



Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

Michael J.B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

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REGULAR BOARD MEETING AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Thursday, November 15, 2012; 1pm

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES
 1. October 18, 2012
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS
 1. Tamuning Mart status
- VI. NEW BUSINESS
 1. Resolution approving and authorizing the execution of a ground lease and release and the taking of related actions
- VII. DIRECTOR'S REPORT
 1. Monthly report for October 2012
 2. Reorganization No. 9
- VIII. EXECUTIVE SESSION
- IX. ADJOURNMENT



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COMMISSION MEETING MINUTES
Dept. of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, October 18, 2012; 1pm – 3:25pm

I. CALL TO ORDER

Meeting was called to order at 1pm by Acting Chairman Michael Borja.

II. ROLL CALL

Present were Acting Chairman Michael Borja, Vice-Chairman David Matanane, Commissioner Amanda Santos, Acting Commissioner Oscar Calvo and Administrative Director Monte Mafnas.

III. APPROVAL OF MINUTES (September 20, 2012)

Vice-Chairman David Matanane – Mr. Chair on page 22 we never finished that item. I just want to maybe have the Executive Director check into that.

Acting Chairman Michael Borja – Item number 2 on page 22, you're talking about the Tamuning Mart?

Vice-Chairman David Matanane – Yes. If I'm not mistaken this particular business people that came in and established themselves without a lease or anything. We don't want to set a precedence on those things. So even though and I believe that thousand dollars that they're paying is the penalty because the fact that they just came in, established their own business, no license or lease agreement. I believe I don't know whether he's a corporate or an individual or Chamorro for that matter but that's unprecedented for people to come in and establish themselves and then we go ahead and say okay because there's a lot of people that wants to go in. But I just don't want the CLTC Commission to be cited as you started a precedent and we can do that too and anybody can come in and do that same action. That one is a correction and I believe Mr. Chairman you have qualms too with the minutes on that particular item we've already discussed.

Acting Chairman Michael Borja – Well yeah I agree with you on that Mr. Matanane.

Acting Commissioner Oscar Calvo – We're pretty much aware on that because that was in yeah and when that thing was established back then Mr. Chairman it was basically established for a vegetable stand which is incorporated and it never was a vegetable stand. The initial issue on that that they were given authorization by the former First Lady and that never really happened and we checked that with the First Lady back then and she strongly said that she never authorized for that matter. So that itself like what Mr.

Rev. 09/21/2012

Matanane stated there that the thousand dollars I think is the penalty that they just moved in there and started and thinking that they establish their business there for that matter.

Vice-Chairman David Matanane – Hopefully the Executive Director can hear that we're chasing him out until you rectify the problem on it. We don't want him to continue at all.

Acting Commissioner Oscar Calvo – I know that he, when they came in here a couple of months ago that one of the issues that they were going to do a tofu factory or whatever for that matter but I guess to this day I don't think so anything has really and whatever the intentions are and I've gone out there myself you know not on one or two occasions and I looked at it. When you go out there they're selling from pots and pans to a vegetable stand. There was maybe one or two vegetables that was there but that's about it. So I think the thousand dollars that they put in there is for and then until that equity part is rendered and done rightly I think that you know..(interrupted).

Vice-Chairman David Matanane – It will never be right you know he already broke it and we were not aware of it. I'm asking the Executive Director to look into it and then if we need to bring it back to us then we will entertain it.

Administrative Director Monte Mafnas – So noted Commissioner Matanane I will pursue and give them a personal notice to include in their word..(interrupted).

Vice-Chairman David Matanane – And if he wants to rectify his actions he can come in and tell us.

Acting Chairman Michael Borja – So we want to just clarify Mr. Matanane's comments on the previous minutes. Are there any other questions to the minutes from last month?

Vice-Chairman David Matanane – I move to accept the minutes.

Commissioner Amanda Santos – I second it.

There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS

1. **Gregorio Perez Diaz** – I'm residing in San Diego, joined the Navy before the war of course Vietnam War and I left home in 1957 so as you can imagine how old I am right at this moment. But anyway my mission here on Guam, there are three of us that are traveling trying to promote our Sakman vessel. It's a 47 feet canoe and outrigger and its sail is pretty huge of course and our plan is to sail this vessel to Guam. It's very historical. The plan was, this was back during Magellan war of course the Spanish was kind of hostile to our Chamorros but anyway George Hansen is the person who did the drawing. So we built a canoe in San Diego it's 47 feet it's pretty large. It's going to be sea worthy. We're going to train ourselves because when I joined the Navy of course I have never encountered anything like this. I'm a ship engineer, I'm a destroyer and other things but there were seven of us that actually got involved with this historic canoe. Anyway the

reason why I came I want to be able to promote this particular mission that we're trying to achieve. It's culture of course that has been ignored for many, many years. This drawing was done in 1742 and we put it together. It's about 4 feet in diameter and about 33 feet in length for the haul so all together the canoe is 47 feet, it's pretty large. We've been sailing, we've been practicing you know to try to learn how to sail this canoe. In fact the Governor Honorable Eddie Camacho was there and of course we saw him a couple of months ago and he boarded the canoe and he was really impressed. It's pretty well put together and this particular canoe has no nails or anything like that it's all lashed you know. We bought the log in 2010, built the canoe in 2011 and we were done. So we took it out to sail and learn more about it. Now we were able to get underway from the pier into the harbor in San Diego and we're going to learn more about this before we send it to sea. So we are trying to develop some interest here on Guam because our mission is to sail this canoe to Guam. Our main interest is the sanctuary. Once this canoe gets here we really don't know exactly what we're going to do if we're going to be able to sail it back but it's really hard to say at this moment. We are trying to find a solid organization that will allow us to bring it in of course and shelter this particular vessel. I don't know if you ever heard of the sakman. But anyway this is what we're trying to do so the Governor has seen it and he was on board for a while and then he was really impressed. Like I said there's no nails that when we put this together it's all lashed in and painted and it's just ready to go. But now we're here to see if we can find a place here on Guam to shelter this thing.

Acting Commissioner Oscar Calvo – Actually to store it?

Gregorio Diaz – Yes for display or whatever.

Acting Commissioner Oscar Calvo – On that historical part of that canoe is good but I don't know whether we can I mean the land you're looking for Chamorro land a piece of property if I'm not, you're looking for something where it's what close to the ocean side or whatever.

Gregorio Diaz – Yes it's fairly large. You see we don't want to drag this on coral and things like that.

Acting Chairman Michael Borja – I don't think it's really within the purview of what the Chamorro Land Trust Commission would do but you know if other agencies out in the island such as the Guam Visitor's Bureau or the Guam Hotel and Restaurant Association that might be able to assist you if there is a place that maybe they can store it, whether it's in conjunction with the hotels or within the Guam Visitor's Bureau because it would be something that would have some tourist interests most likely. But that would probably be an area to go towards. As far as if you're interested in looking to obtain land to be able to have it rest upon I'm not sure how we would be able to do that unless you were applying for land as an individual. That would be you know right now it's a pretty lengthy process but we do wish you well on all of this. I just don't know on how we could entertain that completely but it's a worthwhile project and if you haven't spoken to the Guam Visitor's Bureau or maybe with the Hotel and Restaurant Association they may be some folks that you could talk to. Have you spoken to the Guam Visitor's Bureau?

Gregorio Diaz – No.

Acting Chairman Michael Borja – They probably would be able to help enlighten you on how they could help out on their end as far as doing something here on Guam once your vessel arrives.

Gregorio Diaz – We talked to several organizations here one was Tasi and Tasa and also Hurao but anyway our mission is to get here. This particular vessel of course needs a new house you know 47 feet because it's pretty large. So we are trying to find a way somehow to be able to get here and you know store the canoe. So what's going to happen I just want to introduce this particular project that we have so..(interrupted).

Acting Commissioner Oscar Calvo – There's one department if I may speak that you might want to look at too it is the Parks and Recs because they actually are the ones that really handles a lot of these parks issues and something in that magnitude you're looking like putting it down at Agana Boat Basin for that matter. But I think in general like what the Chairman has stated here that it's not really within our purview. I mean that's an historical issue that you are looking for and we're not trying to convey and say you know that but I think check with Mr. Peter Calvo up at the Park and Tony Ramirez who is a historian there. If you want to know something about history trust me he's the guy to see. He can literally tell you everything about the history of Guam.

Gregorio Diaz – Yes we are planning to see the Governor also before we leave we still have a couple of weeks to go.

Administrative Director Monte Mafnas – I just want to go on record Mr. Diaz that Chamorro Land Trust owns all submerged lands over Guam. Number two, I would like to take this opportunity to work with you in continuity to assist to make your dream come true. I think it's admirable. Hawaiians have sailed all over the south pacific utilizing the Star Navigator from the special island the Carolinians I think but anyway they have done it, the 2,000 mile journey. So the Chamorros were a credit to sailing, the flying proa is the fastest documented in history so I would like to take this opportunity Mr. Chairman and Commissioners to assist you. Whether assist you with the paring rights or river rights and identifying a source to accommodate the vessel.

Gregorio Diaz – Yes, our architect is Mario Borja, he's not here today of course but I thought I would just introduce you to our mission.

Vice-Chairman David Matanane – If I may Mr. Diaz, you are an organization?

Gregorio Diaz – Yes I belong to Chelu Organization in San Diego.

Vice-Chairman David Matanane – Oh okay, but is it established here?

Gregorio Diaz – No, in San Diego.

Vice-Chairman David Matanane – That's the problem but if you do establish it here then we will probably entertain that and please you're in a position to speak for that particular organization? Are you one of the officers?

Gregorio Diaz – I was but we have a term limit so I'm just an advisory now.

Vice-Chairman David Matanane – I admire you guys doing that I'd just like to give you the proper way of doing it and you guys should have an organization and you have all the officers then you can present it as a group.

Gregorio Diaz – Okay.

Vice-Chairman David Matanane – Because as an individual or any other type of organization you know but get those things done then maybe present it over to us on what you want then probably we would entertain it.

Gregorio Diaz – Alright.

Administrative Director Monte Mafnas – What Commissioner Matanane is stipulating is that you incorporate it whether it be a non-profit organization or profit organization.

Gregorio Diaz – Oh we are non-profit.

Administrative Director Monte Mafnas – And register it with Department of Revenue and Taxation and then we can go forward. Just to legitimize the exercise.

Gregorio Diaz – Alright. Thank you.

2. Bert C. Jacosalem, Jr. - I reside in Macheche, Dededo at 259 Kalamasa Drive. I apologize that I just found out that I was a no show at the last meeting that I didn't know. There was nobody to give me courtesy to inform me that I was supposed to be present. So finally I took it to my attention now to be here to represent myself and defend on my behalf of this issue. I'm in kind of right now confused and in limbo of what is going on with my property. I've been staying on that property since, I got documents here about maybe 10 years ago and when I received my lease agreement I couldn't make any actions on my property like having it surveyed or get permits or what because at that time it's up in the air it's under the sports complex exchange. I just found out may be just this year a few months back that Mrs. Tainatongo's surveyor came over to my property and when I asked I came to Chamorro Land Trust to ask what is going on they told me that the surveyor is just going to survey the property for the half acre for Mrs. Tainatongo. I said okay but what is he going to do coming into my property? They said oh, just let him do their thing and when they're done just come on back and we'll explain more how we're going to go further on this. Well sir, the copies of my documents I had it like 11 years ago and I entrusted to my sister to hang on to it but she misplaced it.

Acting Chairman Michael Borja – To who?

Bert Jacosalem – To my sister Joyce Santos. So at that time with all this commotion going on saying that I had no proof of me staying there well sir Mr. Chairman I got documents here from Department of Public Works okay I registered for a house number. According to Public Works they said you either got a land title or a lease agreement that they can authorize to give me a house number. Well sir I got this sir, its right here on my hand. I've been staying there already about 11 years sir okay. I'm single, I bring my parents over there to help me farm and all that. I found out now that I don't exist, I'm like a ghost. So when I had a meeting with the Director Mr. Monte Mafnas on July 24th he was showing me what do I see in my file. Do I see any lease agreement? So when I looked at it and said well Mr. Director whatever is in this file should be in my hand my copy but I know what I had in my hand before it doesn't even exist in here. And all that time if you're asking why there's no data because when Alan Quan and Jesus Mesa was there they really gave me a hard time on establishing myself on my property. What I don't get Mr. Chairman is why is it that my other neighbors can build semi-concrete with no permit and to this day as poor as I am I'm struggling I'm trying hard to make life and this is the only last kind of means of life for me, is this property. I only built wood and tin house because the land agents won't even give me the opportunity to even make my life better. I mean I even had Mr. Jesus Mesa come into my property asking me for my materials if I want to get on their good side. So I'm sorry Mr. Jesus Mesa I need this materials.

Acting Commissioner Oscar Calvo – You're talking about one of the employees?

Bert Jacosalem – Yes one of the two agents back then.

Acting Commissioner Oscar Calvo – Alright I just want to make sure.

Bert Jacosalem – So I explained to Mr. Mafnas that since this happened in the past on what Mr. Quan and Jesus Mesa since they didn't put any input that is why there is no data and I've been living there for 11 years sir. Just now my plantation from my lemmal, from my breadfruit to banana trees and other types of fruits it's just producing now. But it's sad now because of this situation I won't even get to try fruit from my labor. Now I'm just wondering what's going to happen to my house or what I had sweat for what I produce on that property. I don't know about Mrs. Tainatongo, the cousin that I was making stay down there I even put a notice and it should be in my record anything that comes up I try to get Chamorro Land Trust notice that it will be filed in my record. For example my mom just passed away last January sir and the situation with Mrs. Tainatongo with my cousin okay now she's taking it out on me and my property. And I talked to Mrs. Tainatongo, Mrs. Tainatongo we've been neighbors what ever my cousin did that's between you and my cousin okay. I didn't know what's going on but now that I'm here ma'am why did you do this to me? Well Bert I just found out from the surveyor when my husband passed away I didn't know I'm supposed to have instead of a half acre I'm supposed to have an acre. I said well, what are you trying to say Mrs. Tainatongo? She said well now that property of yours is mine and the surveyor already surveyed it. Well Mrs. Tainatongo the last time I knew it's supposed to be a half acre but when I went down to Chamorro Land Trust Sean told me now oh, the Director changed his mind he's giving her a whole acre. So I asked Sean can you request to Mr. Mafnas that if he can give her an acre can he give me an acre too? Oh,

that's not right I don't think it's possible. I said wait a minute Sean, if you go down there and see Mrs. Taintongo's residence she's living that place like residential and now because of all my production she's taking a three fourths my property? I mean who are they going to award a property with no production? If she wants residential then there's a place for residential but I'm into agriculture. Just a matter of fact I've been having problems since 2002 all the way to now I feel so discriminated sir. You know I'm just looking for fair justice.

Acting Chairman Michael Borja – What is that document that you're holding?

Bert Jacosalem – This is from DPW giving me my house number and plus the Mayor's verification.

Acting Chairman Michael Borja – Mayor's verification that you're living there?

Bert Jacosalem – Yes.

Acting Chairman Michael Borja – Mr. Mafnas what do we have on file concerning this individual?

Administrative Director Monte Mafnas – Mr. Jacosalem's file has no lease, no license, no written authorization and most of all no map. He's been staying there illegally for the past 11 years. He's a qualified Chamorro but he has not fulfilled his obligation.

Acting Chairman Michael Borja – Was there any letter of intent to award him property that's in file?

Administrative Director Monte Mafnas – Yes I think they did issue that to get the map, authorization to get the map and he just never did it.

Acting Chairman Michael Borja – So that's the assumption he may have that he has the land because he had the letter of intent.

Administrative Director Monte Mafnas – He had a survey authorization that he never fulfilled. He has no other documentations than that.

Vice-Chairman David Matanane – Does he have an application?

Administrative Director Monte Mafnas – He does.

Vice-Chairman David Matanane – He paid the fifty bucks, since when?

Administrative Director Monte Mafnas – I think he did pay the processing fee of fifty dollars.

Commissioner Amanda Santos – Since 1995?

Administrative Director Monte Mafnas – No, Tainatongo is 1995, he's after that.

Acting Commissioner Oscar Calvo – He's been there for 11 years.

Administrative Director Monte Mafnas – Yes since 2001. His request was for 11 or 7 acres that is but that's his request. So I asked him to please provide us the necessary documents so we can take care of business and he has yet to date several months later yet to provide us anything in writing.

Bert Jacosalem – This is the only thing that I have within my documents that I did pursue.

Administrative Director Monte Mafnas – And you did mention you gave your sister right?

Bert Jacosalem – Yes sir.

Administrative Director Monte Mafnas – And did you ask your sister to provide us?

Bert Jacosalem – She couldn't find it because it's been that long sir. What I don't get Mr. Mafnas on that meeting we had it's like you gave me the ultimatum okay. It's like you put a gun on my head like this is how it's going to be because you're the Director. Forget the past what Alan Quan or Mr. Jesus Mesa did. What we're going to do is move on, go along with the flow Mr. Mafnas and you said you will give me 3 months that you will find me a property okay. And here I am I'm still in limbo sir and I've been going through a lot of pain and suffering with no power, no water because the neighbor Mrs. Tainatongo talked to my neighbor who was providing me and I pay my dues sir. I'm employed and all that okay. I'm trying to make my life better or Christian as I can be. But what I don't get sir is with all those years that I've been, why just now I'm getting attacked like saying I'm a ghost, I'm a squatter?

Administrative Director Monte Mafnas – Okay Mr. Jacosalem when I met with you in all fairness and being equitable and civil I asked you to provide all the documentations. CLTC employees asked you to provide any and all documentations. You never fulfilled that exercise. You renege on your own responsibilities. How this happened is your neighbor Virginia Tainatongo hired a surveyor, got a map prepared by a licensed surveyor showing that your structure is encroaching in her acre lot. That's the problem.

Bert Jacosalem – Well the problem is Mr. Director like what you said forget what Alan Quan and those guys this is how we're going to move on because I'm the Director now.

Administrative Director Monte Mafnas – True. Did you provide me with the documents?

Bert Jacosalem – Wait a minute Mr. Monte.

Administrative Director Monte Mafnas - No, no, no I'm asking you a question, did you provide me with the documents? How can I support your claim when you..(interrupted).

Bert Jacosalem – How can I support or give you that answer when I just mentioned that it's been tampered then you said never mind that's in the past. Mr. Mafnas okay I even went

through channels to the Governor even to the Deputy Chief of Staff, you even got hostile with me. You even push your desk back like this, slammed your hand..(interrupted).

Administrative Director Monte Mafnas – You are lying because I have officials who are witness. That's what you are a liar sir.

Bert Jacosalem – No, no sir.

Acting Chairman Michael Borja – As the Commission members of this Commission it's our responsibility to ensure that whatever the provisions with the Chamorro Land Trust are set up to be are enforced. Mr. Mafnas is our Executive Director and is empowered to do that at our request and one of the things that we have been doing is going around when it comes to our attention to enforce the leases or people who are on land without leases and to correct them. At this point the records do not show that you have anything on file that is in any way a lease or an agreement and that your documents that you have don't show that either and that your sister may have had something but can't bring it forward or has misplaced it you know. Our files don't recognize that there were any documents provided at all. As such what we have now is you on a piece of property that you really do not rightfully should be allowed to have at this time. What we have been trying to do is to work it out so that in the end you can have something that we can work with since you already have an application but perhaps the process wasn't completed. And that's what our intent is, is to allow those who have done it properly and who are doing the things that have been asked of them like survey the land which is what your letter of intent had probably had asked you to do when you first received it 11 years ago but has not been completed. Just because you received an intent to receive property and to proceed with doing the survey so we can formulize the agreement if that's not completed it's not done. So we're at this point now where we have to rectify the problem. I appreciate you coming here today to talk this over but what we do need to do outside of this meeting is for you and the Chamorro Land Trust to work out the details one way or the other. Our only other alternative is to tell you and to give you formal notice that you are not properly on the land and that you would have to vacate the land. What we're not wanting to do is to displace people and we have in the past as a group been sympathetic to the individuals who have been on land for whatever reason to try and to provide them with the basic needs to allow them to continue to subsist there if they need to. Now I need to understand. Do you live there all the time?

Bert Jacosalem – Yes sir.

Acting Chairman Michael Borja – Do you allow other people to be residing on the property that are not related to you?

Bert Jacosalem – No they are related to me sir. As a matter of fact that's why when I saw my file was like this sir it was this thick. When I had a meeting with Mr. Mafnas there is only a few pages. So what happened to it? So if I bring in my copy and it doesn't exist in that file there then what sir? It throws everything off you know.

Acting Chairman Michael Borja – And these people that are related to you they're like your immediate family, your children?

Bert Jacosalem – Yes sir. I came down to Chamorro Land Trust office in Anigua and I saw Alan Quan and Jesus Mesa and I said can you add this in to my documents I'm just informing you guys that I'm letting my cousin stay there while I'm tending to my mom's illness. I had all these years and I've been back and forth going back to my property until something happened with my cousin's son with Mrs. Tainatongo's granddaughter and then from there on and what threw me off when I was at her party she's boasting off that she got this political connection that she can get the property her way.

Acting Commissioner Oscar Calvo – I want to throw something there on that air, Mr. Director and Mr. Chairman, on that political portion we don't do that here.

Bert Jacosalem – Thank you.

Acting Commissioner Oscar Calvo – I want to make that fair and understanding to you. But getting back to your point when you said you were there for 11 years and you just stated for the record that you were in and out and gave so forth your relative whether it be your uncle, or nephew or whatever okay the power to stay there which is on that issue you don't have that power because you have to come down here and address.

Bert Jacosalem – Yes sir I did.

Acting Commissioner Oscar Calvo – So if you did put that in terms and you said that the jacket was this thick and when you came down it was this thin okay I find that very hard to believe. But that's your call and I'm not going to dispute that. So you were saying you were taking care of your mom back and forth, back and forth and the Chairman has asked you have you lived there in the last 11 years. You said yes and then you just came back and said well you know you gave it. So what is it?

Bert Jacosalem – I didn't gave it sir I just let my cousin stay to watch my property.

Acting Commissioner Oscar Calvo – So where are you staying right now basically?

Bert Jacosalem – Basically now at 259 Kalamasa Drive sir.

Acting Commissioner Oscar Calvo – Okay but you said you were helping your mom.

Bert Jacosalem – Yes in Liguán Terrace.

Acting Commissioner Oscar Calvo – In Liguán Terrace so just off the record you're saying your back and forth there with your mom and your..(interrupted).

Bert Jacosalem – Yes just to follow up with how my cousin is doing with my property.

Acting Chairman Michael Borja – So where on that property are they disposing of their waste?

Bert Jacosalem – Okay sir when I came into that property my witness was Roque Aguon he was the one that showed me that property and gave me that property. If you notice now there's like a boundary like a pallet okay, Mrs. Tainatongo just put it up. Now if that was the case assuming like she says she owes me for my property why decide a gate?

Acting Chairman Michael Borja – But where are you disposing of the waste that is created on that property?

Bert Jacosalem – Okay when I moved in there sir, there were two houses there already. It took me a year for Roque Aguon to remove those families, the Chuukese family okay and also majority of those trash and even EPA came out and EPA saw it for themselves it mostly came from Mrs. Tainatongo okay. Because Mrs. Tainatongo assuming that oh, it's nobody's land so she threw all their junk. So all those years now slowly but gradually and EPA saw that.

Acting Chairman Michael Borja – And this is an agricultural lot supposedly?

Bert Jacosalem – Yes sir.

Acting Chairman Michael Borja – And you are growing what?

Bert Jacosalem – All kinds of plantation sir.

Acting Chairman Michael Borja – Like what?

Bert Jacosalem – Like I plant like bettlenut, lemmai, mangoes even strawberries.

Acting Chairman Michael Borja – How many trees of lemmai do you have?

Bert Jacosalem – Oh sir I got I think like 3 or 4.

Acting Chairman Michael Borja – And how many bettlenut trees do you have?

Bert Jacosalem – Sir, what I do not only I got maybe like 80 of that but what I do I send my Filipino friend to go to the flea market and sell them you know and all that.

Acting Chairman Michael Borja – Do you grow any kind of herbal herbs?

Bert Jacosalem – Sir and that's another thing, please don't misjudge me because of what my neighbor tried to defame me and all that okay. I'm a veteran okay.

Acting Chairman Michael Borja – I'm a veteran too so what does that have to do?

Bert Jacosalem – Okay.

Acting Chairman Michael Borja – Do you grow any kind of herbal plants?

Bert Jacosalem – No sir I don't tolerate that sir.

Acting Chairman Michael Borja – You don't.

Bert Jacosalem – No sir okay. Not in my situation right now okay.

Vice-Chairman David Matanane – Since you have been submitting documents do you have copies of those documents? The only way we can rectify this is if you're submitting documents to Chamorro Land Trust you should have copies. Now can you produce all the copies that you have submitted to Chamorro Land Trust? Then we can work on that. Prove all your documents that you've been doing then we can take a look at it and we'll decide better.

Bert Jacosalem – Okay sir.

Vice-Chairman David Matanane – All your documents that you said you have submitted to Chamorro Land Trust. Since we don't have it you should provide us with the documents of what you are saying then we can take a look at and then we'll decide on it.

Administrative Director Monte Mafnas – I just want to make a point that I did talk with his neighbor Virginia Tainatongo and I appealed to her for humanitarian reasons to let Mr. Jacosalem stay for 3 months and you can ask her. But I did do that because I want to help each and every applicant because that's the right thing to do. What he says and what he said is two different things. What his motions and this and that but I as the Director tried my best to help him and I have people there too with me that can rebut his so-called claims. I just want to say I did my due diligence trying to help him.

Vice-Chairman David Matanane – I believe Mr. Chairman that Mr. Mafnas did mention it and I believe I read on the minutes that he requested Mr. Jacosalem to Mrs. Tainatongo that can you just let him stay for you know that 3 months you mentioned. I believe I did read that and you did mention it at the last Board meeting. So yeah, I'm verifying you Mr. Mafnas because it's in the minutes I know I read that.

Acting Chairman Michael Borja – I think what we should do is now that you're here present with us and since Mrs. Tainatongo has agreed to a 3 month period but lets mark the day beginning today 90 days from today you need to be working constructive with the Land Trust Commission to be able to come up with some solution to this whole problem and if within that 90 days we do not have a solution we have no other alternative but to formally advise you that you are not properly on the land and that you have to remove yourself.

Bert Jacosalem – Okay Mr. Chairman okay, thank you Mr. Mafnas that I was just in limbo I was just waiting for that 3 months thing okay.

Administrative Director Monte Mafnas – Yeah we started since July it is now October.

Bert Jacosalem – Right and I was looking forward to it by now it's October that already I should because they told me that I should you know make sure that I can afford a surveyor when they find me a property and I'm just waiting sir when they said they're going to relocate me.

Administrative Director Monte Mafnas – Do you have money for a surveyor sir?

Bert Jacosalem – Yes, I just mentioned sir I'm employed.

Administrative Director Monte Mafnas – No that's not the question. The question is do you have money for a surveyor?

Bert Jacosalem – Sir I can, sir.

Acting Chairman Michael Borja – He has to deal with that because you're going to have 90 days. Can I get a motion on the floor for this 90 days?

Vice-Chairman David Matanane – So moved Mr. Chair.

Commissioner Amanda Santos – I second it.

Acting Chairman Michael Borja – So it's approved. You have 90 days to work with the Chamorro Land Trust Commission so 90 days from October 18th.

Acting Commissioner Oscar Calvo – Actually he's really getting another 90 days.

Acting Chairman Michael Borja – You are getting an additional 90 days. So you have to constructively assist the Chamorro Land Trust to go and complete this within 90 days and if it's not completed and we're going to ask for status updates from Mr. Mafnas each month we meet to see where we're at because at the end of those 90 days if it's not we'll be making a formal move for this to be dissolved.

Bert Jacosalem – Okay sir the last time we, over in Mr. Mafnas's office okay I'm just like I said I'm just waiting because they said they're just waiting to find me a property and then I can establish there.

Acting Chairman Michael Borja – Okay but please work with them okay.

Bert Jacosalem – Yes sir.

Acting Chairman Michael Borja – Talk is cheap, action is deep setting okay.

Bert Jacosalem – But I got a question. Returning about these documents of mine from DPW okay even if I don't have a copy in my hand but once upon a time when I had it I had it established that's why I was issued and assigned a house number. I shows that it did once upon a time..(interrupted).

Acting Chairman Michael Borja – The house number I got back in 1997 for my house was from a cable TV company so a house number doesn't prove that you have any rights.

Administrative Director Monte Mafnas – Mr. Chairman in the past DPW doesn't necessitate a lease maybe today it does but not then.

Bert Jacosalem – It didn't make sense then why are they going to have that..(interrupted).

Acting Chairman Michael Borja – Your due diligence is to probably then on your behalf do a search to find out what kind of documentation they have to back that up.

Bert Jacosalem – I did sir, I even was working with..(interrupted).

Acting Chairman Michael Borja – With Public Works?

Bert Jacosalem – Yes and then Public Works told me that sir when we gave you a house number we don't keep records.

Acting Commissioner Oscar Calvo – I find that very hard but anyway Mr. Chairman I think because there are other people here that we need to attend to so I think we have given you already that extra 90 days and you should be happy. Provide all that documents and so I think it's only fair now that you know we did listen to your part and we need to entertain other people so not to I think the Board has already voted okay. So I think it's only now fair to give the others back there that are listening.

Bert Jacosalem – Okay before I step out of here okay sir, within that 90 days I'll be coordinating with Chamorro Land Trust to see if I'm going to get relocated and give me awarded a property please.

Acting Commissioner Oscar Calvo – What did the Chairman said? That within 90 days provide all the documents whatever it takes to get it okay and you said you have money for the survey you said you're employed and whatever it does okay. So you work with this out and the Director so if I were you the clock is ticking you better start now.

Acting Chairman Michael Borja – In the meantime I really would appreciate as much as you can that the land be returned in whatever state it was originally found. There were building structures there originally I don't know.

Commissioner Amanda Santos – Rats.

Bert Jacosalem – To let you know about rats thank you that you mentioned because I tried not to compare my neighbor okay. My neighbor is running a private catering services with no health certificate..(interrupted).

Acting Commissioner Oscar Calvo – That is right now that's within you and we shouldn't entertain at this point. We have already given you that okay. If you want to write, you got to write that down. If you want to make a complaint about that write it down and give it to the Director but telling to the Board.

Bert Jacosalem – I wasn't here at the last meeting.

Acting Commissioner Oscar Calvo – Well we're telling you now okay and you did come, you did come and Mr. Chairman with all due respect I think we should go on to the next agenda.

Acting Chairman Michael Borja – Any questions? Please work with Mr. Mafnas within the next 90 days.

V. OLD BUSINESS

1. Hiring of Legal Counsel

Administrative Director Monte Mafnas – I had to take back the package and I thank Mr. Chairman for signing it and thank you Vice-Chairman for signing the last one because the AG says that Land Management falls under their purview legally speaking. So we have to take the verbiage out of Land Management and leave it to read CLTC and Ancestral.

Acting Chairman Michael Borja – So that's it.

Administrative Director Monte Mafnas – That's it.

Acting Chairman Michael Borja – So they're redoing the documents.

Administrative Director Monte Mafnas – We already sent it so it should be completed hopefully on or before the end of the month.

Acting Chairman Michael Borja – So when do you think Mr. Robert Cruz is going to be on board?

Administrative Director Monte Mafnas – Oh he's ready, able and willing, he's been calling.

2. Guam Outdoor Shooting Range – Commercial request status

Joseph Mesa (General Manager of GOSR) – We're trying to seek the opportunity to obtain a parcel land of Lot Number 5412 a portion of 5412 pretty much to develop some of the plans that we have in mind. We are currently operating a shooting range for the past 7 years. I have operated and managed that particular shooting range for the past 7 years. It is currently located at the Talofofa Falls Park.

Administrative Director Monte Mafnas – Before we go on may I ask you a question Mr. Mesa. Has anybody ever died in your shooting range?

Joseph Mesa – No sir. That's one of our most utmost concerns as we operate that type of facility. As I was saying earlier I operated a shooting range for the past 7 years situated up at DanDan. The property is developed by the Hamilton Tourist Development Inc. and we're leasing a very small portion of that land. The plans that we have the GOSR Inc. and the GOSR, LLC we're looking at further developing and expanding the facilities. Not only for our interest for doing business but also for the local economy of providing a first class shooting facility which offers recreation, sports shooting. I know that when we mention the word gun everyone shies away from that particular word but it's something that we have done for many years. My background pretty much in the military is basically in terms of firearms and all that. Going back to what I was saying we're trying to obtain a parcel, portion of 5412 requesting that. We've done that for many times and we're very happy to be here today again to pursue that. We had done that for the past I should say about 4 or 5 years or 6 years rather and we're very happy to be back here again to do the presentation to you. I'm a local businessman, I'm not the most professional businessman but I did operate a business for the past 7 years. Its business that has succeeded and we'd like to further develop that. The interest that we have not only with the business that I said earlier our plan of our business and the business that we have here on Guam which is currently operating offers the employment for people here on the island for our local economy that's number one. Number two, is that it gives a lot of time for law enforcement agencies also here on our island needless to mention like the local Commercial Port Police facilities the Guam Police Department, the Customs section and the Guam Airport Authority. These are all law enforcement entities here in the island here with our government and they do utilize the range right there with that facility. We do not charge them for any reason because then that is pretty much more something that we're giving back out to the community to help our community here on Guam. Aside from that the programs that we also have is that there are places it's a place it's a facility where people can legally discharge their firearms rather than shooting it in their back yard. We do have a lot of locals that come up to our facilities and they are very impressed they even asked hey I didn't know there was a shooting facility here. And then another thing that's most important also is it gives our youths here on the island what a firearm is all about. It's nothing to play with, it's nothing to fondle with but something that is used as a tool. Pretty much more in terms of sports you know and that's what we do up in our facility. That's what we do in our business, sports it's all about sports. That gives the children the idea okay and their inclined for that fact that they won't be as curious of touching the particular firearm okay and then getting into mishaps of getting shot at which a couple years ago that happened up in Talofofu and all that you know. Then again it gives the children the encouragement to say that hey this is dangerous. These are the programs that we have up at the facilities okay. Also catering to our tourism industry that's one of our most industries that the entire island focus on because it's where we get our revenues and all that and that we also look at and that's how we get all these things into our business.

Acting Chairman Michael Borja – What kind of qualifications does a person need to prove before they're allowed to fire a weapon on the range? Do they have to have some kind of

safety orientation documented with you or are they just allowed to go on and go stand at an area and start shooting a weapon?

Joseph Mesa – Oh no. Well Mr. Chairman and Board members I'd like to make you understand that going back to your question there and answering your question no we do not just hand a firearm to an individual that walks in and say okay here's a box of 9 millimeter or 38 go out there and shoot. No definitely not. We start with education.

Acting Chairman Michael Borja – So once they got an education let's say it's a resident of Guam is he given some sort of card that proves that he's good for one year, he's gotten the orientation, he understands the safety and he agrees to the safety requirements that you guys have and the discharge of a weapon on your premises will be done properly?

Joseph Mesa – Well the procedures that we have in our facilities in our shooting facilities is regardless of the fact whether they come back and forth to the range occasionally or seasonally okay we still have to comply with the safety procedures and policies that we instruct up at the range. However, for people here on our island the local folks on the island that do have a firearms ID they are welcomed and then we do again accept them into our range as to where they can operate their firearms but then again they also would have to adhere and comply with all the safety procedures that we have entailed in that range facility.

Vice-Chairman David Matanane – Mr. Chair, Mr. Mesa it's illegal to fire your firearms in any area.

Acting Chairman Michael Borja – Even to shoot the wild pig digging up my yard?

Vice-Chairman David Matanane – Yes. Mr. Mesa you're part of the corporate how do you pronounce that GOSR?

Joseph Mesa – Yes sir, I am the Chairman of the GOSR Inc.

Vice-Chairman David Matanane – You are incorporated here locally?

Joseph Mesa – Yes sir. I have started all these things for the past 6 years.

Vice-Chairman David Matanane – I believe we have somebody who is inquiring concerning this particular area if you remember Mr. Calvo. We need to clear that one out before we, we are considering it and very you know I believe if you do present it to us you are presenting it to us right now but we would like to have Mr. Mafnas check into the record because I believe there was another outfit that is trying to procure this place. So you know submit your proposal and all that but we need to find out what happened to..(interrupted).

Administrative Director Monte Mafnas – International Shooting Range which failed to appear since the inception of the..(interrupted).

Vice-Chairman David Matanane – We'll need to go and find out that if you're still interested say so if not then because we just cannot just go ahead and..(interrupted).

Acting Commissioner Oscar Calvo – Actually I'm glad you brought that up and Mr. Chairman if you allow me we brought that up back then and in fact the shooting range was originally from also from Talofofu remember. And I'm just trying to figure out is that the same with the same company that was at the time wanting that piece of property down there you know. I've been down there even with that range over there there's a pit, you got Hawaiian Rock there you got the Perez Bros. field and all that stuff.

Administrative Director Monte Mafnas – I'm sure that that was terminated Commissioner. This is the same one that former attorney and District Judge Unpingco presented.

Acting Chairman Michael Borja – So on this chart how much of it is what you currently have and what are you asking for?

Joseph Mesa – Okay Mr. Chairman I would like to, this is pretty much one of the plan that I have there right now is just a development process again to fit that particular plan. Now we would like to initially start out with at least a 600 square section of 5412 okay. I need to have at least 600 feet in length to discharge a high power rifle making sure of the buffer zone and all that and also enough space to put up the barriers for the impact areas and warning signs and all that okay to have the pistol ranges. And also one of the things we don't have here on Guam is the track range. It is a very attractive type of range for the track range. So we're looking at about a 600 foot property to start off with and then as time progresses we can further come up with the Chamorro Land Trust to request for any additional space if it's feasible to get and to further develop that plan that we have presented to you.

Acting Commissioner Oscar Calvo – Actually where you guys going through to me personally it's a very safe place because you're down in there and maybe a 150 feet, 100 feet up.

Acting Chairman Michael Borja – So you're using the hole.

Acting Commissioner Oscar Calvo – The old quarry down there in the bottom.

Joseph Mesa – What we're going to do there Mr. Chairman..(interrupted).

Acting Commissioner Oscar Calvo – But can I, I know Monte on this also we met a little bit on that also where the Hawaiian Rock and GPA and I think we really want to get into that, straighten that out because I know GPA was also asking and adjacent to that I remember also..(interrupted).

Administrative Director Monte Mafnas – GPA has been resolved they've got 15 acres. Hawaiian Rock we will enter into excavation mineral rights agreement so that is forthcoming and Gorsco has been alerted and alarmed and they know what's going down.

Acting Chairman Michael Borja – How close are residential neighbors to this area?

Joseph Mesa – I believe somewhere around maybe close to about it's just hypothetically speaking as I had taken a view of the area the landscaping part of that area we're looking at somewhere around about almost a thousand meters from that particular depression that we're looking at. It's down in the depression it doesn't have any type of I guess danger.

Administrative Director Monte Mafnas – The houses are way up above about a thousand meters away.

Acting Commissioner Oscar Calvo – It's over by Pagat area when you're driving up towards Hawaiian Rock.

Administrative Director Monte Mafnas – It's called Fadian Drive.

Vice-Chairman David Matanane – I think like I said Mr. Mesa you submit your proposal and detail it and also we would like to see your corporate documents.

Joseph Mesa – Yes sir.

Vice-Chairman David Matanane – And a balance sheet.

Commissioner Amanda Santos – Sir what is the age limit for this to enter the target range? Is there any age limit?

Joseph Mesa – Age limits well the age limit you know this is with our Second Amendment of the United States Constitution you know everybody has the right to bear arms. We're all American citizens but going back to the age limit we're looking at 7 years of age even okay. Even in the United States of America we have these little boys going hunting with their dads with their little (inaudible) and whatnot. There's no age limit however, we do have all the procedures the safety procedures and policies that have to be adhered to within the facilities. We do not just let the 7 year old child go alone with his little 4, 10 gauge or whatnot gun or with someone who is not capable and is not certified as an instructor to instruct that certain individual to discharge such firearms.

Acting Chairman Michael Borja – But you also have paintball facilities you're looking too.

Joseph Mesa – That is what also we're looking at.

Acting Chairman Michael Borja – Because I know that's quite popular with the youths.

Joseph Mesa – That is something that we can offer for our society. Something that will give our society more activities here in the island. You know there are times that I walk around you know and ask the kids even my kids are all grown, this is my older son right here he also has his own company. He's the President also of the corporation that we have GOSR Inc. I asked them what do you do after school and they say nothing you know. I said what

would you like to do? They say I don't know. So I look at it in a way that there's not much facilities here in the island and this is something that we can offer. Here we did our research on the island a majority of the population here on the island the adults do have shotguns. But the question is where do they shoot it at?

Acting Commissioner Oscar Calvo – I'm glad you brought that up and if you allow me Mr. Chairman to ask any questions. On the issues of these guns I know of course if someone brings their gun in okay whether he brings a rifle or automatic and so forth okay, of course they have to present their ID that's saying I'm John Doe for that matter which I know probably you do keep a log on those issues on who that day John Doe came in and fired his M16 or his M60 or 45 caliber or whatever the things or his magnum whatever for that matter and the reason why I asked that because when I was in the military I also worked in Fort Knox Kentucky in the Army division and I just want to make sure that all these safety. That was a good point that Mrs. Santos brought up on the age. I don't know maybe yeah we're all entitled to bear arms but I think I guess when a kid comes up there.

Acting Chairman Michael Borja – Well I think as soon as you train them when you train them anyone probably especially children become responsible gun owners for the future. I mean the idea behind gun use is that if they're responsible and legitimate it's better to know that than those who don't have an idea how to handle a weapon and discharge one accidentally and injure others.

Vice-Chairman David Matanane – Mr. Mesa I'd just like to inform you that I am a Life and Endowment member of NRA. I am a charter member of NRA.

Acting Chairman Michael Borja – One of the general council of the National Rifle Association is a Chamorro. He doesn't live here obviously he's lives in D.C. but there is a person with a Chamorro name who keep tracks of the NRA.

Joseph Mesa – Can I say something real quick I don't think I really clarified that to Mrs. Santos. I think I put in too many words in there pertaining to her question. But for the 7 year old child Mrs. Santos you know anybody who walks into our range they're pretty much more accompanied by a parent and that parent is pretty much more like they have their own firearms ID license. But regardless of that our range facility is a very strict environment okay. We take it very seriously, not too many people like me there and I didn't come there for people to like me. I come there to make sure that people enjoy themselves and they come in alive and walk out alive.

Acting Commissioner Oscar Calvo – And at the end of the day like you said if something was to happen and to the negligence of your company or for that matter that just turning your back it's going to fall on you because it could be one of your kids, it could be one of the neighboring.

Joseph Mesa – Exactly.

Acting Commissioner Oscar Calvo – If that person was to get injured or die I don't know if you want go through that when you could have prevented. We see that in indoor range where people get shot.

Acting Chairman Michael Borja – With that in mind I think we need to be particularly careful too about the liability release on the Chamorro Land Trust, the insurance coverage that you need to have whatever is industry standard usually for those kinds of standards. I'm not familiar with it but I'm sure it's not..(interrupted).

Administrative Director Monte Mafnas – Nothing less than a million that's what the Chairman is trying to say.

Acting Chairman Michael Borja – One billion?

Administrative Director Monte Mafnas – Million.

Acting Chairman Michael Borja – Okay anything else?

Joseph Mesa – Yes sir you know I would like to say for my closing of our introduction here I would like to thank the Chairman, the Board members, Director Mr. Monte Mafnas we thank you very much for giving us this opportunity again to make this presentation. I hope that things will go well and as the gentlemen of the Board speaks that we need the documentations we will make sure that we forward those documentation and hopefully we can get this thing on the road. Thank you very much. Before I leave the floor I would like to introduce my associates, Mr. Mike Harmon he is the marketing and sales manager of the Guam Outdoor Shooting Range, LLC. This gentleman right here, Joseph Mesa he's my son but he has his own company it's the JJA Armory. He has his FFL, a federal license holder in other words he can import firearms to Guam and also distribute and sell firearms only in a legal process. He's also part of my corporation which is the GOSR, Inc., he's the President of the corporation but I still have to be the Chairman to make sure that things go right. Once again thank you very much Mr. Chairman, Board members, Director Mr. Mafnas.

3. International Bridge & Construction Marianas, Inc. – In-kind services

Acting Chairman Michael Borja – I don't see International Bridge & Construction here for the in-kind services has there been any progress on that at all?

Administrative Director Monte Mafnas – Yes in front of you should be a breakdown of the forth coming in-kind consideration as needed and approved by the Governor. I wanted the Board to concur before I execute and entertain it. It demonstrates and annotates the list of equipment, the expertise, the field materials and the total amount.

Acting Chairman Michael Borja – And this just needs to be approved by you and the Governor?

Administrative Director Monte Mafnas – Yes but I just wanted to run it through the Board. Herein is the grading permit to effectuate the exercise, punching in a road to the Ija Subdivision. We have some minor problems there besides the topography and terrain we have some lots that we're clarifying at this point in time. So it's the right thing to do in this and yeah the Governor wants to get this thing done.

Acting Chairman Michael Borja – Okay so it's just to get a road in to this subdivision area.

Administrative Director Monte Mafnas – Yes. Margaret, how many lots do we have in total?

Margarita Borja (DLM, Land Administrator) – In terms of the original about 400.

Administrative Director Monte Mafnas – That basic lot is about 400 lots. As you go up the cemetery and it's the first right turn it says Ija.

Acting Chairman Michael Borja – So it goes up the hill. So this road they're only going to cover it with coral.

Administrative Director Monte Mafnas – On the left side. Part of it is paved already and the coral is for another mile but 2 miles have already been paved.

Acting Chairman Michael Borja – Okay so once he gets up to a level it's just going to be coral.

Administrative Director Monte Mafnas – Yeah, coral.

Acting Chairman Michael Borja – I'm just saying if it's on the hill and it's only coral it could be washed out really fast.

Administrative Director Monte Mafnas – No this is on the top.

Acting Commissioner Oscar Calvo – The only problem with that Mike is back then because this actually started back on the I think Gutierrez Administration and Joe Ada but they never quite finished this and it is when you get up there it's really bad. There is a lot of lots there but some of these lots too are land sliding and so forth. So they've been trying to fix this place for the longest time. But now that we have that in-kind with the IBC I think that this work.

Administrative Director Monte Mafnas – The previous Board Mr. Chairman and Commissioner's opened up 3 roads, 2 Agat, Umang and Santa Ana Subdivision and a Yigo lot. So there is a 100 here, 200 here and 400 lots total.

Acting Chairman Michael Borja – So the offset cost is going to be \$435,000.

Administrative Director Monte Mafnas – That is correct.

Vice-Chairman David Matanane – How much did he owe? 800 I believe.

Administrative Director Monte Mafnas – No less than 800 about 500.

Acting Chairman Michael Borja – So it's almost a loss. Alright and they are going to be able to do this in 90 days.

Administrative Director Monte Mafnas – That is correct.

Acting Chairman Michael Borja – Do we need to have a motion for this thing?

Administrative Director Monte Mafnas – No.

Acting Chairman Michael Borja – Well we've already agreed on it in the past.

4. Dan Swavelly – Site improvement license procedure

Acting Chairman Michael Borja – What prompted this? It doesn't look like it's anything of a significant amount and I don't know to what extent we have to have..(interrupted).

Administrative Director Monte Mafnas – I just wanted to make sure that when we do the excavation agreement with Hawaiian Rock and with Smithbridge that to assist the legal counsel and myself to do the right thing.

Acting Chairman Michael Borja – And what does a boilerplate mean? Template agreement?

Administrative Director Monte Mafnas – Template agreement right.

Acting Chairman Michael Borja – So he's talking civil engineering talk in here.

Administrative Director Monte Mafnas – Yes but as a planner to ensure that all the language is incorporated.

Acting Chairman Michael Borja – So is the Chamorro Land Trust or Land Management authorized to go into one of these kinds of agreements for only \$250 or does it have to be bid out?

Administrative Director Monte Mafnas – No we can go into that. I think less than \$15,000 pursuant to the procurement law.

Vice-Chairman David Matanane – Mr. Chair, one question because he explained that he would be our consultant and work under your control. *"I will be your CLT's consultant work under your control. It will be finished and on legal counsel's desk when he start."* So the approval of the legal counsel and the Board itself will materialize after that, after the work is done?

Administrative Director Monte Mafnas – I'm just waiting for the legal counsel that way when he finishes the work we can present to the legal counsel.

Vice-Chairman David Matanane – So if we do get the legal counsel and have him look at then bring it to us.

Acting Chairman Michael Borja – I think what he's saying is he gets this contract, he'll write up the template and then he's still subject to..(interrupted).

Administrative Director Monte Mafnas – Final review.

Acting Chairman Michael Borja – He's going to be on the clock until it's approved by the legal counsel and his only offer is \$250.

Administrative Director Monte Mafnas – Yes.

Acting Chairman Michael Borja – Not \$250 an hour, it's a one-time deal. I don't have a problem with this.

Vice-Chairman David Matanane – I have no problem with that Mr. Chair. I so move.

Commissioner Amanda Santos – I second it.

Acting Chairman Michael Borja – Motion is passed that we accept Mr. Swavely's consulting services.

VI. NEW BUSINESS

1. Negotiation with JOSEPH EVE to perform CLTC audit

Administrative Director Monte Mafnas – He is an auditor from the state of Minnesota and he was the only one that bid for a 3 year audit that I requested for CLTC. His bid amount was \$450,000 for 3 years. So we opened up the package he was the only bidder but I called him up and I emailed him and I told him I don't have \$450,000. However, I do have \$150,000 for the 3 years take it or leave it. So he said well let me look at your trial balance and your other income stream and I told him I cannot do that because he hasn't been awarded the bid yet. So I told him to go into our website and whatever information is there that's what it is. So I told him that we just can't come to terms and agreement I mean we're talking about one-third versus what he wants.

Acting Chairman Michael Borja – Is this because we have to have an outside auditor do this?

Administrative Director Monte Mafnas – Well I have appealed to the OPA if we can just have them do the review because locally no one bid on the RFP for audit purposes.

Acting Chairman Michael Borja – Really? I don't get that. We have a bunch of accountants on this island. Did they not read the RFPs?

Administrative Director Monte Mafnas – There were 6 firms that picked it up and only JOSEPH EVE submitted.

Vice-Chairman David Matanane – What scope of audit are we talking about?

Administrative Director Monte Mafnas – Real audit.

Vice-Chairman David Matanane – Financial? Management?

Administrative Director Monte Mafnas – Financial.

Vice-Chairman David Matanane – We need to because we have to go all the way back.

Administrative Director Monte Mafnas – That's right 3 years.

Vice-Chairman David Matanane – Because I think the OPA only audited us on management and the works on the particular office but financially, I have not seen a financial audit yet. We have been requesting for it for the longest time.

Administrative Director Monte Mafnas – But I did my due diligence and I requested.

Vice-Chairman David Matanane – And that will be the most particular part is our financial..(interrupted).

Acting Commissioner Oscar Calvo – Can I make a motion to that?

Acting Chairman Michael Borja – Suggest a motion.

Acting Commissioner Oscar Calvo – Suggest, I take it back I apologize, since we're already there that we're saying that 6 audits none really with the local would it be prudent for us to at least resubmit back again for another?

Acting Chairman Michael Borja – I kind of agree with that. I think that if you only have one person, one response to the bid that that's not really you know you don't have enough..(interrupted).

Acting Commissioner Oscar Calvo – I just don't want the perception of the public saying you know.

Acting Chairman Michael Borja – No and I think we need to go back out and put the bid back out.

Acting Commissioner Oscar Calvo – At least if we have that we did put it back out the perception of the public or the media can't say that we didn't give the..(interrupted).

Acting Chairman Michael Borja – Well is the bid request is it something that was a little too elaborate of a request or something? I mean what would prevent local accounting firms or accountants from not being interested in doing this at all unless the scope of the work was going to be something which was going to be so encumbering that this person thinks it's going to be \$450,000 for three years.

Administrative Director Monte Mafnas – In all fairness Mr. Chairman we did work collaboratively with the OPA on creating this RFP. We just didn't do it by ourselves, we don't have the capacity to do this.

Acting Chairman Michael Borja – Okay so they wrote the RFP, they always get people to ride on it for every other audit that they have to do, I don't get this. It's on their, maybe we can toss it back to them and say this is rejected we need to do another one.

Administrative Director Monte Mafnas – We can do that but we have plan B and the plan B is to have OPA do the review. But we can go through that exercise.

Vice-Chairman David Matanane – My concern is that you know since you mentioned that he's asking for \$400,000, by reducing your price what kind of audit is he going to do?

Administrative Director Monte Mafnas – No I told him \$150,000 take it or leave it.

Acting Chairman Michael Borja – He'll still be within the parameters of the audit.

Acting Commissioner Oscar Calvo – Yeah what the original audit be I mean what you have put out we have to stay within that. He can't say okay I'll do it for \$150,000 but I'm going eliminate this, eliminate this. No you take it as the way it is. So the scope of the work this is what the Board wants and this is what it should be and if he says well I can do it for \$150,000 but I want this, this and that eliminated then I don't agree to that.

Administrative Director Monte Mafnas – I told him I said I understand your bid is \$450,000 however, all I can afford is \$150,000.

Acting Chairman Michael Borja – Okay so then I think we just need to go to the OPA and say redo the RFP or do your own review.

Administrative Director Monte Mafnas – But at least we're sending the message out for accountability and transparency.

Acting Chairman Michael Borja – Yeah we want it to be done, it has to be something that's not in outer space.

2. Sorensen Pacific Broadcasting Incorporated – request for extension

Rex Sorensen – I'm Chairman of Sorensen Media Group which is Sorensen Pacific Broadcasting and Sorensen Television Systems. We're here to request for an extension on an existing lease we have on a tower site on top of Mt. Barrigada. We've been up on that

site for about 20 years. We have a tower, we have our transmitters there for our radio and our television stations although our studios are located in the Bank of Guam in Agana. So it's a retransmit site. The lot is adjacent to the Government site up there to give you an idea. So when you first come up to the hill that's where we're located.

Acting Chairman Michael Borja – Are there other commercial antennas on that same site?

Administrative Director Monte Mafnas – It's outside of his.

Rex Sorensen – We have 5 or 6 different antennas up there. We have TV antennas, we have air to ground radios and we have television and radio.

Administrative Director Monte Mafnas – Mr. Chairman I just want to commend Mr. Sorensen for coming before the Board and to me to bring out this lease agreement and requesting for the extension and agreeing to a 10% hike increase on any future extension. In addition to that there were delinquencies that he also brought forth that we were not aware of. He agreed to include it into the monthly installments. He's made good. That computation of mine has been approved and agreed by Mr. Sorensen, correct?

Rex Sorensen – Yes I agree, painful as it is.

Acting Chairman Michael Borja – Oh I understand but what happened here? Just for our own benefit what happened? This is like a 5 year period.

Rex Sorensen – Actually I'd like to make some excuses I'd just want to say our administrative people screwed up because initially the lease was under a name of a partnership and when I got divorced I was assigned over the company and it fell in the cracks. We never received a bill from this department and we didn't catch it until our auditors came in and brought it up. So I apologize.

Acting Chairman Michael Borja – Then the question I have is, so you've agreed on this 10% increase, I was wondering what this 10% meant and then the uncollected amount was going to be amortized over 21 years. There's no way to make that shorter? I mean I'm just kind of curious I mean a 5 year delinquency and I'm only asking these questions for our responsibility.

Administrative Director Monte Mafnas – But bear in mind we're going up 10% and then we're going up another 10% so we're accruing on the other side. So yes the amortization is over 21 years but we got a 10% upfront plus every 5 years another 10, 10, 10, 10. So it's more than a wash.

Acting Commissioner Oscar Calvo – How long have they been up there?

Administrative Director Monte Mafnas – 22 years.

Acting Commissioner Oscar Calvo – So actually the law really allows them and then the renew of the lease they can.

Administrative Director Monte Mafnas – I took it upon myself to increase it Mr. Chairman and Commissioners.

Vice-Chairman David Matanane – Mr. Chairman since the lease was under Guam Broadcasting Partners so the renewal of this lease should be under Sorensen.

Rex Sorensen – I was a partner.

Administrative Director Monte Mafnas – He was a partner.

Vice-Chairman David Matanane – Your partnership has dissolved?

Rex Sorensen – A long time ago along with my marriage.

Vice-Chairman David Matanane – You're still dealing with partners that are dissolved Mr. Sorensen?

Rex Sorensen – What's that?

Vice-Chairman David Matanane – You're still dealing with partners that are dissolved? And you are one of the partners.

Rex Sorensen – I was the principle partner with my former wife.

Vice-Chairman David Matanane – I hope the partnership hasn't taken in a loss.

Rex Sorensen – No.

Acting Chairman Michael Borja – So we're looking at this is what you created Monte I didn't know where this came from.

Administrative Director Monte Mafnas – Yes I created this. Please bear in mind Mr. Chairman and Commissioners that Sorensen Pacific has been in and on Guam operating for the past 20 some years.

Rex Sorensen – Since 1981.

Administrative Director Monte Mafnas – Many, many employees, many, many functions, radio and TV.

Vice-Chairman David Matanane – Noted, noted and Mr. Sorensen, you're Mr. Sorensen?

Rex Sorensen – I am.

Administrative Director Monte Mafnas – He’s the real Sorensen.

Vice-Chairman David Matanane – Anyway because like I said we were dealing with Guam Partners and you have not reported to us that you have been dissolved and you still accrue that liability anyway, right? Anyway so for renewal I suggest that Sorensen Incorporated, is it incorporated now?

Rex Sorensen – It has been.

Vice-Chairman David Matanane – We would like all the documentation for the incorporation and taking any liability for the partnership are you agreeing to that?

Rex Sorensen – We’ve agreed to make the payment.

Vice-Chairman David Matanane – But by doing this right. Thank you Mr. Sorensen.

Acting Commissioner Oscar Calvo – The reason why he asked he’s a tax man.

Rex Sorensen – I know who he is.

Vice-Chairman David Matanane – I’m not trying to interrogate you but we’re going to make it right. So there will be a disclaimer on here I hope that Mr. Mafnas is listening that any point in time that you go behind or not pay the amount we don’t want to encounter this type again.

Rex Sorensen – Absolutely, I’m here to apologize.

Vice-Chairman David Matanane – Thank you Mr. Sorensen.

Acting Chairman Michael Borja – And I kind of concur I mean I can understand the oversight on the issues but I had to ask the question of what happened here. Okay, do we have a motion on the floor to approve this amendment to this previous agreement to extend what was once Guam Broadcast Partners now Sorensen Pacific Broadcasting Incorporated for another 21 years up to October 30, 2033? Do we have a motion?

Vice-Chairman David Matanane – So moved Mr. Chair with particulars like I mentioned what we mentioned Mr. Sorensen so you won’t be shocked about it that we will have that disclaimer that at any point in time that you fell behind the corporation has fallen behind we have the right to come and (inaudible).

Rex Sorensen – Absolutely, that’s fair.

Commissioner Amanda Santos – Second it.

Acting Chairman Michael Borja – The motion on the floor has been seconded and there's no objection to this.

3. Melvin Duenas & Dr. Edwin Supit – request to lease Lot 382-R1, Inarajan for holistic ecotourism site

Pastor Melvin Duenas – I'm a senior district Pastor for 15 years for the Guam Micronesian Mission and for the Saipan and Marianas. Prior to that I was an engineer for the Guam Power Authority. My partner here, Dr. Supit is the Director for the Wellness Center which is their specialty is using natural healing, natural therapy in healing. I'm also trained specifically in even natural herbs. I was born in Inarajan with 10 boys and my oldest brother Jim is the Director for the Retirement also at one time. My pare is Mr. Artero so I got very good friends and good contacts. Mr. Monte has been a very accommodating Director and I really appreciate them. So thank you again Mr. Chairman Mr. Borja, Mrs. Santos, Mr. Matanane for giving us this opportunity to do just a short presentation of our vision, our objective of what our goals are. Our goal is nothing about us. It's about the people of Guam and what we want to do. You know at 54 years old I traveled the entire world, I did everything, I have a half a million dollar house and I think I'm thinking what can I do? That last 20 years our lives goes very quickly and we want to do something for the people. And so since this is my expertise at this point and I have a good partner and a lot of backers behind it I think it's the right time. So with no further ado I'll give this to my friend Dr. Supit to do a few presentations and then I'll close it up. In the meantime I'll pass this, it's just pictures, these are all local pictures of what we can grow here in the island that are used naturally for natural healing. These are the things that we will be heavily because we will be using our resources not buying anything since everything will be free nothing will be charged to the customer. Everything is non-profit.

Dr. Edwin Supit – Good afternoon Mr. Chairman, Mr. Vice-Chairman, Mr. Director, I have been working with Pastor Duenas and he has a very important dream and very exciting dream and I've been in Guam for 10 years and this is going to be home and I'm just so excited to see how patients can come off the diabetes sometimes in a few weeks and their arthritis gets better. I know Pastor has some stories to tell but he has a dream where we can have a place to put people, give them good food, give them water treatment and sometimes the medication even the insulin can come off. So I just want to do a short presentation and show this dream. The Gilead Sanctuary Guam project there's a story about this place in the bible.

Pastor Melvin Duenas – Gilead is a healing place.

Dr. Edwin Supit – To heal our sickness. In my short time on Guam we have been working with different entities and Mayor Roque Blas of Sinajana, Mrs. Blas had cancer big like a tennis ball can shrink just using carrot juice and we want to use local fruits so we use taro and kamute and hagan suni, gollai apan aga all this local stuff that has very high antioxidants so we can see in just 4 weeks the cancer has shrink.

Pastor Melvin Duenas – The Government was sending 5 people sent to the States to become a Doctor back in the 60s and only 1 came back as a Doctor the rest became

General Blas that's one of them became a General the others became a changed field and became an architecture. But when I met with Doctor he couldn't stand up in the hospital he was in the nursing station he couldn't walk, he couldn't function but when I found out he was an orthopedic surgeon he's 86 years old already I said please give me a chance to work with you. So I took him and I said I'll cook for you. So what I did was I fed him, I baked him in the sun you know get some sunshine fresh air, water inside, outside and using natural just the natural therapy. In the first week he was walking before he couldn't even walk two steps. He was walking the 5 marathon, he completed, he made it. In just 2 weeks later he was able to do 12 miles walking up the hill to San Ramon Hill. Today he's 90, he's still alive and he's one of the patients that we're excited. Like I said there are many other people that have benefited from this. Dr. Supit has stories where he's got patients that they can't have you know kidney can't produce any insulin for many, many years and as we use this treatment all of a sudden after 15 years of dialysis the pancreas started making insulin. So our approach is to kind of starve the cancer cells inside and then feed the antioxidants to different areas.

Dr. Edwin Supit – The method that we use is very simple. So we use local foods like vegetables and fruits. Local fruits are very high in vitamin C and its alkaline our bodies wake up and the kidney make urine. I have two interesting stories one lady from Merizo already on dialysis for one month and when people go in dialysis their skin turn dark and what's interesting when they drink this mix of papaya, carrots, celery and we give this drink every three hours, six times a week for the first week and after that we go back on the local foods the kidney wake up and Dr. Safa the kidney specialist was able to get this lady off from dialysis in sometimes just about 3 weeks. What's interesting is even attention deficit hyperactive disorder we see the..(interrupted).

Pastor Melvin Duenas – According to the Doctor he notice that Guam has what the highest in the entire world of what?

Dr. Edwin Supit – If I'm not mistaken we're number one in the world when it comes to diabetes per capita. But the interesting thing is sometimes in just three weeks we see we can even get people off their insulin. So using high antioxidants, high fiber, high magnesium it's going back to our old ancestral diets. It's going back to greens and high fiber. So we use the natural remedies and we also use the regular medical evaluations so it's a combination of the science and the natural. This is very economic, it is very affordable for our island. I know a lot of our patients spend so much on medications but the more the medication go up the more disease goes up and it doesn't go away. But we see the medications come off when they go alkaline, high antioxidants, go back to our Chief Quipuha foods. In October 2008 I looked at the PDN and I saw this graph when I looked at the title it says Guam Public School System and this score over here the dark blue is advance math score the blue is proficient the yellow is basic the red is below basics. The people after kindergarten first grade is only 16% below but as we grow up to 11th grade before graduation 93% are below the basic math scores. But what's interesting is we have a little girl that has attention deficit, in 3 days the kid we got rid of a lot of our rich foods and the kid wake up and apparently a lot of our kids today have attention deficit cannot think. When we go back to natural foods the scores goes up. So something is in the food that

makes our Guam Public School System so this thing is very important right now and very urgent because it involves our young kids and it involves our manamko.

Pastor Melvin Duenas – One of the purpose is to educate you know, education it's a place for education.

Dr. Edwin Supit – We have evidence that even the arteries can open up in 2 to 5 years without surgery without medications using foods. The same food that Chief Quipuha used are the foods that makes the people in Okinawa live more than a 100 year olds. The wrong foods make the people in Eskimo 26 year old already gone. No vegetables in the snow. So they are on a very acidic diet. So this project focuses on foods that are local and sustainable and this project is going to be something that is charitable. You don't have money no problem we give the food we do with the exercise return. So it's going to be a place that is charitable, it's going to be medically directed, it's going to be natural and there's going to be place for people to stay. It will be very nice accommodations. Tourists can come, there will be walking gardens and there's going to be outdoor farming where patients can work with the land. There will be a cafeteria and whole foods store where we can make the soy milk, we can make the carrot juice and make it affordable price and when people cannot afford we're going to have friends, different financial entities that have vested interest in helping our island help our people of Guam. So this is a very exciting, so this is a first and unique charitable natural wellness health restoration project to help all individuals win health of body mind and soul through the wise use of practical natural remedies and natural resources available in this island. We can use also resources from surrounding islands and it's going to be holistic and ultimately it's going to bring good will to the island and bring glory to God because all of this is coming from the garden of him. So this is basically a short presentation and I'm just excited to work with Pastor Duenas here and we visit the people of Guam and I'm going to stay on Guam until the end.

Pastor Melvin Duenas – Our approach is everything is free at first. We have the leg down I approached every in the south from the General Benny Paulino to all the hierarchy we're having a meeting down there. Every farmer, big farmer has volunteered their tractor and everything to make this a success to fork out the financial part. Again our approach is it's for free you know.

Acting Chairman Michael Borja – Where is this lot located at?

Pastor Melvin Duenas – We're looking at Malojloj I think.

Acting Chairman Michael Borja – Lot 382-R1 is in Malojloj?

Administrative Director Monte Mafnas – Yes. If you look at the upper left side of your map there's an indentation that is the quarry area. This subject lot has over 200 acres of property which is about 800,000 meters.

Pastor Melvin Duenas – The reason being Mr. Borja is our healing is you need an environment and nature away from everything with fresh air and nice natural environment and good fertile soil it's a very good place.

Acting Chairman Michael Borja – Is this before or after the convent heading south?

Administrative Director Monte Mafnas – Before.

Acting Chairman Michael Borja – Even before the 76 Gas Station?

Acting Commissioner Oscar Calvo – Yeah just before you get there. You can't miss it its right next to the water pump station.

Acting Chairman Michael Borja – The tower?

Acting Commissioner Oscar Calvo – Yes there's a tower right there.

Acting Chairman Michael Borja – So that jungle area right there on the ocean side.

Administrative Director Monte Mafnas – That's the access and it's westerly to the Oceanside. This is just the basic lot he's not going to use the whole thing. We have to define his needs at this point in time.

Pastor Melvin Duenas – We were just asking to start with just 10 acres but since we are going to pump up on tourists, tourism so that we're going to pave the whole entire thing with our botanical gardens so they can walk around and meditate maybe and things like this.

Acting Chairman Michael Borja – So the land is going to be used to not only grow the vegetables and fruits that you need for the foods that you're looking to produce for nourishment.

Pastor Melvin Duenas - Like for maybe to pump up GVB.

Dr. Edwin Supit – So it's a healing and educational center.

Pastor Melvin Duenas – And ecotourism so tourists can come and also even taste.

Administrative Director Monte Mafnas – And help fund the exercise.

Acting Chairman Michael Borja – But your last bullet there to what extent is this going to be a promotion of a religion?

Dr. Edwin Supit – It's not about religion it's strictly health.

Acting Chairman Michael Borja – Okay.

Pastor Melvin Duenas – This springs throughout the United States they just don't have it on this part of the world.

Acting Chairman Michael Borja – What about growing other kinds of natural medicinal herbs?

Pastor Melvin Duenas – That's exactly what we have from papayas, papayas are one of the best when you blend a papaya and some fruits.

Acting Chairman Michael Borja – But how about some of the local?

Pastor Melvin Duenas – Abas, soursap, we have everything as a matter of fact we spoke to the Director of Agriculture and he's 100% support.

Acting Chairman Michael Borja – But more than just fruits and vegetables I mean some of the herbs and medicinal herbs.

Pastor Melvin Duenas – Everything that is medicinal will be there.

Acting Chairman Michael Borja – So that local healers can also be able to get a source of these medicines that they want.

Administrative Director Monte Mafnas – I did mention that the suruhanus or Atdin Amot probably would be there adjacent to them too.

Acting Chairman Michael Borja – Oh okay. What are we looking at? Are we looking at an agricultural lease, a commercial agreement?

Commissioner Amanda Santos – Agriculture.

Pastor Melvin Duenas – Agriculture.

Administrative Director Monte Mafnas – We're still going to..(didn't finish).

Acting Chairman Michael Borja – So this is just a presentation of something to work on?

Administrative Director Monte Mafnas – It's just a presentation.

Pastor Melvin Duenas – But the faster we move on while our suppliers are anxious to be able to support us.

Acting Chairman Michael Borja – Because I think within the provisions of the Chamorro Land Trust there is established also for those who want to grow medicinal herbs.

Pastor Melvin Duenas – Because it takes time for you know for the coconuts and for some of these plants too sometimes up to 5 years, 5 to 10 years to really mature.

Acting Chairman Michael Borja – Is this land good for agricultural growth?

Administrative Director Monte Mafnas – Right now it would be the highest and best use of the land.

Pastor Melvin Duenas – And most of Malojloj and my dad is the biggest farmer in Inarajan so most in Malojloj have good soil.

Acting Chairman Michael Borja – But on that cliff side is good? I know inland. That's a lot of rock up there the coral.

Administrative Director Monte Mafnas – That's what it is that's the topography of the land.

Pastor Melvin Duenas – The rock place we're going to use as a botanical where tourists can walk and you know grow. But on some areas that's why we have Willy Flores to be able to come out and take a look at the property first and then he'll break down which one where it's best to do the planting.

Acting Commissioner Oscar Calvo – In your earlier showing and everything because sometimes I see these shows on TV where the networks and they do all these foods but you stated earlier Doc that it will be a free thing for a charitable issue whether you come in there and you donate a dollar or fifty cents for that matter. But at the same token it will also be a tourist attraction so we're looking here to bring the tourists and how are you going to base yourself with the tourists whether there will be a fee for them? Because when you say it's a nonprofit organization basically nonprofit because it's going to cost money for you guys to maintain that maintenance wise and so forth. And if it's just basically on donations that you look every day and the production that you get whether it be donated by you know it doesn't have to be basically be there, people from Yigo might want to bring down their Yigo whatever for that matter. So I think Mr. Chairman I think we it's really upon you how you want to look at this issue.

Pastor Melvin Duenas – We'll probably do a gift shop for the tourists and things like this and something will be sold. My brother owns a store in Inarajan and the Chamorro Village is right next door and so he..(interrupted).

Acting Commissioner Oscar Calvo – See the confusing part here I'm having really honestly is we're looking in terms of that where you say it will be for health wise and I'm all for it okay. Believe it or not I'm 64 years old myself but you know I can still run but the fact and I try to stay healthy but I'm just saying if we're going to do this because it's a combination of mostly tourist attraction and but yet we're going in as a nonprofit organization.

Pastor Melvin Duenas – Well if you counsel us to not go there.

Acting Commissioner Oscar Calvo – Well that will be up to the Board and maybe like what Mr. Monte we need to more I think we need but the presentation is nice and I appreciate that.

Dr. Edwin Supit – We'll be working with advisors so they can whatever economic business plan.

Acting Commissioner Oscar Calvo – Yeah because that's the economic portion that I'm looking at because are we looking to saying but when you're in saying incorporating with the tourist attraction and so forth okay it's almost like what you have down at by Camachili Store where they have that Hakamoto but that one is a legitimate where they sell their products and so forth and they also do juice and so forth in that area.

Dr. Edwin Supit – Our number one, our goal is our people our local indigenous people. Tourism is probably just another thought but it's for Guam so people can come and relax and get healing.

Administrative Director Monte Mafnas - Mr. Chairman and Commissioners part of this exercise is to show case Guam's flora and fauna that it will be identified with a Chamorro name, Latin name, Japanese, Chinese, Korean so people can learn about our culture, our plants, our trees, our animals. So it's a holistic approach that is worth the exercise you know. I just wish them well and I believe if they coordinate an income stream with the tourism section and provide an analytic healthy approach identifying and curtailing our diabetes and high pretension problems of the island I think it's a win-win. It's definitely living synergistically.

Vice-Chairman David Matanane – I believe Mr. Chairman if they can submit their scope of work that they're going to do in writing and submit to us as to what are you going to do with the land and all that.

Administrative Director Monte Mafnas – And a business plan.

Vice-Chairman David Matanane – And a business plan because I don't believe just because it's a nonprofit organization we also have a site for people to buy something and all that you need to detail it so you can represent it and work with Mr. Mafnas but give them the details then we would look at it and then probably call you guys in again.

Acting Commissioner Oscar Calvo – It narrowed down that maybe Mr. Monte you know that this thing will be when once they present their plans to them and narratively maybe we can start them at a small portion of the profit or whatever.

Administrative Director Monte Mafnas – Thank you Doc.

VII. DIRECTOR'S REPORT

1. Weekly report

Administrative Director Monte Mafnas – For everybody's information we have from April to October signed 309 survey authorizations, 296 utility authorizations, 276 leases, 52 addendums and did 5 loan guaranties. From May 10th to October to date we have answered 2,410 phone calls and assisted 2,045 walk in customers and I'm very happy to

say and report that from October 1st, 2011 to September 30, 2012, that's FY2012, CLTC has collected \$1,015,453.58.

Acting Chairman Michael Borja – KUAM likes that.

Administrative Director Monte Mafnas – I wasn't lying, I never lie.

Vice-Chairman David Matanane – You know I'd like to commend Monte Mafnas concerning the news last night that you made a comment I said wow, man that's my man.

Acting Chairman Michael Borja – And your staff as well.

Administrative Director Monte Mafnas – Without the staff I'm nothing.

Acting Chairman Michael Borja – They also have to have a bit of a shield when some of these people come in but to be able to entertain on the customer service..(interrupted).

Administrative Director Monte Mafnas – And all the documentations were prepared by our Board Secretary Terese and Margaret is our front line for all the mean people but if they get any meaner they send them upstairs to me.

Acting Chairman Michael Borja – Frontline so she has the shield.

Administrative Director Monte Mafnas – Yes she has the shield she says bring it on and she kills it with that smile.

Acting Chairman Michael Borja – I think what we just entertained and are starting to listen to some of these customers are probably just irritated because they don't know where they stand. It calms them down quickly and then they're going oh, thank you for listening.

Administrative Director Monte Mafnas – But there is a portion Mr. Chairman I want to note that there are people out there that cannot help themselves. That's the problem.

Acting Chairman Michael Borja – But really we should also make sure we're tempered.

2. Hawaiian Homelands Convention

Administrative Director Monte Mafnas – I had a chance to meet with the Kellogg Foundation and listen to other foundations but met with the Department of Hawaiian Homelands and we are not that far. There is a subdivision that took 65 years to build 83 homes but it's completely and full infrastructure with all the roads, curbs, gutters and everything. But basically it's 400 homes over a 10 year stretch. Now our first subdivision is over 100 lots or 100 units. They have 40 plus thousand people waiting for over 30 plus years. We have over 10,000 people, 17 years so we're not doing too bad ourselves. It's good to maintain dialogue with the State of Hawaii with the Hawaii community assets with the other DHHL employees. Whatever residuals we can gain whatever funding grants we can seek we should be out there..(interrupted).

Acting Chairman Michael Borja – What is the Kellogg Foundation?

Administrative Director Monte Mafnas – They have a farm. It's really awesome. It's all hands on, it's organic farm and it takes troubled kids. I would like to implement that up north and down south.

Acting Chairman Michael Borja – Do they have other programs outside of Hawaii that they do this for or is this just in Hawaii?

Administrative Director Monte Mafnas – Just in Hawaii.

Acting Chairman Michael Borja – Kellogg is a large international food corporation.

Administrative Director Monte Mafnas – Also Gates and Ford are really impressed with Kelloggs and there's a whole sheet of funding that might assist us and they are out of Alaska and Colorado.

Acting Chairman Michael Borja – What do they do specifically this Kellogg Corporation do with these children?

Administrative Director Monte Mafnas – They fund the whole operation to teach them hands on organic farming.

Acting Chairman Michael Borja – This is what kind of children?

Administrative Director Monte Mafnas – Troubled children, the high school.

Acting Chairman Michael Borja – A town near Kellogg Malocreek Michigan called Kalamazoo was once a very, very prominent industrial city building cars and all kinds of stuff and it all collapsed. So in the collapse of all their businesses people started to just not have anything to do with those very, very economical and socially depressed and somebody came in to this town, he's a mystery, and they have what they call the Kalamazoo project and only one person knows who these people are and their focus is to create better education for all the children in that community. And if you go to school in a public school in that town from first grade to twelve grade they would pay for your college tuition in whatever college you get accepted to in the State of Michigan a public university for the whole time and it's prorated for the number of years you've lived and gone to school in that town. So every kid from first grade on up knows that when they graduate from high school they are going to go to college and it's a social experiment as well and it's turning around the community so that now that you have the whole idea behind is they want the educated children to be very well trained so that new industries could come in. Industries that require higher education and not just the very medial kind of industries. And so you can get computer industries in there where they do software developments and stuff like that. But Kellogg Foundation is behind some of these things as well in other communities so do to something like this where they're just taking it could be troubled children or it could

be children from very disadvantaged homes and to teach them. I mean even in some cases I think some of the issues even though they may not be qualified under the Chamorro Land Trust but they live on our island and they are other island immigrants. By law they're allowed to come here but they are not socially simulated to this island and so the cultural differences become very difficult for them to be productive in schools and they could also be the problems that we have with crimes as well. I think anything like this or if we can persuade an organization like this to come to the island and help out. It's beyond our scope it's more in line with what the Governor should be doing but get introduced for them to be able to help out but farming on Guam that would be tough.

Administrative Director Monte Mafnas – Well said Mr. Chairman but part of the mandates of the Chamorro Land Trust is education so when I met with Oweesta, it's a financial, educational asset building team so coupled with Kellogg Foundation I think we can effectuate a plan to help these kids and educate them and keep them out of trouble. As long as they're busy they don't have no time to get into trouble. Have them grow and learn the soil, have them grow, plant, seed and water.

Acting Chairman Michael Borja – So this Oweesta that's Indian, that's native Indian right?

Administrative Director Monte Mafnas – Correct. Also I met with some Alaskans too. I'm looking at money, how we can get some money in grants especially but I'm trying to do something for our educational grant.

Acting Chairman Michael Borja – You had all these people from the White House too and the Native American Affairs you would think that some of these folks would have some kind of interest here as well especially for this person who is the Executive Director for the White House Initiative on Asian Americans and Pacific Islanders. Has this person been to Guam?

Administrative Director Monte Mafnas – No.

Acting Chairman Michael Borja – See I mean Pacific Islanders is not Hawaii, there are many other islands in the Pacific.

Administrative Director Monte Mafnas – So pressing flesh with them it's an introduction, it's a beginning and beginning of 10,000 miles is the first step so we're moving forward. I'm just fortunate to have attended this conference and I think we should attend this as a Chamorro Land Trust Commission to consider this because this is really time well spent.

Acting Chairman Michael Borja – Yeah when you get the folks like White House level people this is quite important.

Administrative Director Monte Mafnas – Some of the preliminary speakers were Governor John Waiheri and Senator Daniel Kaka so there was a power house there. There's a lot of horsepower in that convention.

Acting Chairman Michael Borja – Well one of the things too I think is a lot different between us and the Hawaiian Homelands Affair folks is by law, by United States law they have certain, they can do what they do by reserving homelands for only the natives but by United States law that doesn't exist here.

3. Lot 7128-REM, Yigo to include 4 acres for commercial site and 108 affordable homes

Administrative Director Monte Mafnas – We have master planned for 108 units and 4 acres for commercial property so we have an income stream to support our SUTA Program.

4. Stockpile in Yigo

Administrative Director Monte Mafnas – I'm engaging in a clearing and grading permit to accept stockpiling of dirt and some rocks in Yigo next to Q's farms to afford that to some farmers. Some farmers already called me up and said oh I want some brown gold.

Acting Chairman Michael Borja – Yeah that dirt is valuable.

5. Ignacio S.N. Guerrero, Jr. farmplan

Administrative Director Monte Mafnas – There's another farmer who wanted to just present his farm plan Mr. Ignacio Guerrero, Jr. and he is the son of Ignacio Sr. who has already 5 acres of farm land.

Commissioner Amanda Santos – So where is he?

Administrative Director Monte Mafnas – He's from Barrigada. So I just told him I'll just present it for our review but really we should..(interrupted).

Acting Chairman Michael Borja – What he needs to probably then make the presentation and the application for farm for agricultural. Apparently he seems to be more meaningful than that other gentleman's..(interrupted).

Administrative Director Monte Mafnas – And another guy I got his farm plan but I misplaced it his name is Eugenio Aguon and he wants 3 to 5 acres.

VIII. EXECUTIVE SESSION

Relative to the lawsuit being entertained by the Department of Justice on providing lands to native Chamorros the Commission members feel that it should be challenged.

Acting Commissioner Oscar Calvo brought up to the Board that he can still act as a Commission member until he is replaced by the Governor.

Acting Chairman Michael Borja stated that it would need to be clarified.

IX. ADJOURNMENT

Vice-Chairman David Matanane moved to adjourn the meeting.

Commissioner Amanda Santos seconded the motion.

Meeting adjourned at 3:25pm.

Transcribed by: Teresa Topasna: *Teresa Topasna* Date completed: October 31, 2012

Approved by Board motion in meeting of: *Nov. 15, 2012*

Administrative Director, Monte Mafnas: *Monte Mafnas* Date: *11-15-12*

Chairman (Acting), Michael Borja: *Michael Borja* Date: *Nov 15, 2012*

TAMUNING MART

Owner: Young Bong Yu

Business: Vegetable Stand

Location: In between LBJ Elementary & GTA site across Greyhound Race Track

Contact: 647-0013 / 637-0013

January 19, 2012 Board meeting:

- Applicant operating a vegetable stand & occupying CLTC property without a license agreement w/the Commission;
- Applicant is requesting to open up a kimchee & tofu factory;
- Administrative Director Monte Mafnas stated that applicant has deposited \$1,000 for use of the property and obtained quotations for two appraisals to establish fair market value but until CLTC rules and regulations are approved CLTC cannot move forward;
- Vice-Chairman David Matanane stated that the Administrative Director has to work with the applicant and await for the lease.

**February 16, 2012 Board meeting: Board lifted the previous self-imposed moratorium on issuing out commercial licenses.

September 20, 2012 Board meeting:

- Applicant was not present;
- Administrative Director Monte Mafnas informed the Board that the applicant has paid \$1,000 for use of the property.

October 18, 2012 Board meeting:

- Vice-Chairman David Matanane stated that the \$1,000 paid by the applicant is for penalty for utilizing CLTC property without a license and further stated that the CLTC is chasing them out until the problem is rectified.

=====END=====

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

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

Vice-Chairman David Matanane - Well said.

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

4. Tamuning Mart

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

John Cruz - No.

Commissioner Michael Borja - Not expand the building at all.

John Cruz - No, the building is already there.

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

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

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

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

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

John Cruz - It's a container house.

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

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

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

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

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

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

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

John Cruz - Actually we went through the process.

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

John Cruz - I never knew that.

Jerry Crawford - Are we doing the right process now?

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

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

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

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

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

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

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

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

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

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

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

Jerry Crawford - What is that process?

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

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

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

John Cruz - Probably Ben Pangelinan is involved.

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

John Cruz - Yes, I'm glad.

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

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

Jerry Crawford - Absolutely.

Commissioner Michael Borja - It's a great service.

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

Administrative Director Monte Mafnas - We appreciate that.

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

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

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

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

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

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

John Cruz - Yeah.

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

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

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

John Cruz - Yeah.

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

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

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

John Cruz - Yes.

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

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

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

John Cruz - Thank you.

VII. DIRECTOR'S REPORT

1. Matrix design report

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

2. GHC - Sagan Linayan and Lada Estates

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

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

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

3. Bid for new Planners

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

Administrative Director Monte Mafnas – Yes but we have a very good lease rental in effect as compared to other agencies.

Vice-Chairman David Matanane – I applaud you Mr. Mafnas with dreaming this big at least if not Agana then someplace else. Thank you Mr. Mafnas and I hope you continue you know and we see some light to this.

2. Requested Tamuning Mart to present their status of manufacturing tofu and kimchee

Administrative Director Monte Mafnas – I asked Mr. Yun and Mr. Torres to come here or their representative from SBDC and unfortunately they're not here.

Commissioner Michael Borja – We spoke with them earlier this year right they had some ideas on what they wanted to do.

Administrative Director Monte Mafnas – Yes to build a kimchee factory and a tofu factory.

Commissioner Michael Borja – At that place right over there across the street from the...(interrupted).

Administrative Director Monte Mafnas – LBJ and Tamuning Elementary.

Vice-Chairman David Matanane – Is this the place on the culvert side?

Commissioner Michael Borja – Right by the ball park.

Administrative Director Monte Mafnas – Yes.

Vice-Chairman David Matanane – Have you taken care of that?

Administrative Director Monte Mafnas – He paid a \$1,000 on good faith.

Vice-Chairman David Matanane – That's what I want to know. Have we told him that he just went in there and occupied the place without our knowledge and all that?

Administrative Director Monte Mafnas – Yes, we drilled him the last time.

Vice-Chairman David Matanane – So we have taken care of that.

Administrative Director Monte Mafnas – Yes and he paid \$1,000.

Vice-Chairman David Matanane – Remember that this is a commercial thing here.

Administrative Director Monte Mafnas – That's right.

3. Reorganization No. 5 – status of DLM, CLTC & GALC merge

Administrative Director Monte Mafnas – I just want to inform the Commissioners that Reorganization No. 5 as effectuated by this Administration is going well, merging well and



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

COMMISSION MEETING MINUTES Dept. of Land Management Conference Room 3rd Flr., ITC Building, Tamuning Thursday, October 18, 2012; 1pm – 3:25pm

I. CALL TO ORDER

Meeting was called to order at 1pm by Acting Chairman Michael Borja.

II. ROLL CALL

Present were Acting Chairman Michael Borja, Vice-Chairman David Matanane, Commissioner Amanda Santos, Acting Commissioner Oscar Calvo and Administrative Director Monte Mafnas.

III. APPROVAL OF MINUTES (September 20, 2012)

Vice-Chairman David Matanane – Mr. Chair on page 22 we never finished that item. I just want to maybe have the Executive Director check into that.

Acting Chairman Michael Borja – Item number 2 on page 22, you're talking about the **Tamuning Mart?**

Vice-Chairman David Matanane – Yes. If I'm not mistaken this particular business people that came in and established themselves without a lease or anything. We don't want to set a precedence on those things. So even though and I believe that thousand dollars that they're paying is the penalty because the fact that they just came in, established their own business, no license or lease agreement. I believe I don't know whether he's a corporate or an individual or Chamorro for that matter but that's unprecedented for people to come in and establish themselves and then we go ahead and say okay because there's a lot of people that wants to go in. But I just don't want the CLTC Commission to be cited as you started a precedent and we can do that too and anybody can come in and do that same action. That one is a correction and I believe Mr. Chairman you have qualms too with the minutes on that particular item we've already discussed.

Acting Chairman Michael Borja – Well yeah I agree with you on that Mr. Matanane.

Acting Commissioner Oscar Calvo – We're pretty much aware on that because that was in yeah and when that thing was established back then Mr. Chairman it was basically established for a vegetable stand which is incorporated and it never was a vegetable stand. The initial issue on that that they were given authorization by the former First Lady and that never really happened and we checked that with the First Lady back then and she strongly said that she never authorized for that matter. So that itself like what Mr.

Rev. 09/21/2012

Matanane stated there that the thousand dollars I think is the penalty that they just moved in there and started and thinking that they establish their business there for that matter.

Vice-Chairman David Matanane – Hopefully the Executive Director can hear that we're chasing him out until you rectify the problem on it. We don't want him to continue at all.

Acting Commissioner Oscar Calvo – I know that he, when they came in here a couple of months ago that one of the issues that they were going to do a tofu factory or whatever for that matter but I guess to this day I don't think so anything has really and whatever the intentions are and I've gone out there myself you know not on one or two occasions and I looked at it. When you go out there they're selling from pots and pans to a vegetable stand. There was maybe one or two vegetables that was there but that's about it. So I think the thousand dollars that they put in there is for and then until that equity part is rendered and done rightly I think that you know..(interrupted).

Vice-Chairman David Matanane – It will never be right you know he already broke it and we were not aware of it. I'm asking the Executive Director to look into it and then if we need to bring it back to us then we will entertain it.

Administrative Director Monte Mafnas – So noted Commissioner Matanane I will pursue and give them a personal notice to include in their word..(interrupted).

Vice-Chairman David Matanane – And if he wants to rectify his actions he can come in and tell us.

Acting Chairman Michael Borja – So we want to just clarify Mr. Matanane's comments on the previous minutes. Are there any other questions to the minutes from last month?

Vice-Chairman David Matanane – I move to accept the minutes.

Commissioner Amanda Santos – I second it.

There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS

1. Gregorio Perez Diaz – I'm residing in San Diego, joined the Navy before the war of course Vietnam War and I left home in 1957 so as you can imagine how old I am right at this moment. But anyway my mission here on Guam, there are three of us that are traveling trying to promote our Sakman vessel. It's a 47 feet canoe and outrigger and its sail is pretty huge of course and our plan is to sail this vessel to Guam. It's very historical. The plan was, this was back during Magellan war of course the Spanish was kind of hostile to our Chamorros but anyway George Hansen is the person who did the drawing. So we built a canoe in San Diego it's 47 feet it's pretty large. It's going to be sea worthy. We're going to train ourselves because when I joined the Navy of course I have never encountered anything like this. I'm a ship engineer, I'm a destroyer and other things but there were seven of us that actually got involved with this historic canoe. Anyway the

Okkodo Expansion

Prepared for
Chamorro Land Trust
Working Session

Agenda

- Background
- Program Goals and Design
- Chamorro Land Trust's Roles and Responsibilities
- Ground Lease
- Next Steps/Timeline

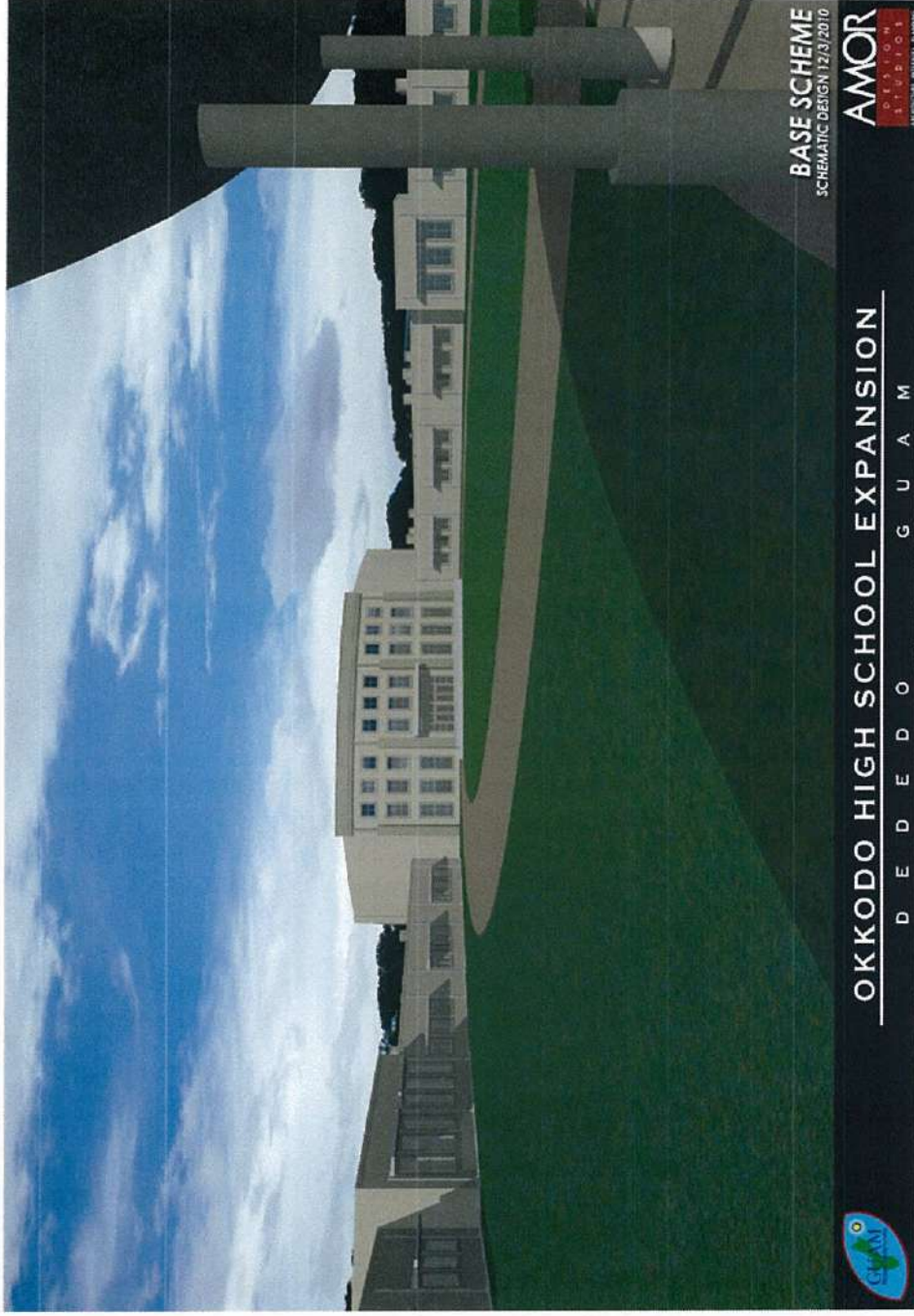
Background

- In 2008 Guam Education Financing Foundation (GEFF) opened four new schools- Ligan, Adacao, Astumbo and Okkodo.
- Construction was completed pursuant to GDOE approved plans on budget and CO's were issued ahead of schedule.
- In 2010 the 31st legislature passed a law allocating \$2.9 million of Section 30 revenues to expand Okkodo.
- GEFF undertook an evaluation of Okkodo H.S. on a class-by-class, teacher-by-teacher basis and looked at trends in enrolment to determine the most effective way to increase the capacity and efficacy of Okkodo.
- After meetings with stakeholders and agreeing on Program Goals, we developed a design to provide flexibility to meet GDOE goals.

Project Goals

- Increase student capacity from 1,200 to 2,000.
- Improve safety at Route 3 intersection.
- Alleviate shortage of science labs.
- Improve graduation rates and teach employable skills with a Culinary Academy which will be taught by GCC.
- Provide additional shower and locker facilities.
- Expand cafeteria's capacity.
- Construct an athletic field house with restrooms and resurface track.

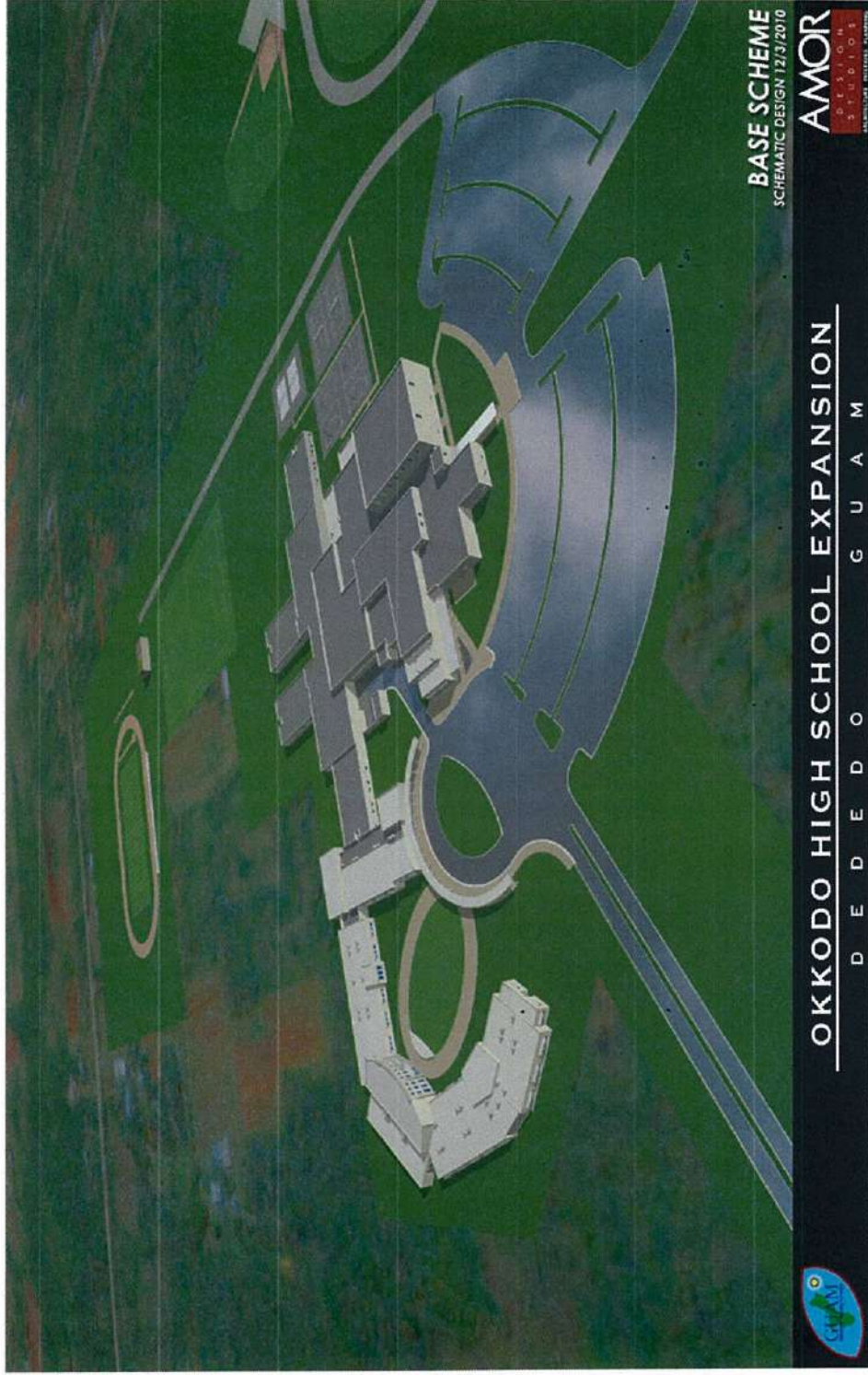
Okkodo Expansion



Design Program

- Additional standard class rooms: 24
- Special Ed class rooms: 4
- Drama lab: 1
- Electronics lab 1
- Upper level science lab 4
- Physical science lab 2
- Biology lab 1
- Storage rooms 3
- Teacher work rooms 4
- Administration area 1
- Additional showers and locker rooms for boys and girls
- Culinary arts kitchen and class room
- Expanded cafeteria area.
- Restroom and concession facility at the football field
- Track sports surface
- Signalization of Rt. 3 with North and South bound turn lanes

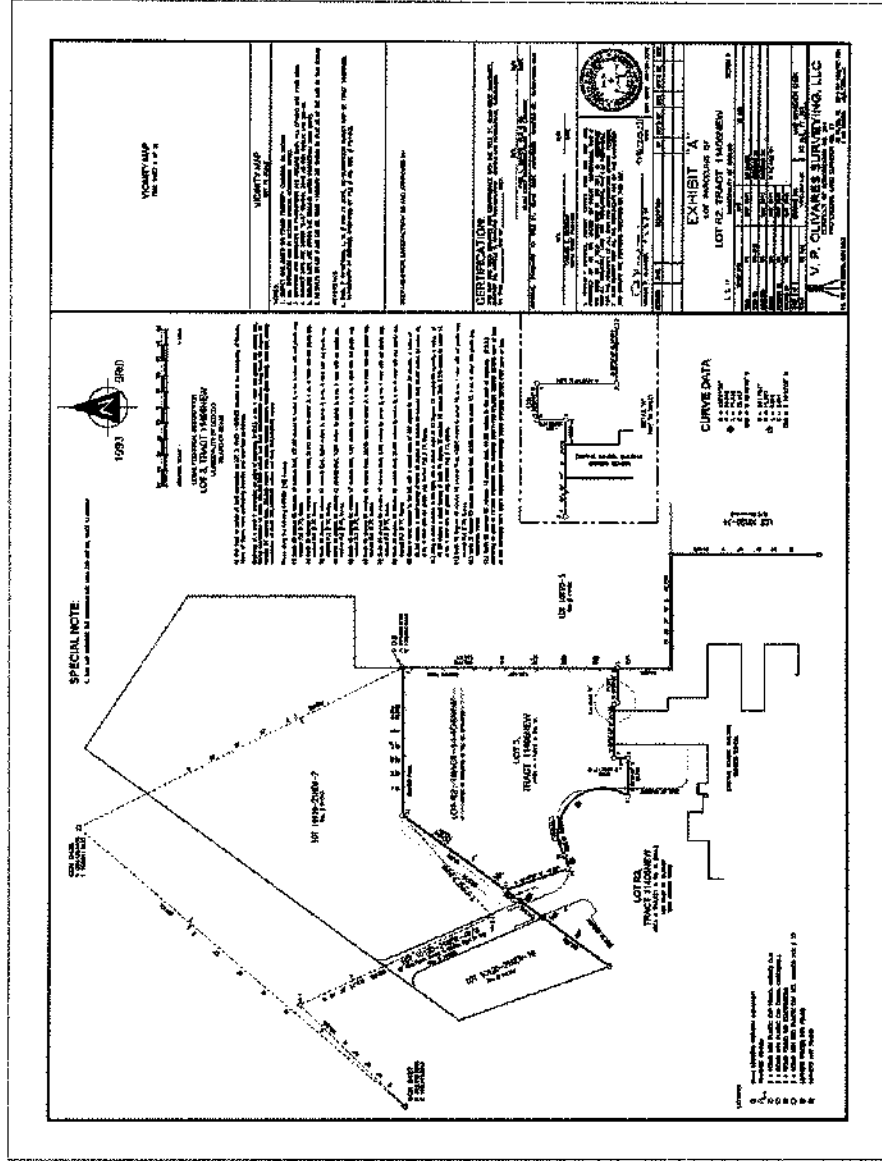
Aerial View



What We Need From Chamorro Land Trust Commission For Okkodo Expansion

1. GEFF I currently leases the entire Okkodo High School Site from CLT under a long-term lease for \$1 a year.
2. The first transaction was funded with tax-exempt bonds and restricts further debt or liens to be placed on the property.
3. We need to separate the expansion site from the overall site to allow us to finance it separately.
4. Therefore GEFF I is assigning the expansion parcel back to CLTC so that CLTC can lease it back to GEFF II, an affiliate of GEFF I, under the same form of lease and terms as which it is currently leased to GEFF I.

Survey



Ground Lease

- **Parties:**
 - Lessor: Chamorro Land Trust
 - Lessee: GEFF II
- **Term:** From financial closing until all Base Rents of Facility Lease have been paid or 27 years from closing, whichever comes first
- **Rent:** \$1.00
- **Use of Site:** As long as the Facility Lease is in force the site may be used solely for the Okkodo Expansion, if the Facility Lease is terminated then GEFF can sublease subject to land use and zoning laws.

Next Steps/Timeline

<u>Task</u>	<u>Responsibility</u>	<u>Target Date</u>
• Complete Documents	Counsel for GEDA	November 2012
• Approve resolutions	GEPB, GEDA and CLT	November 2012
• Financial Closing	GDOE, GEDA, GEFDecember	2012
• Project Permitting GEF and DPW		February 2013
• Start Construction GEF		February 2013
• Complete Construction	GEFF	April 2013
• New facilities Open	GDOE and GCC	June 2013

CHAMORRO LAND TRUST COMMISSION

RESOLUTION NO. 12-____

RESOLUTION BY THE BOARD OF THE CHAMORRO LAND TRUST COMMISSION
APPROVING AND AUTHORIZING
THE EXECUTION OF A GROUND LEASE AND RELEASE,
AND THE TAKING OF RELATED ACTIONS

WHEREAS, pursuant to Chapter 58B of Title 5 of the Guam Code Annotated, as amended (the “Act”), the Legislature of Guam has authorized the Government of Guam or the Guam Department of Education (collectively, the “Government”) to enter into a lease and lease-back (collectively, the “Leases”) with a contractor for the purpose of providing for the expansion of Okkodo High School located in Dededo, Guam (collectively, the “Project”);

WHEREAS, the land on which the Project will be constructed is unimproved and will be released from the leases entered into with respect to a prior lease-leaseback financing of Okkodo High School pursuant to a Release of Site for Additional Improvements (the “Release of Site”);

WHEREAS, the base rental payable by the Government pursuant to the Leases will be assigned to a trustee (the “Trustee”) that will in turn issue certificates of participation (the “Certificates”) in such base rental payments pursuant to a trust agreement (the “Trust Agreement”), and the proceeds of the Certificates will finance the Project;

WHEREAS, the obligation of the Government to pay rental pursuant to the Leases will be subject to annual appropriation by the Guam Legislature;

WHEREAS, pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, agencies and instrumentalities of the Government shall issue bonds, certificates of participation and other obligations only by means of and through the agency of the Guam Economic Development Authority (“GEDA”), and the Governor of Guam has requested that GEDA approve the sale of the Certificates;

WHEREAS, it is necessary and desirable for the Chamorro Land Trust Commission (the “Commission”), as owner of the real estate parcel that is the location of the Project (the “Site”), to enter into the Release of Site for the purpose of releasing the Site from the prior leases and a Ground Lease for the purpose of leasing the Site to Guam Education Financing Foundation II, Inc. (the “Ground Lessee”), which will in turn sublease the Site and lease the Project to the Department of Education, Government of Guam (the “Lessee”) pursuant to a Facility Lease, substantially final proposed forms of each of which have been presented to this Board of the Chamorro Land Trust Commission (this “Board”);

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Chamorro Land Trust Commission as follows:

Section 1. The form of the Ground Lease presented to this meeting to be executed and delivered by the Administrative Director of the Commission or the [identify other authorized officers], or the designee of any of them (each an “Authorized Signatory” and collectively, the “Authorized Signatories”), is hereby approved, with such additions, changes and modifications as this Board may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of such Ground Lease.

Section 2. The form of the Release presented to this meeting to be executed by any Authorized Signatory is hereby approved, with such additions, changes and modifications as this Board may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of such Release.

Section 3. The Authorized Signatories, acting individually or collectively, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents, certificates, consents or other instruments which they may deem necessary or advisable in order to consummate the execution and delivery of the Ground Lease and the Release, and otherwise to effectuate the purposes of this resolution, including, but not limited to, the execution and delivery of such related or ancillary documents or certificates as may be necessary or desirable to clarify title to the Site or otherwise consummate the transactions described herein and in the Ground Lease and the Release, upon consultation with legal counsel (approval thereof to be conclusively evidenced by the execution and delivery thereof).

Section 4. All actions heretofore taken by the officers, representatives or agents of the Commission in connection with the Ground Lease or the Release of Site are hereby ratified, confirmed and approved.

Section 5. This resolution shall take effect from and after its adoption.

RESOLVED FURTHER, that the [Acting Chairman] certify and the [Vice-Chairman] attest to the adoption of this resolution.

SO RESOLVED AND DULY AND REGULARLY ADOPTED this ____ day of [_____], 2012.

Certified by:

Attested by:

Michael J.B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

SECRETARY'S CERTIFICATE

I, _____, Secretary of the Board of the Chamorro Land Trust Commission, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a [special][regular] meeting of the members of the Board of the Commission duly and legally held at the regular meeting place thereof on _____, 2012, of which meeting all of said members had due notice and at which at least a majority thereof were present;

At said meeting said resolution was adopted by the following vote:

Ayes:

Noes:

Absent:

Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2012

[Secretary]

(SEAL)

RELEASE OF SITE FOR ADDITIONAL IMPROVEMENTS

THIS RELEASE OF SITE FOR ADDITIONAL IMPROVEMENTS, dated as of December 1, 2012 (this "Release"), is by and among the CHAMORRO LAND TRUST COMMISSION (the "Original Ground Lessor"), GUAM EDUCATION FINANCING FOUNDATION, INC., a nonprofit corporation organized under the laws of Guam (the "Original Ground Lessee"), the DEPARTMENT OF EDUCATION, GOVERNMENT OF GUAM (the "Original Ground Sublessee" and the "New Ground Sublessee"); WELLS FARGO BANK, N.A., as trustee (the "Original Certificate Trustee") under that certain Trust Indenture, dated as of September 1, 2006 (as amended, the "Original Trust Indenture"), by and between the Original Ground Lessee and the Original Certificate Trustee; and GUAM EDUCATION FINANCING FOUNDATION II, INC., a nonprofit corporation organized under the laws of Guam (the "New Ground Lessee" and "New Ground Sublessor").

WITNESSETH:

WHEREAS, the Original Ground Lessor and the Original Ground Lessee entered into that certain Ground Lease, dated as of September 1, 2006 (the "Original Ground Lease") under which certain real estate parcels located in Guam, including that certain real estate parcel described in Exhibit A attached hereto and by this reference incorporated herein (the "Site"), were leased by the Original Ground Lessor to the Original Ground Lessee;

WHEREAS, the Original Ground Lessee and the Original Ground Sublessee entered into that certain Lease Agreement, dated as of May 25, 2005 and amended as of October 1, 2008 (the "Original Facilities Lease"), under which (i) certain real estate parcels, including the Site, were subleased by the Original Ground Lessee to the Original Ground Sublessee and (ii) the improvements, if any, constructed thereon by the Original Ground Lessee were leased by the Original Ground Lessee to the Original Ground Sublessee;

WHEREAS, certificates representing fractional undivided interests in the obligations of the Original Ground Sublessee to make certain Base Rental payments (the "Original Certificates") were issued to certificateholders (the "Original Certificateholders") pursuant to the Original Trust Indenture;

WHEREAS, to provide additional security for the payment of the amounts represented by the Original Certificates, the Original Ground Sublessor assigned its rights, title and interest under the Original Ground Lease to the Original Certificate Trustee pursuant to the Original Indenture and that certain Assignment and Security Agreement, dated as of September 1, 2006 (the "Original Assignment"), by and between the Original Ground Sublessor and the Original Certificate Trustee;

WHEREAS, no material improvements were constructed on the Site, which is therefore available for the construction of additional improvements;

WHEREAS, ACA Financial Guaranty Corporation (the "Series 2006B Insurer") issued its bond insurance policy insuring the payment of principal and interest on certain of the Original Certificates, as provided therein;

WHEREAS, the New Ground Lessee now desires to lease the Site from the Original Ground Lessor, to construct certain additional improvements thereon and to sublease the Site and lease the additional improvements and certain other facilities and equipment to the New Ground Sublessee pursuant to a new facilities lease (the "New Facilities Lease");

WHEREAS, the New Ground Sublessee desires to grant and assign certain of its rights under the New Facilities Lease to a new certificate trustee (the "New Certificate Trustee") pursuant to a new trust agreement (the "New Trust Agreement") for the benefit of the owners of certificates representing rights to certain payments by the New Ground Sublessee under the New Facilities Lease;

WHEREAS, the release of the Site and its use for purposes of the acquisition, construction and leasing of such additional improvements, consisting of additional classrooms, _____ and _____, are for a public purpose and create a public benefit by further enabling the New Ground Sublessee to meet the educational needs of the population of Guam;

WHEREAS, the Original Ground Lessor, the Original Ground Lessee and the Original Ground Sublessee now desire, subject to the consent of the Original Certificate Trustee and the Original Insurer, to release the Site from the encumbrances represented by the Original Ground Lease, the Original Facilities Lease, the Original Trust Indenture and the Original Assignment, in order to enable the Original Ground Lessor to lease the Site to the New Ground Lessee and enable the New Ground Lessee to sublease the Site and certain improvements to be built thereon (the "New Project") to the New Ground Sublessee pursuant to the New Facilities Lease;

WHEREAS, the Original Certificate Trustee and the Series 2006B Insurer have determined to consent to the release of the Site from the encumbrances represented by the Original Ground Lease, the Original Facilities Lease, the Original Trust Indenture and the Original Assignment, in order to enable the Original Ground Lessor to lease the Site to the New Ground Lessee and enable the New Ground Lessee to sublease the Site and the New Project to the New Ground Sublessee;

WHEREAS, the Original Ground Lessee, the Original Ground Sublessee, the New Ground Lessee and the New Ground Sublessee have determined to grant certain reciprocal rights of access in order to facilitate the efficient use of the original facility and the additional improvements together as an integrated high school facility or as separately leased facilities;

WHEREAS, in addition, the New Ground Lessee has determined to agree to take certain actions in an event of default and termination of the rights of the New Ground Sublessee under the New Facilities Lease;

WHEREAS, pursuant to the New Ground Lease and the New Facilities Lease, certain improvements are to be made that will benefit the Original Ground Lessee and the Original Ground Sublessee;

WHEREAS, Section 6.02 of the Original Trust Indenture provides that the Original Facilities Lease may not be modified or amended without the prior, written consent of the Trustee and each Certificate Insurer and may be modified or amended only for certain purposes, including any purpose that does not materially adversely affect the interests of Owners of the Original Certificates;

WHEREAS, Section 9.01 of the Original Trust Indenture provides that the Original Trust Indenture may be amended only for certain purposes, including any purpose that does not materially adversely affect the interests of Owners of the Original Certificates (considered without regard to any certificate insurance policies), provided, however, that no such change shall be made that adversely affects any Certificate Insurer without such Certificate Insurer's written consent;

WHEREAS, the purpose of releasing and reconveying the Site so that it may be used for the purpose of acquiring and constructing additional improvements to expand Okkodo High School is a purpose that under these circumstances does not materially adversely affect the interests of the Owners of the Original Certificates;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

Section 1. Amendment of Prior Documents.

The property described by each of the exhibits specified in the following table for each of the respective documents specified in the following table is hereby amended to delete therefrom the Site, being the property described in Exhibit A attached hereto, which is hereby released and reconveyed from the encumbrances represented by such documents:

DOCUMENT	REFERENCED EXHIBIT
Original Ground Lease	EXHIBIT A (UKUDO HIGH SCHOOL)
Original Facilities Lease	EXHIBIT A (UKUDO HIGH SCHOOL)
Original Assignment	EXHIBIT A (UKUDO HIGH SCHOOL)

[Amendments to the Forms UCC-1 or UCC-3 or both filed in connection with the Original Assignment shall also be made to reflect the deletion from the Site of the property described in Exhibit A hereto, which this Release releases and reconveys from the encumbrances documented by such Forms UCC-1 or UCC-3 or both.]

Section 2. Reciprocal Rights of Access.

The Original Ground Sublessee, Original Facilities Lessee, New Ground Sublessee and New Facilities Lessee shall grant, convey and confirm to each other, for the use, benefit and enjoyment of each other and their respective successors and assigns with respect to the Original Project and the New Project, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Original Project and the New Project, rights of entry which shall be irrevocable for the joint term of the Original Ground Lease and the New Ground Lease over, across and under the Original Project and the New Project for the purpose of: (a) ingress, egress, passage or access to and from the Original Project and the New Project by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Original Project and the New Project. The foregoing rights of entry are expressly subject to the implementation and application of appropriate security measures.

Section 3. Separation of Facilities Upon Termination of the New Facilities Lease.

Upon an event of default and termination of the rights of the New Ground Sublessee under the New Facilities Lease, the New Ground Lessee shall, upon the written request of the Original Trustee, take all actions reasonably necessary to enable the New Project and the Original Project, to be physically separated to the extent necessary to be leased to separate lessees and otherwise used as separate facilities. Such actions may include, but are not limited to, establishing physical separation in so far as practicable, establishing and/or confirming common wall arrangements (if necessary), providing for separately metered utilities, and establishing and/or confirming rights of access, ingress, egress and other similar reciprocal arrangements. All such actions shall be taken with the goal of preserving the rental value of the Original Project and at no cost to the "Owners," the "Certificate Insurer" or the "Lessor," as those terms are defined in the Original Trust Indenture. The costs of such actions shall be paid [first with amounts in the Capital Replacement Reserve established under the New Trust Agreement and thereafter with amounts made available for such purpose in the Certificate Debt Service Reserve Fund established under the New Trust Agreement] / [from amounts on deposit in the Project Separation Reserve established under the New Trust Agreement]. Neither the New Trustee nor the New Ground Lessee shall be obligated to expend any moneys other than the amounts made available under the New Trust Agreement for that purpose.

Section 4. Effective Date.

This Release shall take effect on the date of its execution and delivery.

IN WITNESS WHEREOF, the parties hereto have, by their respective duly authorized representatives, executed this Release as of the date first above written.

ORIGINAL GROUND LESSOR:

CHAMORRO LAND TRUST COMMISSION

By:

Administrative Director

ORIGINAL GROUND LESSEE:

**GUAM EDUCATION FINANCING
FOUNDATION II, INC.**

By:

President

ORIGINAL GROUND SUBLESSEE:

**DEPARTMENT OF EDUCATION,
GOVERNMENT OF GUAM**

By:

Nerissa B. Underwood, Ph.D.
Superintendent of Department of Education

**APPROVED AS TO FORM
AND LEGALITY:**

Attorney General of Guam

By: _____

Edward J.B. Calvo
Governor of Guam

CONSENT OF THE TRUSTEE

The undersigned, a duly authorized officer of the Trustee under that certain Trust Indenture, dated as of September 1, 2006 and supplemented as of October 1, 2008 (the "Original Trust Indenture"), by and between the Guam Education Financing Foundation, Inc., and Wells Fargo Bank, N.A., as Trustee, does hereby consent, in accordance with the Original Trust Indenture, to the execution and delivery of the foregoing Release of Site For Additional Improvements.

Dated: _____, 2011

ORIGINAL CERTIFICATE TRUSTEE:

WELLS FARGO BANK, N.A.

By:

Authorized Officer

CONSENT OF THE INSURER

The undersigned, a duly authorized officer of ACA Financial Guaranty Corporation, the "Series 2006B Insurer" as defined in that certain Trust Indenture, dated as of September 1, 2006 and supplemented as of October 1, 2008 (the "Original Trust Indenture"), by and between the Guam Education Financing Foundation, Inc., and Wells Fargo Bank, N.A., as Trustee, does hereby consent, in accordance with the Original Trust Indenture, to the execution and delivery of the foregoing Release.

Dated: _____, 2011

SERIES 2006B INSURER:

ACA FINANCIAL GUARANTY
CORPORATION

By:

Authorized Officer

Recording Requested By
and When Recorded Return To:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attention: _____

GROUND LEASE

between

CHAMORRO LAND TRUST COMMISSION,

and

GUAM EDUCATION FINANCING FOUNDATION II, INC.
a nonprofit corporation organized under the laws of Guam,

Dated as of December 1, 2012

GROUND LEASE

THIS GROUND LEASE, dated as of December 1, 2012, by and between the CHAMORRO LAND TRUST COMMISSION (the "Ground Lessor"), and GUAM EDUCATION FINANCING FOUNDATION II, INC., a nonprofit corporation organized under the laws of Guam (the "Ground Lessee");

WITNESSETH:

WHEREAS, the Ground Lessor is the owner in fee of that certain real estate parcel located in Guam and described in Exhibit A (the "Site");

WHEREAS, the Ground Lessor is willing to lease the Site, and the Ground Lessee desires to hire the same from the Ground Lessor, upon the terms and conditions and for the purposes set forth in this lease (the "Ground Lease");

WHEREAS, the Ground Lessee desires to sublease the Site, and lease the expansion to Okkodo High School to be constructed and installed on the Site (collectively, the "Facilities") and certain equipment to be located primarily on the Site (the "Equipment," and, collectively with the Facilities and such subleasehold interest in the Site, the "Project") to the Department of Education, Government of Guam (the "Lessee"), and the Lessee desires to sublease and lease the same from the Ground Lessee, pursuant to and as further described in the Facilities Lease (the "Lease"), dated as of December 1, 2012, by and between the Ground Lessee, as lessor thereunder, and the Lessee, as lessee thereunder;

WHEREAS, the Ground Lessor and Ground Lessee intend that the leasing by the Ground Lessor to the Ground Lessee of the Site shall not effect or result in a merger of the Government of Guam's leasehold estate pursuant to the Lease and the Ground Lessor's fee estate as lessor under this Ground Lease, and the Ground Lessee shall continue to have and hold a leasehold estate in said Site pursuant to this Ground Lease throughout the term hereof and the term of the Lease;

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease;

WHEREAS, the Ground Lessor is empowered to enter into this Ground Lease pursuant to applicable law, including particularly Section 58B___ of Title 5 of the Guam Code Annotated;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Site.

The Ground Lessor hereby leases to the Ground Lessee and the Ground Lessee hereby hires from the Ground Lessor, on the terms and conditions hereinafter set forth, the real property described in Exhibit A attached hereto and made a part hereof, subject, however, to any conditions, reservations, and easements of record as of the date hereof (herein called the "Site").

SECTION 2. Term.

The term of this Ground Lease shall commence on the Certificate Closing Date or upon the date of recordation of this Ground Lease in the Department of Land Management, whichever is later, and shall end at midnight on March 1, 2031, unless such term is extended or sooner terminated as hereinafter provided.

If on March 1, 2031, the Certificates shall not be fully paid, then the term of this Ground Lease shall be extended until ten (10) days after the Certificates shall be fully paid, except that the term of this Ground Lease shall in no event be extended beyond March 1, 2041. If prior to March 1, 2041, the Certificates shall be fully paid, the term of this Ground Lease shall end ten (10) days after such payment in full or ten (10) days after written notice by the Ground Lessor to the Ground Lessee (if such payment in full has occurred prior to the date of such written notice), whichever is earlier.

SECTION 3. Rental.

The Ground Lessee shall pay to the Ground Lessor as and for rental hereunder the sum of One Dollar (\$1.00).

SECTION 4. Use of Site; Reletting of Site by Ground Lessee.

(a) For the term of the Lease, the Ground Lessee shall use the Site solely for the purpose of construction and financing of the Project and the Facilities thereon and leasing the Site, the Project and the Facilities to the Government of Guam pursuant to the Lease and for such purposes as may be incidental thereto.

(b) In the event that the Lease is terminated, the Ground Lessee **[obligations in relation to GEFf site to be copied from final agreed form of Release of Site for Additional Improvements]**.

(c) In the event that the Lease is terminated, the right of the Ground Lessee to sublease the Site (including in connection with any sale of the Ground Lessee's interest in the Facility) is subject to the following terms and conditions:

(i) the permitted use of the Site under the sublease shall be limited to purposes allowed by all land use and zoning laws;

(ii) **[sublessee's obligations in relation to GEFf site to be copied from final agreed form of Release of Site for Additional Improvements];**

(iii) the sublessee (including in that term any buyer taking subject to this Ground Lease) shall agree to indemnify and hold harmless the Government of Guam and the Ground Lessor against any and all claims, actions, suits, judgments, damages and liabilities arising out of the sublessee's use of the Site;

(iv) the sublease (including in that term any agreement of sale to a buyer taking subject to this Ground Lease) shall contain provisions requiring the sublessee to pay all taxes, to maintain the Project in good order, condition, and repair and to provide insurance covering such hazards and in such amounts as is commercially reasonable for similar buildings;

(v) the sublease shall contain covenants of the sublessee regarding hazardous materials which are substantially the same as the covenants contained in Section 12.01 of the Lease;

(vi) the sublease shall provide that the Ground Lessee shall have the right to terminate the sublease following a material breach by the sublessee of any of the terms and provisions required pursuant to clauses (i) through (v) above; and

(vii) following a material breach by the sublessee of any of the terms and provisions of the sublease required pursuant to clauses (i) through (v) above, the sublease also shall be subject to termination at the written direction of the Government of Guam.

SECTION 5. Owner in Fee.

The Ground Lessor covenants that it is the owner in fee of the Site, as described in Exhibit A hereto, and that the Site is not subject to any encumbrances that would interfere with the Ground Lessee's or its sublessees' use and quiet enjoyment of the Site. The Ground Lessor further covenants and agrees that if for any reason this covenant proves to be incorrect, the Ground Lessor will either institute eminent domain proceedings to condemn the property or remove any such encumbrances or institute a quiet title action to clarify the Ground Lessor's title or take such action as is necessary to remove any such encumbrances, and will diligently pursue such action to completion.

SECTION 6. Assignments and Subleases.

The Ground Lessee shall not assign its rights under this Ground Lease or sublet the Site, except pursuant to the Trust Agreement, the Assignment Agreement and the Lease, unless either (i) the Ground Lessee shall have obtained the written consent of the Ground Lessor, or (ii) the Government of Guam shall be in default under the Lease or the Lease shall have been terminated pursuant to its provisions. Any assignment or sublease pursuant to clause (ii) of this Section shall be subject to the terms and conditions of Section 4 hereof.

Guam Education Financing Foundation II, Inc., shall have no liability for the Trustee's actions or the exercise by the Trustee of any rights under this Ground Lease. By its execution

below, Ground Lessor expressly approves of the above-referenced Trust Agreement and Assignment Agreement.

SECTION 7. Right of Entry.

The Ground Lessor reserves the right for any of its duly authorized representatives or for the Government of Guam or any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Ground Lessee agrees, upon the termination of this Ground Lease, to quit and surrender the Site in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Ground Lease, including but not limited to the Project, shall remain thereon, shall be in good working order and condition, reasonable wear and tear excepted and title thereto shall vest in the Ground Lessor.

Upon the exercise of the option to purchase set forth in Section 14.04 of the Lease and upon payment of the Purchase Price required by said section, the term of this Ground Lease shall terminate.

SECTION 9. Default.

In the event the Ground Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Ground Lessee, the Ground Lessor may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the Ground Lessor shall have no power to terminate this Ground Lease or the rights of entry granted herein by reason of any default on the part of the Ground Lessee if such termination would affect or impair, other than as provided by Section 4 of this Ground Lease, the exercise of any rights or remedies assigned to the Trustee pursuant to the Assignment Agreement or any assignment or sublease of all or any part of the Site then in effect between the Ground Lessee and any assignee or subtenant of the Ground Lessee; and provided further, that so long as any Certificates are outstanding and unpaid in accordance with the terms of the Trust Agreement, the parties acknowledge and understand that the Rentals or any part thereof payable to the Trustee pursuant to the Trust Agreement (by the terms of the Lease or such other assignment or sublease) shall continue to be paid to the Trustee. So long as any such assignee or subtenant of the Ground Lessee shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the Ground Lessor hereunder and shall be entitled to all of the rights and privileges granted under any such assignment or sublease; provided further, however, that, so long as any Certificates are outstanding and unpaid in accordance with the terms of the Trust Agreement, the parties acknowledge and understand that the Rentals or any part thereof

payable to the Trustee pursuant to the Trust Agreement (by the terms of such assignment or sublease) shall continue to be paid to the Trustee.

SECTION 10. Quiet Enjoyment.

The Ground Lessee at all times during the term of this Ground Lease, subject to the provisions of Section 9 hereof, shall peaceably and quietly have, hold and enjoy all of the Site.

SECTION 11. Taxes.

The Ground Lessee covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site (including both land and improvements, including but not limited to the Project), if any.

SECTION 12. Eminent Domain.

In the event the whole or any part of the Site or the Project is taken by eminent domain proceedings, the interest of the Ground Lessee shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Certificates attributable to all or such part of the Project and shall be paid to the Trustee to be applied as provided in the Lease and in the Trust Agreement.

SECTION 13. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Ground Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Ground Lease shall be affected thereby, and each provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by (i) United States registered or certified mail, return receipt requested, postage prepaid, or (ii) by overnight courier, addressed as set forth below, or to such other addresses as the respective parties may from time to time designate by notice in writing:

If to the Ground Lessee:

Guam Education Financing Foundation II, Inc.
c/o Mr. Richard B. Inman, Jr.
3060 Peachtree Road
Suite 1700
Atlanta Georgia 30305
Telephone: 404/504-2772

Facsimile: 404/504-2790

with a copy to:

[Address of Ground Lessee's counsel to come]

Telephone: _____

Facsimile: _____

If to the Ground Lessor:

The Chamorro Land Trust Commission

P.O. Box 2950

Hagåtña, Guam 96932

Telephone: 671/475-4292

Facsimile: 671/477-8082

with a copy to:

Government of Guam

Office of the Governor

P.O. Box 2950

Hagatna, Guam 96932

Attention: [_____]

Department of Administration

P.O. Box 884

Hagatna, Guam 96932

Attention: Director

Telephone: (671) 475-1250/1234

Guam Economic Development Authority

590 South Marine Corps Drive

ITC Building, Suite 511

Tamuning, Guam 96913

Attention: Administrator

Telephone: (671) 647-4332

Facsimile: (671) 649-4146

SECTION 15. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

SECTION 16. Applicable Law.

This Ground Lease shall be governed by and construed in accordance with the Organic Act of Guam and laws of Guam.

SECTION 17. Amendments.

This Lease may be amended in writing as may be mutually agreed by Ground Lessor and Ground Lessee, subject to any restrictions contained in the Trust Agreement, and subject to any applicable limitations of Guam law.

SECTION 18. Execution.

This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Ground Lease may separately be executed by the Ground Lessor and the Ground Lessee, all with the same force and effect as though the same counterpart had been executed by both the Ground Lessor and the Ground Lessee.

IN WITNESS WHEREOF, the Ground Lessor, by its duly authorized representative, has executed this Ground Lease as of the date first above written.

CHAMORRO LAND TRUST COMMISSION

By

Administrative Director

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

IN WITNESS WHEREOF, the Ground Lessee, by its duly authorized representatives, has executed this Ground Lease as of the date first above written.

GUAM EDUCATION FINANCING
FOUNDATION II, INC.

By: _____

President

By: _____

Secretary

[ACKNOWLEDGMENTS ATTACHED]

EXHIBIT A

Legal Description of Site

RECEIVED

NOV 07 2012

Department of Land Management

Time: 8:37 Int: WJ

ISLAND OF GUAM
OFFICE OF THE GOVERNOR
HAGĀTÑA, GUAM 96932
U.S.A.

Reorganization Advisory No. 9

This is to notify Guamanians that I have exercised 48 United States Code §1422c.(c), a provision of the Organic Act of Guam, which reads: (c) *Reorganization. The Governor shall, from time to time, examine the organization of the executive branch of the government of Guam, and shall determine and carry out such changes therein as are necessary to promote effective management and to execute faithfully the purposes of this chapter and the laws of Guam.*

October 1, 2012

I approved the reorganization of land services today. Effective October 1, the Chamorro Land Commission and the Ancestral Lands Commission will be merged into the Department of Land Management.

Monte Mafnas will be the new director of Land Management.

This reorganization will begin the process of:

1. Identifying redundancies and eliminating them
2. Consolidating functions and services for better and faster service to the customers of this agency
3. Consolidating resources and breaking down bureaucratic barriers
4. Eliminating duplicated costs, such as rent, utilities, travel and training

This is just the first phase of the process for this agency. As part of this first phase, there is an immediate elimination of the following positions:


1. Administrative Director of the Chamorro Land Trust Commission
2. Administrative Director of the Ancestral Lands Commission (to be phased out)
3. One private secretary position
4. One Engineering Aide position
5. One Land Abstractor position

By attrition, other positions will soon follow.

It is my intention to conduct the streamlining of the government of Guam workforce from the top, down. This is why the first layoffs/position eliminations are at the highest levels of the land services programs in this reorganization. As we move forward with further reorganization of other services and programs, this is how the layoffs/position elimination process will ensue.

The Director of Land Management will assess the new organization and provide further layoff plans, as needed to make his agency more efficient and to assist in reversing the structural imbalance of the General Fund.

This Reorganization Advisory No. 9 amends and supersedes Reorganization Advisory No. 5, issued on September 21, 2011.


EDWARD J.B. CALVO
Governor of Guam



ISLAND OF GUAM
OFFICE OF THE GOVERNOR
HAGÁTÑA, GUAM 96932
U.S.A.

Reorganization Advisory No. 5

This is to notify Guamanians that I have exercised 48 United States Code §1422c.(c), a provision of the Organic Act of Guam, which reads: (c) *Reorganization. The Governor shall, from time to time, examine the organization of the executive branch of the government of Guam, and shall determine and carry out such changes therein as are necessary to promote effective management and to execute faithfully the purposes of this chapter and the laws of Guam.*

September 21, 2011

I approved the reorganization of land services today. Effective October 1, the Chamorro Land Commission and the Ancestral Lands Commission will be merged into the Department of Land Management.

Monte Mafnas will be the new director of Land Management.

This reorganization will begin the process of:

1. Identifying redundancies and eliminating them
2. Consolidating functions and services for better and faster service to the customers of this agency
3. Consolidating resources and breaking down bureaucratic barriers
4. Eliminating duplicated costs, such as rent, utilities, travel and training


This is just the first phase of the process for this agency. As part of this first phase, there is an immediate elimination of the following positions:

1. Deputy Director of Land Management
2. Administrative Director of the Chamorro Land Trust Commission
3. Administrative Director of the Ancestral Lands Commission (to be phased out)
4. One private secretary position
5. One Engineering Aide position
6. One Land Abstractor position

By attrition, other positions will soon follow.

It is my intention to conduct the streamlining of the government of Guam workforce from the top, down. This is why the first layoffs/position eliminations are at the highest levels of the land services programs in this reorganization. As we move forward with further reorganization of other services and programs, this is how the layoff/position elimination process will ensue.

The Director of Land Management will assess the new organization and provide further layoff plans, as needed to make his agency more efficient and to assist in reversing the structural imbalance of the General Fund.


EDWARD J.B. CALVO
Governor of Guam