monte Mafnas - So that presents another problem because you can't have two leases.

Acting Chairman Oscar Calvo - You cannot have two leases you have to give up one.

Administrative Director Monte Mafnas - So that's why I requested the Board to..(interrupted).

Commissioner Michael Borja - Now you also said you have legal guardianship of your brother.

Veronica Patao - Yes.

Commissioner Michael Borja - So you have, a court has granted you legal guardianship of your brother.

Veronica Patao - Yes and I do have that general power of attorney.

Commissioner Michael Borja - But I mean not a power of attorney a legal guardianship.

Veronica Patao - Yes.

Commissioner Michael Borja - Because they're different I mean the power of attorney he can do what he wants to do like that of the power of attorney. A legal guardian the court has to revoke that. They place it and they can revoke it but he can't go and revoke a legal guardianship. So technically then he cannot make changes to this agreement without her concurrence.

Johnnie Patao - We explained that to him.

Veronica Patao - We did but every time we explain it to him he..(interrupted).

Commissioner Michael Borja - And his attorney that he, I think I saw Somerfleck on his card, he's a Public Guardian is he?

Administrative Director Monte Mafnas - Yes. I think was.

Veronica Patao - No he was.

Administrative Director Monte Mafnas - So I don't think he is now he's private now.

Veronica Patao - The reason I've been designated his guardian because of the courts when he's been you know I'm always the one stepping up for him. He went to Somerfleck to try to get an affidavit of some sort I believe to try to revoke this or to cancel or rescind this lease. But I for 28 years Wilfredo has been in the courts for family violence, alcohol and drugs and I've always and I say 28 years because when I went to court I was also going to provide the Board copies of all that history but there's like 6 to 7 volumes of records of Wilfredo's incarceration and his run in in the court system.

Acting Chairman Oscar Calvo - You know he was stating earlier that where he stays and it was I mean I hate to use the word he mentioned it himself that you guys build him like a dog house.

Veronica Patao - No Mr. Calvo that's not true. He's actually come and even lived with John and I but when he doesn't and he drinks early in the morning. His coffee is beer at 8'oclock in the morning, 7o'clock and he's also he's a drug user. So when we don't jump and give him the moneys like that that's when he retaliates, turns around and then he threatens John and I using this as leverage. But you know we're the only ones that give him moneys, we buy his medications because he has rheumatoid arthritis I also got the document from the doctor and we pay his hospital bills. He doesn't work he's not even on welfare. He's not even on welfare.

Acting Chairman Oscar Cavlo - That is a tough decision.

Commissioner Michael Borja - So he granted this power of attorney to your mother. She's still alive and very old I'm..(interrupted).

Veronica Patao - Yes she's in her 80s, I believe or nearing late 70s.

Commissioner Michael Borja - And your mother is capable of handling his affairs?

Veronica Patao - No because I can give you a copy of a restraining my mother has against him.

Commissioner Michael Borja - She has a restraining order?

Johnnie Patao - Against him.

Veronica Patao - Against him.

Commissioner Michael Borja - But you've never seen this power of attorney.

Veronica Patao - No. She has a restraining order he even has a bench warrant right here. The Marshalls are looking for him right now.

Commissioner Michael Borja - Oh.

Veronica Patao - That's why he's in a hurry to leave.

Johnnie Patao - That's why you keep seeing him dodging in and out.

Veronica Patao - And also he was under food stamps and this is the notice of adverse action, I was notified by Ms. Miner supervisor at Public Health because every two months he goes in and replaces his food stamp cards because he sells his food stamp for drugs and you can see this if you want. There is a restraining order that I have that I will show you. If she's getting a power of attorney she could get into trouble with that because she has an existing permanent restraining order that I have right now in my bag that I can show you.

Commissioner Michael Borja - Which technically says you can't even get close to him.

Veronica Patao - That's exactly.

Vice-Chairman David Matanane - Who pays the real property tax?

Veronica Patao - Oh yes thank you for asking that Mr. Matanane, in the last 5 years since this lease was commenced with his name I have been the one paying for the lease. I think there's some copies there too.

Commissioner Michael Borja - Yes you have I guess this is your receipt which shows you paid.

Veronica Patao - Yeah.

Commissioner Michael Borja - It's in his name only but you're holding the receipts.

Veronica Patao - Yes.

Administrative Director Monte Mafnas - I commend Mrs. Patao for doing that but anybody can pay real estate taxes.

Vice-Chairman David Matanane - Yes.

Administrative Director Monte Mafnas - As the tax man here would validate my statement anybody can pay the taxes and the taxes run with the land it does not run with a name. It runs with the land so who ever inherits the lease will be responsible or is deeded the land.

Vice-Chairman David Matanane - Not only that Director Mafnas the reason why I asked that because on the receipt, tax sold property, I said what the heck is that?

Administrative Director Monte Mafnas - And it has been delinquent and technically it belongs to the Government.

Commissioner Michael Borja - Oh it's delinquent?

Administrative Director Monte Mafnas - Yes.

Vice-Chairman David Matanane - On the receipt it says tax sold property I said wait a minute this is Chamorro Land Trust it cannot be sold.

Administrative Director Monte Mafnas - Oh Mr. Matanane is a retired tax man so that's why I'm making reference to he's the expert.

Veronica Patao - Does the Board want to see the restraining order?

Acting Chairman Oscar Calvo - Actually you know I think we might want to put this on the because this is basically more of a..(didn't finish).

Administrative Director Monte Mafnas - I think we need a legal opinion.

Acting Chairman Oscar Calvo - Yeah a legal opinion on this.

Administrative Director Monte Mafnas - Because the party we award the other party will be upset. There's no win-win here and I think a legal opinion is necessary to protect the Board because they might just sue us although it's our property.

Acting Chairman Oscar Calvo - Because your brother that to afforded to come back and sue us for that matter. Because in reality the lease is still under his name and yet he may have power of attorney, I mean granted that he gave you to be the guardianship to him and all that because guardianship is basically like what Mr. Borja stating is just you know pretty much taking care of whatever and the power of attorney is just to act on issues that you know. So I'm not a lawyer and I don't know if these two are lawyers but..(interrupted).

Commissioner Michael Borja - Was he declared incompetent by the..(interrupted)

Acting Chairman Oscar Calvo - That's another thing.

Veronica Patao - No.

Commissioner Michael Borja - In that legal guardianship?

Veronica Patao - No, no all he has is his medical ailments his rheumatoid arthritis.

Acting Chairman Oscar Calvo - What we're looking here I think he needs to I hate to use the word he needs to go and see some medical you know to say that he's incompetent for that matter and I can't speak for that because I'm not a medical.

Administrative Director Monte Mafnas - It's not our jurisdiction.

Acting Chairman Oscar Calvo - And it's not our jurisdiction so..(interrupted).

Commissioner Michael Borja - Well for the record while he was speaking I could smell beer.

Administrative Director Monte Mafnas - Yes.

Acting Chairman Oscar Calvo - I can smell him too.

Commissioner Michael Borja - He probably didn't have anything to drink for the hour or two hours while he was waiting.

Acting Chairman Oscar Calvo - It's sadly to say that yes and it's ironic because when you first came in I was going to pose that question how much do you love your brother but you stated you love your brother and that's good you know. *I know that you feel for your brother.*

Veronica Patao - *A lot.*

Acting Chairman Oscar Calvo - *You need to make him understand are you both going to understand each other. And you're saying your mother is still alive but can your mother, I don't know, this kind of problem is more on the family side.*

Veronica Patao - You know the police comes to the residence, my mother's residence every single day. Every single day because when he gets intoxicated he gets very loud, obnoxious and he verbally attacks my mother and the cops are there and there is a permanent restraining order and for you to share with me is just contradicting everything. Even if my husband and I decide to go get legal I really am confident and I believe that with a restraining order that she actually effectuated against him a permanent restraining order then goes in and get this, my power of attorney has not been revoked. And I even went to Mental Health also to acquire some documents because of a lot of referrals from the courts when they send him there for evaluation and to go to these AA classes and what not. I do have the summaries there.

Acting Chairman Oscar Calvo - Has he ever been incarcerated by any chance?

Veronica Patao - Yes he has, yes Mr. Chairman many times over the years.

Acting Chairman Oscar Calvo - See that's, this is a tough one for us because you know.

Administrative Director Monte Mafnas - I want to go on record excuse me that I laud and applaud Mr. and Mrs. Patao. I really salute you guys for doing the right thing. However, please understand that the Chamorro Land Trust law was meant to enable the social and economic welfare of the native Chamorros. Now this law is a privilege it is not a right. Chamorro Land Trust owns the property yesterday, today and tomorrow. Now we have enabled the lessees, the licensees the capacity the legal rights to use it pursuant to the lease but that doesn't mean the fee simple absolute rights are given to the lessees. We own those rights perpetually, in perpetuity, yesterday, today and tomorrow. Now we really, I think I have the authority to just cancel everybody's lease really but I don't want to do that. I want to reach a fair and equitable solution and I wanted you to present the Board. I wanted your presentation to the Board and his presentation to the Board and have the wisdom of the Board rule on it but it appears to be that the Board doesn't want to act on it so I suspect we need a legal opinion. We need a legal opinion to act on this. Now worst case scenario I could be the bad guy here and I'll just cancel everybody's lease. Now you guys have a lease which means you can't have a second lease.

Veronica Patao - No the other lease..(interrupted).

Administrative Director Mont Mafnas - Not no it's yes.

Veronica Patao - No it's only under my name not under my husband's name.

Administrative Director Monte Mafnas - As husband and wife you are only entitled to one lease.

Veronica Patao - It's under Veronica before our marriage.

Administrative Director Monte Mafnas - Not a no, not a no, it is a yes. Husband and wife only can get one lease okay.

Veronica Patao - Even though his name is not on that lease?

Administrative Director Monte Mafnas - Are you husband and wife?

Veronica Patao - I'm just asking that..(interrupted).

Administrative Director Monte Mafnas - Well I'm telling you husband and wife, yesterday, today and tomorrow are only entitled to one lease. Now I didn't want to bring that up but since you're so adamant in acquiring the lease I can show you the law. That is for everybody not just singling the Pataos okay. It is everybody even if you were not married even if you're living as common law, if and when you get the lease only one application is honored. That has been the administrative rights and procedure since the public law

began. Now we need a legal opinion, the Board has listened to your presentation and we take this under advisement and I really appreciate what you have been doing assisting your brother but this is beyond us. Thank you.

Commissioner Michael Borja - We don't have a copy of this in your files at all this signed page but even if we did again as Monte mentioned you can't be entitled to two lots as an individual so that would kind of almost be invalid in a way which I don't know how this got through. But maybe that might be a reason why it wasn't fully documented I'm not sure. But you know the document is still there and I know you know I just have to say it's honorable what you're doing for your brother but unless the court you know we really need a legal opinion because he has all the rights to do what he is doing and nobody is denying him that. His attorney has given him that and it comes down to do you want to still help him anymore if he's going to be acting like this. You know is there still the sisterly love for your brother or are we going to look at it in a legal standpoint and do like your mother and just say I can't deal with it.

Vice-Chairman David Matanane - My outlook is this, that you have a lot already under your name right?

Veronica Patao - Yes.

Vice-Chairman David Matanane - And his lot is on this particular lot right. There's my problem there because and you wanted to acquire this other lot you can't. We cannot entertain that it's just not her lot.

Acting Chairman Oscar Calvo - See if you didn't have that lot that you acquired through the Chamorro Land Trust already okay then maybe that will enable you to. We can determine that here but because like what Mr. Monte said it's the law in the Chamorro Land Trust you can only obtain one piece of property. And we do have problems with that and in fact a lot of the people that come in here, well I got this property before I got married but when I got married to Mr. Borja you know he happen to have one. Well guess what Mr. Borja either you give up one and that's free and simple we don't dictate that that's the law itself. So in your case you have already obtained a property from the Chamorro Land Trust and what you're trying to gain on this other property so to us this is something that we need to clear out like what the other you know because I myself I don't really, it's an issue that we need to get a real legal opinion on this thing.

Administrative Director Monte Mafnas - I apologize Mr. and Mrs. Patao for not clearing any ambiguity but as you can see Mr. Chairman he's been here for what 8 years?

Acting Chairman Oscar Calvo - 5.

Administrative Director Monte Mafnas - But you know sorry that it wasn't clarified to you.

Veronica Patao - Here's just my argument with all due respect to the Board just this here again back to the lease and let me reiterate what I had to say earlier. You had the lease

his name is on there, there's no clause here that says subject to the lessees discretion to cancelling, revoking or rescinding the addendum.

Administrative Director Monte Mafnas - Yes you're right, you're correct.

Veronica Patao - I'm sorry may I just finish please, no disrespect intended to the Board this is my argument and this if need be if you guys have to go that far to go to get legal then we will probably end up getting legal because here's my argument and I..(interrupted).

Administrative Director Monte Mafnas - Is that a threat Mrs. Patao?

Veronica Patao - No it's not.

Administrative Director Monte Mafnas - Is that a threat?

Veronica Patao - No it isn't. All I'm trying to point out Mr. Mafnas is this please this is not, it didn't come across like that if you..(interrupted).

Administrative Director Monte Mafnas - It did come loud and clear to me.

Veronica Patao - Mr. Mafnas you misinterpreted. All I'm trying to say is this; you have the form the change, you can change your beneficiary, Wilfredo changed his beneficiary three times. You have the change of beneficiary and then you have the add spouse or add whoever you want. It was actually already signed by Mr. Jesse, as a matter of fact let me also mention this for the record that Jesse Garcia did bring to my attention my other lease. He did bring that to my attention but he went ahead and signed it but there is no clause again that says subject to the discretion. Maybe my case is different but lets say for argument sake another case came to your Board and maybe the person, same scenario the person doesn't have a lease but then the lessee..(interrupted).

Acting Chairman Oscar Calvo - This is why we need a legal counsel on this issue. I respect what your comments and so forth here but I think we can rattle this thing back and forth on legal issues and being so be it. It may not state in that document on what you're saying your showing okay but I think a lawyer can determine what is legal and what is not in that sense. So I think it's right more for us to because I can't make a decision and I sympathize what you're trying to say but this is something that we need to and whether there be another case in the future, maybe you're the start of the case I don't know. But I'm just saying it's something that we need to look in further more and to honestly to point that out I mean if you feel comfortable that you want to get a lawyer that's your discretion that's your prerogative. If that's what you want to do want to get lawyer we're not stopping you. But we also have to look and defend the Chamorro Land Trust and also I hate to say it but Wilfredo still has rights to this issue so we need to also be in the defending side on what his application states for. So at the end of the day I just wanted to make sure that these issues is being cleared by legal counsel. We can go back and forth and you have given us all the documentation he's not in his right mind and state forth and all that stuff

okay. But that's not like I said I'm not a doctor, I'm not a psychiatrist. He may need to get some legal you know and who can do that best is just the court itself and if the law says if the court says he's incapable and whatever granted then so be it. I think you know I think we really have said enough for now and I think it's in the best interest of the Board and it's the best interest on your part and I hope that you, you say you still love your brother and I hope that maybe you know you still take care of him for that matter. But I'm not going, that's your decision okay. I think we've gone too long on this issue. So now that really got the scope and the history of this we need to get a legal opinion on this okay.

Administrative Director Monte Mafnas - Thank you very much.

Commission took a break (3:20pm - 3:31pm)

2. Jeanith A.M. Cruz - Application processing

Administrative Director Monte Mafnas - Jeanith Cruz wanted to file her papers simply because she claims that she was rudely profiled because she don't look as a native Chamorro. She's white skinned and blonde but speaks pretty good Chamorro and the qualifying validation is providing her birth certificate. Now she did say that she got all the documentation necessary and she's willing to provide it. When she said she met Annette who used to be an employee of Chamorro Land Trust at the Charles Corn Building in Anigua now that site is not where you applied back in 1995. So her argument is half correct but half wrong too. So she is not of a 1995 date and time. We can accept the fact that she is of native Chamorro descent but that doesn't mean that we're going to short cut everybody else. We must hold that line. 1995 with date and time that was by passed we must service all those people. So she filed these letters to try and circumvent the process. Well I just wanted to reiterate that we will entertain her pursuant to her date and time.

Vice-Chairman David Matanane - What's this she was born back in the states?

Administrative Director Monte Mafnas - Yes she was and if you really look at her she doesn't look native Chamorro but who are we to say that she's not native Chamorro as long as she can provide..(interrupted).

Acting Chairman Oscar Calvo - Well if she provides a birth certificate and it will state but then again you can provide a birth certificate and not claiming the father who really birth her because you know some birth certificate is just the mother and it will only indicate and maybe the mother was Cruz but that Cruz could be a Mexican.

Administrative Director Monte Mafnas - And the reason why she's asking for consideration is she's qualified under Guam Housing to get a loan. So she was trying to circumvent the process. Although we would like to help her because she's a native Chamorro it is not right that we circumvent the 1995 process.

Commissioner Michael Borja - What's her year?

Administrative Director Monte Mafnas - I think 2008.

Recording Secretary Teresa Topasna - January 6, 2010.

Administrative Director Monte Mafnas - I stand corrected, you heard it from our Board Secretary.

Acting Chairman Oscar Calvo - They're going to kill us.

Administrative Director Monte Mafnas - So that concludes that right?

Acting Chairman Oscar Calvo - Okay.

3. Tonko Reyes Inc. c/o Richard Untalan - St. Lourdes Subdivision nka Pacific Meadows

Administrative Director Monte Mafnas - I'm sorry, they withdrew and they will make a presentation on next month's Board meeting and as we conclude I will tell you guys my results of my negotiations with them.

Acting Chairman Oscar Calvo - Okay no problem.

4. Felix Benavente - Request for re-location of bull cart trail

Administrative Director Monte Mafnas - The reason why I brought them to the Board is there is a request for a relocation of easement. Now it's in our enabling public law, Chamorro Land Trust has jurisdiction over bull cart trails. We can relocate, we can sell bull cart trails and amongst the many inventory that we own. Now I only think that it's right that we hear from Mr. Benavente why we should relocate the bull cart trail.

Vice-Chairman David Matanane - Are you a Planner for Land Management?

Felix Benavente - Not anymore.

Vice-Chairman David Matanane - I want to make it clear that you're not...(interrupted).

Felix Benavente - No, I'm not representing Land Management. Mr. Mafnas and members of the Commission we submitted on behalf of the three co-administrators of the properties the Estate of Pedro Palomo Esteban and Maria Eclavea Esteban; Lagrimas B. Camacho, Jovita E. Quenga who is with me and Sylvia G. Flores. We respectfully request for relocation of a small segment of a bull cart trail located between Lots 5038 and 5038-1 in Ukudu, Dededo. This bull cart trail is variable in width, is approximately 650 feet in length and serves as the property dividing line between the adjacent 2 lots. This bct segment is densely vegetated, undeveloped, unused and contains no utilities above or underground. We request to merely move the segment approximately 130 feet toward the east and match up with the north-south alignment of the existing GWA sewer force main, see attached map. This sewer force main is located within an existing coral based road. In addition to serving as the new dividing line between the 2 lots, both owned by the estate,

the final bct alignment will not disrupt but keep intact the continuation of the full length of the main bull cart trail. A pending court decision request hinges on favorable and expeditious resolution of this request. We are available to meet and discuss in any request for clarification. I attached a map but I also have an updated map. Of course the map that's attached I have on a cloud on the upper right hand corner of the map the intention is to just push the bull cart trail further to the east and match up with the line. And of course this is the larger map on the attachment and again this is Lot 5038 and this is 5038-1. The bull cart trail is this line which serves as the dividing line between 38 and 38-1. There is an existing sewer easement here which kind of cuts 5038 into half so you have this unusable piece here and it just makes sense to move it over. There will not be any disruption to the existing bull cart trail. This connection point will move down to here and there will be some property that may be added to match up point actually on the map its called detail b. So detail b and detail c will be relocated to down here and over here and of course the details of those are in the second phase of the map. Detail b shows how it's connected to the bull cart trail and detail c shows how it's connected on the south side. We prepared a sketch, the firm of Duenas..(interrupted).

Acting Chairman Oscar Calvo - Mr. Benavente on that map okay you wanted to relocate yeah realign but there's an existing bull cart trail so if you move that down basically the upper lot becomes bigger.

Felix Benavente - Yes but it's not a problem because the lots are owned them.

Commissioner Michael Borja - By the same people.

Administrative Director Monte Mafnas - Right both sides. Yeah it really makes a lot of sense that's an excellent question.

Felix Benavente - And here is what we're asking, this is what will result in our request. In yellow the bull cart trail goes this way and right now the bull cart trail goes this way in yellow and continues to this way. Here in white in the dash line is the existing sewer line. This yellow is again like I said the dividing point between 38 and 38-1. By pushing the bull cart trail east in this direction..(interrupted).

Acting Chairman Oscar Calvo - That will land right on the sewer line or whatever.

Felix Benavente - It actually is on the outside edge because the sewer line is a 20 foot by NAVFAC drawing 7304 it's a 20 foot easement for sewer. So we're not, actually the sewer easement is kind of expanded or well it's not the sewer easement is not expanded but the bull cart trail will be outside and match with the sewer easement so it becomes a..(interrupted).

Administrative Director Monte Mafnas - And continues to be.

Felix Benavente - So the connection point to the bull cart trail will just move here, run up here and connect back up here.

Commissioner Michael Borja - So basically all we're trying to do is just realign the lots right and both those lots are the same owners and we're only discussing this because the Chamorro Land Trust Commission has jurisdiction over bull cart trails and this is a bull cart trail that is ancient and hasn't been used in years. It's overgrown I mean it's and for map purposes from 1950 it was on the map.

Administrative Director Monte Mafnas - It's actually a hardship to the heirs of the estate. Cleaning it up will only effectuate more land to be used by the family the heirs.

Jovita Quenga - It's legal you know the bull cart trail is legal and it cuts through.

Commissioner Michael Borja - It's a legal trail so that if I wanted to pass through I could cut through that piece of land.

Administrative Director Monte Mafnas - The use is still in effect.

Commissioner Michael Borja - Right but now we're going to put the bull cart trail on an existing road that everyone already uses and that's what we're trying to do right?

Felix Benavente - Right.

Acting Chairman Oscar Calvo - But you'll be moving up there that line will be down by the green line.

Administrative Director Monte Mafnas - We're relocating at the same time we're eliminating the existing bull cart trail.

Acting Chairman Oscar Calvo - Yeah which encumbers the upper land the lot becomes larger.

Administrative Director Monte Mafnas - Right so the sewer easement is twofold, sewer easement and bull cart trail and be legal but the existing will be deleted from the map so it's cleaned up. Do you have any objections to that Mrs. Quenga?

Jovita Quenga - No.

Felix Benavente - We want a win-win deal too.

Jovita Quenga - It's actually an advantage to the Government.

Administrative Director Monte Mafnas - Oh we love that we love the Government has an advantage.

Jovita Quenga - Because of the sewer.

Commissioner Michael Borja - Well whose sewer, that's the navy sewer isn't it? He said NAVFAC.

Felix Benavente - Monte will be the expert on that. Well it's a recorded 20 foot sewer easement. In fact the GWA sewer pump station is right here.

Commissioner Michael Borja - Oh that's where Todu Maoleg goes right?

Felix Benavente - I don't know.

Commissioner Michael Borja - No somebody goes back there all the time.

Administrative Director Monte Mafnas - You're supposed to report all that you see Commissioner.

Commissioner Michael Borja - Well I'm trying to think where this is at, this is on the, you don't see them they're like 40 foot long..(interrupted).

Acting Chairman Oscar Calvo - And that's about 600 feet?

Felix Benavente - That was my estimate but this was prepared by Mr. Ignacio the surveyor, he's more accurate.

Administrative Director Monte Mafnas - Commissioners please bear in mind that subject lots like this exists. There's easements all over the place and this is not the ending it'll be forthcoming because the military just cut it all up in shreds which renders unusable land which is an injustice for the estate.

Commissioner Michael Borja - So all your needing is our blessing to be able to eliminate and put it through the sewer line.

Felix Benavente - There's no Government loss of land, the bull cart is intact, there's no gap.

Administrative Director Monte Mafnas - I have a question for Mrs. Quenga, you do understand that all costs will be yours right?

Jovita Quenga - Yes.

Administrative Director Monte Mafnas - Just wanted to be clear.

Felix Benavente - In fact that is our next step once you approve that the surveyor will formally do this and then we already have a Land Management..(interrupted).

Administrative Director Monte Mafnas - Number and FY number.

Felix Benavente - It's not an FY its a..(interrupted).

Administrative Director Monte Mafnas - Then you better get an FY.

Felix Benavente - Well it's 077FY2010 we do have an FY number.

Acting Chairman Oscar Calvo - The size of the lot will be an additional that will change.

Felix Benavente - This will be enlarged this will be minimized.

Acting Chairman Oscar Calvo - Yeah.

Administrative Director Monte Mafnas - Can you just record it?

Felix Benavente - Oh absolutely and I guess subject to Land Management's the Chief Planner may want us to have Public Works sign off on it or Guam Waterworks.

Administrative Director Monte Mafnas - We appreciate you guys working with us because it's the right thing to do.

Commissioner Michael Borja - I move that the bull cart trail that divides Lots 5038 and 5038-1 Ukudu, Dededo be moved and placed over the sewer force main that currently divides through Lot 5038-1.

Felix Benavente - Just to match it because when you say place over we might be within and we don't want it to be within because then the Government will lose it.

Commissioner Michael Borja - Right okay, to match over the sewer force main.

Felix Benavente - And I have a copy of the sketch for your signature. This is the original from Nestor. We even discussed that between the bull cart trail and the easement when I did my simple calculation it was a 160 feet but this will be the official one. In fact we just shot this yesterday just to verify it again.

Acting Chairman Oscar Calvo - That's basically what you're saying that map that you have that's going to be the map that's going to be turned in.

Felix Benavente - The inside of this will be put on this bigger map and it will basically move..(interrupted).

Vice-Chairman David Matanane - Alongside the existing.

Felix Benavente - So it just changes this configuration but this the whole the big map is 5038-3-1 and 5040 which is the Esteban estate. But we're not touching 5040 maybe 5040 might come in the future because it's got a whole bunch of lines. This action fixes at least

this one so we can take this whole map and turn it in and we need also to get court approval and the court wanted us to make sure that we got this.

Administrative Director Monte Mafnas - Court approval as in land registration, decree establishing title as in partitioning?

Felix Benavente - Well the court has to approve the..(interrupted).

Jovita Quenga - Because it's under probate.

Administrative Director Monte Mafnas - Okay.

Felix Benavente - There's three co-administrators and she's one of them and their names are right here, Lagrimas Camacho, Jovita Quenga and Sylvia Flores.

Commissioner Michael Borja - Who's the property under? Whose name is it under?

Jovita Quenga - Pedro my grandfather, Pedro Esteban and Maria Esteban.

Felix Benavente - Pedro Palomo Esteban and Maria Eclavea Esteban.

Vice-Chairman David Matanane - There's a motion on the floor, I second it.

There were no objections.

Acting Chairman Oscar Calvo - So be it passed.

Jovita Quenga - Thank you very much.

VII. DIRECTOR'S REPORT

1. Monthly Revenue Collection Report - October 2011

Administrative Director Monte Mafnas - We started the CLTC thing to present a monthly report as Commissioner Matanane has been punching the table and hitting gavel and breaking the gavel.

Vice-Chairman David Matanane - I thank you I was so happy my eyes start popping I said wow. Hey we're doing pretty good on this.

Administrative Director Monte Mafnas - We're moving forward. Actually we have been working with Mario Garcia and Jean Flores and Terese to accrue this amount but in theory we have about \$103,504 received for the month of October. But actually there's \$5,000 that wasn't included from a cashier's check from JR Mateo and he's going to be paying another \$5,000 tomorrow.

Vice-Chairman David Matanane - We should have a trend now. If we do have trend now then we could get an average so when we do go to the structure, SUTA, we will have enough money. Thank you Mr. Mafnas.

Acting Chairman Oscar Calvo - Monte make sure that we really get that account to really be because I know Dave have been fighting that for years.

Administrative Director Monte Mafnas - We're in good hands we have Napu Castro here helping us we're in good hands.

2. Bill No. 241

Administrative Director Monte Mafnas - The last one I want and I really want to impress upon the Board is to support Bill No. 241. I have been working and Mr. Castro has been working with Senator Ben Pangelinan our Chairman at the Legislature to craft up Bill 241. Basically there's two things that happened there. Number one, it's an exemption of all maps to require subdivision requirements subsection 65101, Chapter 21GCA. So the maps will be known as sketches and certification of survey. Number two, it gives the authorization to the Administrative Director which happens to be me the authority to sign all those sketches. The last count that the legislature had hands on was 2,000 sketches and maps. Now I know it's a horrendous amount, it stems back since the year 2005. I also met with the association of the surveyors as a group and on one to one. So basically we've been working on this Napu about what? Six months, eight months, we've been at this for quite some time. So on the prudent thinking and wisdom of the Senator he introduced Bill No. 241 and it was passed by narrowly 8 to 7. Now I have heard from a very reliable source that there's a movement to request the Governor to veto this bill and if he doesn't veto it they're saying they have the group the other Senators have enough to override it. Now I want to own this.

Commissioner Michael Borja - How did it pass 8 to 7 when you have almost everybody sponsoring the bill?

Administrative Director Monte Mafnas - I don't know but the actual count came in 8 to 7. Correct? Napu?

Napu Castro - That's correct.

Commissioner Michael Borja - You have everybody sponsoring the bill and they voted against the bill they sponsored?

Administrative Director Monte Mafnas - That's poli-tricks that's poli-tricks to you. So I wrote a letter to the Governor emulating the pros and cons but I think it's very important and it's wise that the Board make a policy either to support or deny this exercise, Bill No. 241.

Commissioner Michael Borja - So then from here on we're not going to accept sketches we need to get professionally..(interrupted).

Administrative Director Monte Mafnas - When the bill is codified into law any map moving forward is a map. It will adhere to the subdivision contract.

Commissioner Michael Borja - A certified map not somebody's drawing.

Administrative Director Monte Mafnas - Through the Land Management process. I want to let the Board know there's going to be problems. Problems is this, gaps and overlaps and encroachment. These are survey issues, these are real problems. A map may be professionally drawn and mathematically perfect but when you go out on the field sometimes it don't close, gaps, overlaps, encroachment. Now I see that as a temporary stumbling block. Being the Director of Land Management I can assure you that we will address those problems and there is always a solution in my mind. In fact we just did one quite recently with the very first lease signed Mr. Antonio Camacho and his neighbor was Jesusa Manibusan. It's been a heated argument since day one since 1995 I think or something like that and we resolved it by realigning the lot lines and increasing the lot size. So I did that on my watch, it was a problem since 1995 or whenever the lease was signed. So I suspect and I agree there'll be lots of problems because the previous surveyors did a master plan, put in the monuments but did not sign the map. So that in itself was negligent on the surveyor. I don't want to accuse the sins of the past. I don't want to go there. There are going to be problems but I assure you as Director of Land Management that I will address that.

Commissioner Michael Borja - So is that what the objection is right now?

Administrative Director Monte Mafnas - Yes.

Commissioner Michael Borja - Because maps are not perfect?

Administrative Director Monte Mafnas - Correct.

Commissioner Michael Borja - But they're more perfect than sketches.

Administrative Director Monte Mafnas - Maps are. The biggest contention that they have is not providing the infrastructure. By law as developer we are responsible, CLTC, the Government of Guam is responsible for embedding water, power, sewer, storm drains, streetlights and fire hydrants. We don't have the money we're talking about millions and multi-millions of dollars and that's why we're needing that seed money to go borrow against the SUTA program so we will address that proportionately one step at a time. But there's 2,000 maps between 1 to 2,000 maps pending. Now I met close to a 1,000 people we're going to have a 1,000 times 2,000 irate Chamorro Land Trust lessees if we don't back this bill up. And again I want to impress upon the Board...(interrupted).

Commissioner Michael Borja - Why are they going to be irate?

Administrative Director Monte Mafnas - Because it's not going to be signed. They're going to demand that it be overridden and that the sketch becomes a map. The sketch is submitted to Department of Land Management getting an approval from the..(interrupted).

Commissioner Michael Borja - And they've already gone through that process.

Administrative Director Monte Mafnas - Yes and the retired Chief Planner refused to sign any and all those maps because they wanted CLTC to embed the infrastructure and we can't do that and I appealed to him I appealed to the Guam Land Use Commission and actually I agree that they said no. But on a case by case they refuse to accept the lessee. Case by case means the lessee went with their surveyor to the Territorial Planner and he still was adamant against it, did not sign. The lessee was willing to pay for the cost we would have annotated on the map that lessee would pay for water, power and open up the road. There were maybe 20 or 30 people like that and the former Planner refused and praise the Lord he's retired. But it still is an issue that must be addressed. If we don't assist these people they're going to be very upset. And I wanted to request the Board for consideration that we support this bill because in my mind it's the right thing to do.

Acting Chairman Oscar Calvo - Monte on these maps and the sketches okay and quote me if I'm wrong on that and I think you know I know that you being on a short time on the Land Management but I think you have more enough knowledge too and the sketch map is normally given to the Land Management whether the surveyor and pretty much the Land Management would look at it whether the map needs to be addressed whether he needs to provide the easement and so forth all the easement road and that issue. Now if there was a minor problem with that map okay then the person that handles that map at that time would say okay you need go back and do this and redo the map for that matter. Now and I know that's been an issue in the past because and you know Dave this for a fact is we were being I guess hammered so many times as how come my map is which we really don't have control on this Mike on all these times because for simple things that yeah and it is going to be a problem in some way or fashion but I think it's something that can be corrected in that degree. And so I think if we support this bill I think it alleviates those other maps that's been sitting in the last I don't know 4 or 5 years you know. The only thing now here is does the bill does that also encumbers the private individual maps?

Administrative Director Monte Mafnas - Let me begin in the point of beginning, Chamorro Land Trust owns the land, Chamorro Land Trust leases the land, the lessee then hires a surveyor, a licensed surveyor. When that surveyor is contracted he is on the auspices that it's registered, conforming with the territorial rules of Guam and when he surveys and he produces the meets and bounds and the course bearings that is a perfect mathematical map and on the field. Well it's a sketch because Chamorro Land Trust owns the property in fee simple, in perpetuity so the sketch will be attached upon recordation of the lease as an exhibit A because Chamorro Land Trust will always own the land. Now we need the map to establish definition of the boundary, defining the lot area, defining the area of the lot, lot number and municipality. You have to conform to certain survey rules so that exercise will be qualified, quantified, qualitatively. So sketch is attached to the lease and recorded for the world to know okay. So mathematically

correct, physically monuments are embedded, correct okay. There may be some problems besides the gaps, the overlaps may be a duplication of lot but if and when the red flag goes up we can cure that deficiency. We can address the wrong and right the wrong but this enables the lessee to move forward in the event he wants to borrow against a private bank he's going to need a map. Now the law is specific under subdivision law, anything after 5 lots which means the 6 to 100 okay or 1,000 necessitates subdivision requirements. Within the first 5 is not needed. But what I'm saying is because of historically speaking the first Director had the wisdom to sign off as a sketch. He did the right thing in my mind in my opinion and I support that. But came subsequently another Director that said this is wrong you have to go to Land Management then therefore everything came to a screeching halt. A halt that stems back 6 years and encompass 2,000 maps according to the legislature 2,000 maps.

Commissioner Michael Borja - Napu do you know anything more about this bill? On the voting were objections raised?

Napu Castro - There were objections raised because there were amendments on the floor and some of the Senators that were sponsors didn't agree.

Commissioner Michael Borja - Amendments to this?

Napu Castro - Yes on the floor.

Commissioner Michael Borja - So someone wanted to put an amendment to this bill and are those amendments in this?

Napu Castro - Yes they are.

Commissioner Michael Borja - What were those amendments specifically.

Napu Castro - They scratched out Section B I think or Section C. This was also amended this is not the final version.

Acting Chairman Oscar Calvo - But when they made those amendments by the other Senators which is when they went to the voting because you would have had a pretty much conversation in the Legislature with the Senators to make their amendments right so once that was done the amendments how was the amendments stand during those times? Were they in supported or not by one Senator or not?

Napu Castro - There was a few.

Commissioner Michael Borja - What wanted to be struck out or no this was added in and they didn't want it added in.

Napu Castro - No this was actually in the bill itself and they wanted it struck out.

Commissioner Michael Borja - Why did they want it struck out?

Napu Castro - Basically the explanation that Monte gave that some of the maps would overlap, you'll probably get some sort of encroachment, some alignments probably didn't match up and also I think, well I got to look at the records but also the improvements to the property like easement, infrastructures.

Administrative Director Monte Mafnas - Bottom line there's going to be problems. Everyday there's issues and concerns. Well I'm here to address those issues and concerns.

Acting Chairman Oscar Calvo - How does the Governor stand on this?

Administrative Director Monte Mafnas - The Governor is in a quandary because part of him wants to sign it and approve it but the, our own party is saying don't. Now that's why I think it's imperative that we pass this resolution by this Board to show him in good faith that we're doing the right thing. We serve the people we want to help the people.

Acting Chairman Oscar Calvo - I think the boggling issue on this Monte is like you said it's Chamorro Land Trust and it's always going to be Chamorro Land Trust and I pose that question earlier is in this Bill No. 241 would it be a challenging for other maps for like other like commercial companies and things like that? Would this also be in tact to the same bill? The only reason why I pose that question because I think I really want to know what the rational reason is.

Administrative Director Monte Mafnas - I don't know all I know is this, maps get approved by Department of Land Management well yours truly oversees Land Management so if there's a red flag I will bring the team to the table and say what's the problem, let's address the problem, let's find the solution. From 1 map to 2,000 maps I don't care how many. We will address each and every problem.

Commissioner Michael Borja - I have no problem with this.

Vice-Chairman David Matanane - Neither do I.

Acting Chairman Oscar Calvo - Okay do you want to move?

Commissioner Michael Borja - I don't know if we move on it it's just..(interrupted).

Vice-Chairman David Matanane - Make a resolution to acknowledge that the Commission..(interrupted).

Commissioner Michael Borja - The Board supports the bill and recommends its passage.

Administrative Director Monte Mafnas - Very good I like that language.

Acting Chairman Oscar Calvo - So you got our blessing.

Administrative Director Monte Mafnas - That's it.

Acting Chairman Oscar Calvo - Because I know in the past that's been our problem in the Chamorro Land Trust because of not you know a lot of people say hey you gave us a land but I don't even know where my point and so forth or I gave John Doe you know because and a lot of it really transpires to the surveyors where your maps in there but because of a lot of ..(interrupted).

Vice-Chairman David Matanane - It's only a sketch.

Administrative Director Monte Mafnas - You know what's the worst thing that I heard meeting all those people was why did Chamorro Land Trust give me a survey authorization knowing that the map will be stuck.

Commissioner Michael Borja - Because they paid all that money. They went and paid all this money for a survey and then they get can't it approved.

Administrative Director Monte Mafnas- But we knew that but we still gave them a survey authorization. I'm guilty of that.

Acting Chairman Oscar Calvo - And that's been our problem Mike in the past is we did and like you said you know but you gave me the authorization but the fact remains is now I'm stuck, I paid John Doe but John Doe has done his part but he needs the final signature.

VIII. EXECUTIVE SESSION - None.

IX. ADJOURNMENT - Meeting adjourned at 4:10pm.

Transcribed by: Teresa Topasna *Teresa Topasna* Date completed: November 30, 2011

Approved by Board motion in meeting of: DEC. 15, 2011

Administrative Director, Monte Mafnas: *Monte Mafnas*

Date: 12-15-11

Chairman (Acting), Oscar Calvo: *Oscar Calvo*

Date: 12-15-11