



Eddie Baza Calvo
Governor of Guåhan

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Commission Members

Michael J. B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

(Vacant)
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(Vacant)
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Monte Mafnas
Administrative Director

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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COMMISSION MEETING MINUTES
Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, July 18, 2013; 1:10pm – 3:15pm

I. CALL TO ORDER

Meeting was called to order at 1:10pm by Acting Chairman Michael Borja.

II. ROLL CALL

Present were Acting Chairman Michael Borja, Vice-Chairman David Matanane, Commissioner Amanda Santos, Legal Counsel Robert Cruz and Director Monte Mafnas.

III. APPROVAL OF MINUTES (June 20, 2013)

Vice-Chairman David Matanane moved to approve the minutes of June 20, 2013. Commissioner Amanda Santos seconded the motion. There were no objections, MOTION PASSED.

Acting Chairman Michael Borja – I have a question here on the minutes just to follow through on a couple of things, Mr. Cruz were we able to get any information on the timeline of the eviction of Layao?

Legal Counsel Robert Cruz – I still haven't filed yet I'm working with the Director, we met the other day to try to get the facts.

Acting Chairman Michael Borja – Because we have somebody pending on the division of that land right?

Legal Counsel Robert Cruz – Yes so I was appointed as a Special Assistant AG by the AG's Office. So I hope by next week we can get that.

Acting Chairman Michael Borja – Okay yes if we can get that thing resolved as soon as possible because it's holding up a lot of other things here.

IV. PUBLIC COMMENTS – None.

V. OLD BUSINESS

1. USDA's commitment to current MOU with emphases in Dededo Director Monte Mafnas – USDA just wanted to inform the Board that they want to engage and effectuate the MOU forward with the new rates and Dededo being included.

Acting Chairman Michael Borja – Oh so Dededo is now included as part of the USDA, it was originally not known because of the population size.

Rev. 09/21/2012

Director Monte Mafnas – Yes.

Acting Chairman Michael Borja - So people who have land in Dededo can qualify for this USDA loan.

Director Monte Mafnas – Correct so that was the purpose of that and they would be willing to do a spreadsheet and explain everything but they wanted to inform the CLTC members right now.

Acting Chairman Michael Borja – Okay.

Vice-Chairman David Matanane – In the next meeting?

Director Monte Mafnas – The next meeting yes.

Acting Chairman Michael Borja – Okay. On the last meeting we had asked to find out what the status was on designation of multiple beneficiaries. Were we able to look into any of that?

Commissioner Amanda Santos – Is there any limitation to the beneficiary?

Acting Chairman Michael Borja – I think originally it's only supposed to be one. But what has happened in the past that was overlooked or not complied with properly so it's put us into a dilemma so what we're going to end up having to do here after this is probably look through the files for any multiples and then have them correct it.

Director Monte Mafnas – I've had conversations with the Deputy and our Administrator and we'll memorialize this with our legal counsel so that if there's any multiple beneficiaries we will have them rate it number one, number two, number three for whatever personal reasons they may have. Otherwise we want to go back to just one as we move forward in the application of CLTC lessees we only want to encourage one beneficiary. But those that have been established in the past we want them rate one, two, three.

Acting Chairman Michael Borja – Okay.

2. Marcel Camacho – Commercial license status

Marcel Camacho – Good Afternoon Commissioners my name is Marcel Camacho. To give you a little bit of history I've approached the Chamorro Land Trust Commission as far back as 2002 and back then I had the vision of trying to establish some commercial developments on the island in two locations. One up in the Yigo area across from the Yigo gymnasium and the second location in the back road to Andersen somewhere where Carnation Avenue intersects with Route 15 coming from Latte Heights and down to Marbo Cave valley. Back then I went to the process of trying to identify Chamorro Land Trust properties that would be suitable. We had agreed, we brought it to the Board and the Board sanctioned it and then only to go back later on to find out that the location on Route 15 was no longer available and so we had to go back to the drawing board again and look for an alternative. I think in 2004 the minutes of February 16 I'm sorry February 16, 2005 it will

reflect that I came before the Commission again and we had found a lot that was suitable on Route 15 and the Board had back then approved again the motion made by Commissioner Matanane at the time to approve the substitution of the alternate parcels requested. So then in fact the Commission granted me the request. The process after that was to initiate the contract for the lease or the license and I had been trying repeatedly with the different administrations to accomplish that and I have not succeeded. So with the new administration I have asked the Director now for assistance and I appear before you today to ask for your guidance and assistance in achieving my vision.

Acting Chairman Michael Borja – So the property in Yigo that one is completed the license on that is but we're still trying to work on that one.

Marcel Camacho – I think that the lots or the areas have been identified but of course the lots are much larger than what was committed and so there has to be a process of subdividing the lot into the correct size. That's not a problem we're willing to bear the cost of it. In addition to that it's really the contractual side that concerns me the most the legal side can I get a lease. I understand that the rules and regulations for the lease have not been approved by the legislature and hence that might delay the process. In addition to that the license in the absence of Legal Counsel on your part I'm willing to pay for an attorney to draft the license if that's what it takes and then from there present it the Land Trust for approval. But I think if I can get going and you can give me some direction on some of the thoughts that I have in order to move it along I'd appreciate it.

Director Monte Mafnas – I would like to inform Mr. Camacho that there's a new law that was codified recently and the laws says that Chamorro Land Trust can grant a license for a term of five years only and also there's another law that necessitates two appraisals on any application to lease land from Chamorro Land Trust. So I will be glad to work with Mr. Camacho to get the survey maps get the appraisals taken care of and work with him and his attorney to effectuate a commercial license.

Acting Chairman Michael Borja – But as we had discussed before with Senator Pangelinan I think one of the issues here too is that if for example something like this needs a much longer term then it has to be a public law that allows that number one. Number two, there needs as you sort of mentioned too, a creation of some commercial rules and regs right?

Director Monte Mafnas – Right.

Acting Chairman Michael Borja – That's where we don't have that one specifically. We have rules and regs for leases for agricultural and residential but for commercial licenses there's not one. There's some issues on what lands should be used for commercial purposes because that would be the life blood of what the Commission can use to help for funding other aspects that we need. So the two of you can work together to try and sort this out and then let's move to developing those rules and regs. Is that what we need to do?

Director Monte Mafnas – That is correct. Also as of two days ago I met with GEDA and their team addressing the fact that we need to finish the rules and regs once and for all. For the sake of clarification CLTC has submitted three times to the legislature the commercial

rules and regs and three times it was denied. But we're going to go forward and readdress it and work with GEDA. The MOU between CLTC and GEDA has been approved so we're moving forward in that direction.

Acting Chairman Michael Borja – And they were supposed to do a lot of this kind of stuff on our behalf right, commercial leases and whatnot?

Director Monte Mafnas – Yes.

Acting Chairman Michael Borja – Okay.

Marcel Camacho – Mr. Chairman if I can just add it was always my intention to try to secure a commercial lease. I am Chamorro and by birth I think I'm entitled to a lease for the property. Because the rules and regulations for the lease have never been adopted by the legislature I threw out the option of a license because I know that licenses are issued right now to even non-Chamorros. But if we go the route of licensure and not a lease as an interim solution that we build into the license that if and when the rules and regulations for a lease are adopted that we be able to convert it to a lease without going through a very heavy bureaucratic process. So I can be patient on the lease knowing that I can start the development today and transfer to a lease at some point in the future.

Acting Chairman Michael Borja – Right but I think the law right now for leases is that it's either a single residential type of lease or an agricultural lease whereas everything else it's kind of deemed commercial for larger scaled properties. But yes if there's something that can be worked out but as Mr. Mafnas mentioned the issue of this new law that says that there's now a five year limitation on these licenses that we have. But it can be worked around because there are obviously certain things that require greater than five years but that has to be by act of law and not by just the simple rules and regs. Because it wouldn't be in your interest for every five years having to go and hope that you're renewed that doesn't make sound business sense at all for anything commercial.

Director Monte Mafnas – But a couple of things number two you can request optional terms, optional periods for a period of five years but multiple options. Number one, that we can seek to amend the law specifically for your commercial license and Senator Pangelinan did mention that he would revisit it on an as needed cases okay.

Acting Chairman Michael Borja – So you're going to work with Mr. Camacho and GEDA to work towards this. Now the land that you are looking at that was formerly back in Route 15 somewhere in that area that's (interrupted).

Director Monte Mafnas – The corner of Route 15 and Carnation Road.

Acting Chairman Michael Borja – That's still not finalized right? That's just proposed or is that what was the substitute Mr. Matanane, what was you mentioned that there was a substitute back in 2005? Where would that land be again?

Marcel Camacho – I believe what happened was there was a realignment of the roadway that intersection to ensure that it became a cross (interrupted).

Director Monte Mafnas – A four way stop.

Marcel Camacho – A four way stop and so I think we had looked at the land that was vacated in between the old roadway and the new roadway as an alternative and if that's not available then we were looking at the other side of the street the Oceanside that corner there.

Acting Chairman Michael Borja – Oh I see what you're talking okay I know where you're talking about now.

Marcel Camacho – Going down to Marbo Cave.

Acting Chairman Michael Borja – But is that fully resolved with the Marines yet?

Marcel Camacho – No I think the Marines are further north.

Director Monte Mafnas – Further north.

Marcel Camacho – I don't want any of the ancestral lands area.

Acting Chairman Michael Borja – Okay.

Director Monte Mafnas – Well the four corners have been leased to the Jackson family and if I'm not mistaken and Margaret you can correct me if I'm wrong what Mr. Camacho is idling to is the top western side more towards the Adacao side and that's the corner. And to my knowledge it's still available no one expressed interest.

Acting Chairman Michael Borja – But there's something going on there. Who is all inside there?

Director Monte Mafnas – No there's squatters there's trash.

Acting Chairman Michael Borja – Okay.

Marcel Camacho – Alright thank you then.

Vice-Chairman David Matanane – On your commercial license what were you planning to do as commercial?

Marcel Camacho – Back then we were thinking about the opportunity for a service station, a convenient store, personal services like barber, beauty shop, ATM machines things along that line.

Director Monte Mafnas – So the Board did approve it Mr. Chairman but subsequently never gave him a lease because of the self-imposed moratorium by CLTC.

Acting Chairman Michael Borja – Okay so you're comfortable?

Marcel Camacho – Yes.

Acting Chairman Michael Borja – Okay so work with Monte.

Marcel Camacho – I look forward to working with the Director in moving this and I thank all of you for your attention.

Acting Chairman Michael Borja – Okay you're welcomed.

Director Monte Mafnas – Thank you Mr. Camacho.

Commissioner Amanda Santos – That's for five years?

Acting Chairman Michael Borja – Well no we'll see what we can but the law says only five years.

3. Arthur Gibson – Unqualified spouse

(Present: Jesse Camacho, April Camacho, Janalyn Jackson and Antonio C. Camacho)

Jesse Camacho – We're here to counteract on Arthur Gibson. He's the surviving spouse of Carmelita Camacho and these are the descendants.

Acting Chairman Michael Borja – You're the daughters of Carmelita?

Jesse Camacho – Yes and these are the beneficiaries of the lease agreement.

Acting Chairman Michael Borja – Okay so who are all the beneficiaries? State your names.

April Camacho – Janalyn Camacho, Vironica and Christina.

Acting Chairman Michael Borja – There's two people?

April Camacho – Three. My disabled sister the oldest is Christina and my sister Janalyn Camacho or Jackson sorry and my younger sister Vironica Camacho.

Director Monte Mafnas – Are you all of legal age 18 years over?

April Camacho – Yes.

Director Monte Mafnas – Very good. They are listed as beneficiaries.

Commissioner Amanda Santos – Mr. Mafnas where are they from?

Antonio Camacho – Adacao.

Jesse Camacho – Carnation Avenue.

Director Monte Mafnas – Yes Mr. Chairman they are listed as beneficiaries.

Acting Chairman Michael Borja – Okay go ahead and one by one if you want please state what you have to say.

Jesse Camacho – We've had numerous issues, we just came back from Missouri, me and my wife because her mother passed away. When we got here all Arthur was trying to do is take control of the property and not inform these guys on what to do so that's why we've been coming back and forth to the Land Trust. So we finally got all the paperwork together that we need to know because we didn't know what to do. He's called the police department GPD on all of us about four or five times and we've been evicted by GPD and we spent the night and days out on the street and we have kids. We have a toddler here and two other kids and we have a mentally and physically disabled person. And we were living out in the street because the Police Officer acknowledged him as the surviving spouse but he's not a Chamorro.

Acting Chairman Michael Borja – So you guys were all living in the same house together when your mother was alive.

April Camacho – Yes.

Jesse Camacho – I don't understand why GPD would acknowledge his rather than the beneficiary that's on the lease agreement. Just yesterday one of the Sergeants that is knowledgeable about the law and Land Trust informed us to come down here and get a copy of the beneficiary listing. So when we did that we turned it in to GPD and they escorted us back up to go back and live in there and not to be chased out anymore. But he keeps repeatedly doing it on different shifts that is not knowledgeable and we keep getting kicked out in the street. It's stressing us out.

Acting Chairman Michael Borja – So he's still living in the house along with the two of you, is there one building on this land?

Jesse Camacho – There's one building but the problem is he no longer lives there. He moved out and left a couple of items there and that's his excuse to come back in and out of the house. He walks in and out of the house as he pleases.

Acting Chairman Michael Borja – Why did he move out?

Jesse Camacho – Because when we got knowledge of what to do with Land Trust and the death certificate and everything he just packed his stuff one night and left. He didn't tell us anything. He dumped all the bills on us that he said that he's being paying. We had our power and water and telephone disconnected and we had a hard time trying to reconnect it.

Acting Chairman Michael Borja – Whose name was it under?

Jesse Camacho – It's under Carmelita the deceased. So right now we're in the process of doing the paperwork on Land Trust and we're having a problem there with him showing up and calling the police.

Acting Chairman Michael Borja – Now when your mother was still alive and you were all residing in the same house along with Mr. Arthur Gibson were you guys having this kind of difficult relationship as well?

April Camacho – No only after my mom died.

Jesse Camacho – Only after she died.

Acting Chairman Michael Borja – Only after she passed away?

Jesse Camacho – Yes. There's all the vehicles that are on the property he's claiming that it's his but there is nothing on paperwork or anything any asset or anything that belongs to him or his name is under. He took away our vehicle that we use that's the mom's vehicle.

Acting Chairman Michael Borja – Now you guys have one sister that is not here but was here two months ago with Mr. Gibson now who is her guardian?

April Camacho – No one yet we're still in the process.

Acting Chairman Michael Borja – Who was her guardian?

April Camacho – My mom but we're in the process of getting it but we're just waiting for them to call us for the court hearing.

Acting Chairman Michael Borja – Okay so you've gone through an attorney to arrange for guardianship of your sister.

April Camacho – Yes.

Acting Chairman Michael Borja – Is he trying to become a guardian?

April Camacho – He wanted it at first but he gave it to us because we wanted to take that responsibility of her.

Jesse Camacho – He tried to apply for it through legal and everything you know attorneys and all that but he cannot qualify or he cannot be a guardian.

Acting Chairman Michael Borja – Why was he being denied?

Jesse Camacho – He's not family he has no (interrupted).

Acting Chairman Michael Borja – He's not related directly?

Jesse Camacho – Yes he's just a step father for one and then his identifications were all expired and stuff, proof of identity and things. He has no license it's been red flagged you know. That's why he was disqualified.

Director Monte Mafnas – Janalyn and your sisters do you guys want Arthur Gibson to live in this lease?

April Camacho – No.

Director Monte Mafnas – Did you ever tell anybody you don't want him there?

April Camacho – We've been telling the cops.

Jesse Camacho – We've been doing it and we've been coming here. So they gave us the procedure of doing the paperwork. But right now what he did right now is when he's been calling GPD and kicking us out in the street that showed GPD that we are homeless and unable to take care of her. So what GPD did was gave her to Arthur because he has a place. There's another place that belongs to Carmen the deceased and he moved up there and that's another place that he's trying to claim too or he's claiming. But she's not with us right now and we're trying to get her back but they're giving us a hard time.

Acting Chairman Michael Borja – So he is living in another residence that is owned by your deceased mother Carmelita Perez. Now this house on this property who built it?

Antonio C. Camacho – I was a resident there when there was only a few. The uncle built the house but Gibson finished the corner portion of the house. The problem out there in Adacao I don't know, I don't know if you guys are aware of the Public Law you guys need to follow the law Public Law 36-38 which stipulates that the descendants of the deceased man or woman and the boy has no children from that woman okay it's stipulated he has ten days to vacate and Land Trust if there is no siblings Land Trust would award it to the next Chamorro. So the next law it says whoever is the sibling of the deceased is under the law to apply and continue that residence. But yet the GPD there's one who told me like I told you yesterday the GPD says Land Trust don't know their job or the law okay and I stated it to Mr. Aldan and Aldan all he did was smile at my face and turned around. Every time someone claim for their own property GPD comes and entertain this Gibson. Why? I don't know. Maybe because of money I don't know or this GPD these young cops they come up there and they harass us residents. I've seen this house built, I see these kids grow. This is my sister's son and the wife but I said I will go up there and testify for you guys. I really feel that this guy has no right on that place okay and to make these kids homeless and the disabled. I home their daughter and my nephew at my house for one week okay and yet I don't know if the police officer is making sure that that house no one enters into that house which don't belong to him. So like I say if Gibson being a colored individual is allowed to go to Land Trust land why isn't my wife and she's German okay? Chamorro by injection but she's German. But yet I feel that it is wrong for Gibson to apply and occupy Land Trust land and he's not Chamorro. That's why I'm here because I was there in that residence when this house was going up. That was jungle you know I had to walk three miles to a toilet.

Acting Chairman Michael Borja – What's your relation to Carmelita Camacho?

Antonio C. Camacho – She was a good friend.

Acting Chairman Michael Borja – Carmelita is your friend no relation?

Antonio C. Camacho – Neighbor, next door neighbor.

Acting Chairman Michael Borja – And then you two are the daughters and you're the son-in law, okay.

Director Monte Mafnas – I would like to with the blessing of the Board to work hand in hand with them the Camacho siblings and take it to the top of GPD and inform them that (interrupted).

Commissioner Amanda Santos – Take the name of the Officer who was harassing them, he has no right to interfere.

Director Monte Mafnas – As promulgated the legal opinion from the Attorney General and working with the powers of GPD to inform them of the rights.

Acting Chairman Michael Borja – Is it the law or the rules and regs that talks about the beneficiaries?

Director Monte Mafnas – It's the rules and regs.

Acting Chairman Michael Borja – So the rules and regs that we have over at the Chamorro Land Trust Commission which was confirmed or approved by the Legislature states who can be a beneficiary and who's eligible to be a beneficiary and that that beneficiary has to be documented with the Chamorro Land Trust Commission, that we have the paperwork. It shows that there are three individuals documented as the beneficiaries to the three daughters and so we have to honor that by law and that's what we have to work with. And then as far as well who else is eligible you have to be according to our rules and regs eligible to be a beneficiary. So like you said Mr. Camacho your wife even though she's your spouse (interrupted).

Antonio C. Camacho – My children will cover my wife.

Acting Chairman Michael Borja – Right that your children will be I mean if you had land as well would qualify most likely as beneficiaries. I mean there's qualification requirement. And so that's where Mr. Mafnas is talking about so he can work with the Guam Police Department to formally notify them of who is properly allowed to be on that property so that we don't have any more of these kinds of issues.

Director Monte Mafnas – Also Mr. Chairman I would like to interject we invited Mr. Gibson to present his case once and for all and he said he was going to attend and did not to quantify him of his claims. Is he a native Chamorro, does he have any birth certificate to substantiate his claims?

Acting Chairman Michael Borja – For the record Mr. Gibson did supply a letter received on July 12 by the Department of Land Management stating his claims. But we did inform him when he came before the Board two months ago concerning the issues of unqualified spouse that his is not the first case that has come before us regarding unqualified spouse and there is an Attorney General's opinion on this that goes back to 2006. So that certainly applies to this case as well. So Mr. Mafnas will work with you guys directly so we can number one not have any more of these issues of Guam Police Department misunderstanding what their responsibilities are and then move forward from here on resolving this completely. I just want to make sure, I know that you have a sister that is not able to care for herself and I know you guys are moving towards trying to get guardianship of this young lady. Who is caring for her right now?

April Camacho – She's stays with my brother right now.

Acting Chairman Michael Borja – Okay so there's another family member that you have that's not listed as a beneficiary right?

Jesse Camacho – But see what his intention, Mr. Gibson's intention is to take her away from us which he did legally because we were homeless and numerous reports to GPD makes us the bad people so they handed her over to. So what he's going to try to do is if he can't go this route he's going to go take it to the other route where he's going to get a hold of Christina and do it that way.

Acting Chairman Michael Borja – So there's another residence that he's living at that was owned by your mother.

April Camacho – Yes.

Acting Chairman Michael Borja – And he has a place to live.

Jesse Camacho – He has a place to live but he continuously everyday harasses us, calls GPD. I mean we have a long list at Dededo Precinct in Mangilao that responds. We have like seven or eight police cars come every day, every other day and we're already terrified. We can't sleep because when we leave the premises he comes, change the door locks. I bought door locks yesterday to change it because he has keys.

April Camacho – He broke into the house when we were gone.

Jesse Camacho – He broke into the house had the neighbors break into the house and remove the door locks and put his and locked it up and we couldn't get back in.

Acting Chairman Michael Borja – Prior to your mother's passing you were already living there.

Jesse Camacho – We were all living there.

Acting Chairman Michael Borja – So this is not something you were occupying since she's passed away.

Jesse Camacho – No this guy was homeless before he entered, after she applied, she had the property and he just moved in. So he hasn't been staying there that long it was just a short term.

Antonio C. Camacho – So a letter a request is good from Land Trust to the Police Department that's what we need here.

Acting Chairman Michael Borja – Right and that's what Mr. Mafnas (interrupted).

Antonio C. Camacho – A letter to the Police Department to look at the law, contact you about the law, contact who's authorized (interrupted).

Director Monte Mafnas – I appreciate your comments but I know what I'm doing.

Antonio C. Camacho – The thing is this is a day to day basis that we suffer (interrupted).

Acting Chairman Michael Borja – So Mr. Mafnas will be and like he mentioned earlier he will be taking it up with the higher levels.

Director Monte Mafnas – Can you meet me tomorrow morning about 8:30? Just come up to my office Room 733.

Jesse Camacho – 733?

Director Monte Mafnas – Yes. With respect to the guardianship that's a court case Mr. Chairman that's beyond us but we will address the issue of him chasing them out, trespassing and them assuming the lease.

Acting Chairman Michael Borja - Okay.

Jesse Camacho – The only way we can and we've asked and they said that he has all the rights to walk in and out of the premises if we can take what's his belongings and take it outside of the property and whatever vehicle he's claiming that way he has no reason to come in.

Acting Chairman Michael Borja – I think what you should do is let's coordinate with probably even the Guam Police Department so that it doesn't escalate to anything more than what it needs to be okay. Because the emotions are pretty high and it does not need to be escalated to anything that results in violence okay.

Director Monte Mafnas – In the meantime just be civil, amicable.

Jesse Camacho – That's what we're doing. We're too terrified, we're sleepless, we're tired. We've went hungered I mean we haven't eaten for a couple of days because all of our food was inside. We just shopped a couple of days ago and we couldn't eat, we had no place to turn to except spend the night at the parking lot, on the side of the road, at the bus

stop. I mean that's no way for a family with kids. We're going to end up getting in trouble from CPS and getting arrested for a simple correction.

Director Monte Mafnas – Okay.

Acting Chairman Michael Borja – So meet with Mr. Mafnas tomorrow like he said.

Director Monte Mafnas – Thank you very much.

Jesse Camacho – Thank you very much.

Commissioner Amanda Santos – Take the name of the Officers down, write it down and turn them in.

Jesse Camacho – I have all the list of the Officers.

Commissioner Amanda Santos – They think they're above the law.

4. International Bridge & Construction Marianas Inc.

(Present: William Toelkes and Felix Batac)

Acting Chairman Michael Borja – We have one other item that's not listed under Old Business by mistake but Mr. Toelkes we'll go ahead and entertain the issues that we've had that's been on-going.

Director Monte Mafnas – Mr. Chairman I asked IBC as represented by Mr. Toelkes to give us the final numbers for two things. One, his concrete panels that we may use and number two, is have him give us the numbers to build a house for Mr. Taitano. Because Mr. Taitano we are relocating to another site and he has a concrete house on site so in all fairness we're going to relocate and build him a concrete house. Nothing elaborate of course but Mr. Toelkes can you tell us what numbers you have?

William Toelkes – Well we worked up several numbers but we need to have a specific site.

Director Monte Mafnas – Unfortunately there was not, Mr. Taitano declined some sites that we offered him.

Acting Chairman Michael Borja – He declined?

Director Monte Mafnas – Yes but I have a meeting with him Friday to resolve that once and for all.

William Toelkes – If we can resolve it what I'd like to do is use this as a model site for the other stuff and we can keep accurate cost for the Trust and we can see what it's going to take to satisfy the people that these units are going to go into. The first unit is where I'm concerned it is going to be a test unit for us so we'll assume all expenses.

Director Monte Mafnas – The purpose of this exercise Mr. Chairman is IBC has been renting Chamorro Land Trust property and have not paid the rent and agreed to off-set the construction capabilities and the panels to catch up with the rent. Now what transpired in the past is the past but as we move forward they're coming before us to make good on their word. So that's why we're entertaining this request. Well we're looking at it we haven't actually signed off.

William Toelkes – If we maybe get a site because that's important like do we have to build a septic tank or the water is and so forth it makes a lot of difference.

Vice-Chairman David Matanane – Probably if you can make the estimate of what it would cost and you finalize it and give us the amount and we will compare as to what amount we can afford.

Acting Chairman Michael Borja – Right but he just needs to know what piece of property. So we haven't figured out that.

Director Monte Mafnas – No we haven't figured it out.

Acting Chairman Michael Borja – Because he declined on the property that was proposed.

Director Monte Mafnas – Right.

William Toelkes – We looked at the place before he declined that.

Director Monte Mafnas – So it's not their fault.

Acting Chairman Michael Borja – Right so where are we on Mr. Taitano?

Director Monte Mafnas – I will meet with Mr. Taitano Friday morning.

Acting Chairman Michael Borja – Okay.

William Toelkes – We're ready to go.

Vice-Chairman David Matanane – So we would know the cost of those panels (interrupted).

Director Monte Mafnas – They have the cost.

Vice-Chairman David Matanane – When they do build it so we would know the accurate off-setting amount that's what I'm concerned of okay.

William Toelkes – There's a lot that goes in this besides just the panels. The cost of the panels I can give you it's about a dollar and seventy-five cents a square foot is what the panels would cost.

Vice-Chairman David Matanane – We need to find out the amount of the panels, the work related stuff that is needed to put it up so we would know at the end we would know what's the estimate value or the value itself for the cost of construction.

William Toelkes – Based on the preliminary design we gave Mr. Mafnas we got (interrupted).

Vice-Chairman David Matanane – Oh you did okay if you did give Mr. Mafnas the estimated value of the work that is going to be done (interrupted).

Director Monte Mafnas – Only today but there's six hundred thirty and eight hundred square feet homes something like that right Felix?

Felix Batac – Yes.

Director Monte Mafnas – The money amount I just heard today but they gave us different types of (inaudible), I mean how big they can build.

Vice-Chairman David Matanane – What I'm worried of is as long as the project is done and the off-setting value is more than what you need to off-set and we have to pay you.

William Toelkes – No.

Vice-Chairman David Matanane – Okay that's where I'm coming from. So if you off-set the amount the job that you've done we won't come back and say oh you still owe us.

William Toelkes – No.

Vice-Chairman David Matanane – So you know where I'm coming from Mr. Toelkes and we don't want to be coming here and waiting for the extra adjustment that we need. Settle it with Mr. Mafnas and at least give us an estimated value so the off-setting is not more or less.

Director Monte Mafnas – Right because you know besides the (interrupted).

William Toelkes – We're not going to get into that situation I'll guarantee you that. We had to get building permits and things like that and the first thing we have is the site.

Acting Chairman Michael Borja – But I guess what we're talking about is you have an estimated cost of just what it would cost to put down let's say if the land was already flat but it could go up higher if for example the land needs excavation and stuff like that right?

Director Monte Mafnas – No the panels are defined.

Acting Chairman Michael Borja – The panels are defined right (interrupted).

Director Monte Mafnas – That's the number right?

William Toelkes – Yes.

Acting Chairman Michael Borja - The cost of the concrete wall, the cost of the plumbing leading in and out.

William Toelkes - But the erected cost we can and the additional items we have to have we can give you a price per square foot and then it's going to depend somewhat on what the person that we're building the place for is going to expect.

Acting Chairman Michael Borja – Okay.

William Toelkes – So if we can kick out a site next week some place.

Director Monte Mafnas – There's two things here that concerns me Mr. Toelkes number one, he has a standard living condition home so he maintains a standard living not any luxurious amenities. Number two, the size of the house shall be the same size those are the major concerns. But having him choose the amenities is not acceptable it has to be just standard living conditions.

William Toelkes – He can't use one of the lots that we've developed up there before where we put the roads and stuff in?

Director Monte Mafnas – A lot of those leases have been executed already. We'll see what we can do because he wants to continue to farm.

William Toelkes – I know he does, yes.

Director Monte Mafnas – So no, that's not possible, that site is all residential.

Acting Chairman Michael Borja – But you're going to work that out tomorrow with Mr. Taitano on an appropriate location to relocate to.

Director Monte Mafnas – Yes sir.

Acting Chairman Michael Borja – Okay and then be touch with Mr. Toelkes.

Director Monte Mafnas – Yes we'll be in touch okay. Thank you Mr. Toelkes.

William Toelkes –Thank you and I'd like to get started as soon as possible.

Acting Chairman Michael Borja – Okay thanks a lot for coming.

Director Monte Mafnas – Thank you for your time.

VI. NEW BUSINESS

1. L.K.C. Farmers Corporation – Commercial request to produce vegetables

(Present: Joseph Cruz, Kim Sung T., Ki Don Lee and Hyon Lee)

Joseph Cruz – Good Afternoon Board Members, Director Mafnas and Legal Counsel Cruz. First of all we'd like to thank you for allowing this time to appear before you in regards to the commercial agriculture request for L.K.C. Farmers Corporation. Before we start I'd just like to mention that if we are allowed or granted the property we will no way create a negative effect with the other local farmers. Our intention is not to compete with them, meaning like growing eggplant or string beans or anything that is commonly grown on Guam. We are looking more at things that are imported to Guam. Vegetables are imported to Guam like head cabbage, bell pepper, paprika, things of that nature that can be grown on Guam. The idea came about between the four of us when there was a notion of increasing tariff taxes at commercial port which of course would be passed down to the consumers. And then with the experience of my partners Mr. Lee who was the previous owner of Guam Supermarket in Mangilao, Mr. Kim who is a retired U.S. Army Sergeant and Mrs. Lee who was a previous owner of a restaurant and myself as a personal consumer the quality of products that are being sold at the markets are okay. They're marketable because we buy it because we have no choice and we wanted to provide more quality and fresher vegetables for our consumers. We included in our business plan a sample farm layout which is based on three phases. Year one as shown in the plan exhibit A it shows the types of crops that we will be farming and at the end of the year after the last harvest we would need to move on to year two because we would also be practicing soil reconditioning which is needed to rejuvenate the nutrients or oxygen that was used by the previous crops. Aside from that we would also be working with USDA in regards to the pesticides on what's authorized or what is safe for the environment and consumption and with Public Health because we're also proposing to have a processing area which of course is like a restaurant where you deal with food and you need a health certificate and all those other things involved in it. At the end of year two if it is granted we have decided to give back as part of our civic duty we would offer two scholarships to the University of Guam to those individuals who are majoring in horticulture or in those areas with the condition that they perform a certain amount of community service hours.

Director Monte Mafnas – Mr. Chairman although I recognize and I laud and applaud the business plan and the farm plan I did mention to L.K.C. that at best we should start with five acres not the ten, not twenty, not thirty and grow into and demonstrate to the Board that they're really using it and real bona-fide farmers. Is that correct? I did mention that to you guys right?

Joseph Cruz – Yes sir. We are grateful for that too based on the output or usage.

Acting Chairman Michael Borja – You think you're going to have a good return on your investment like what you're already showing you have a projected income statement would that get you into the black about the same rate just on a smaller scale?

Joseph Cruz – In year one we will realize the loss because like on our example because of all the upgrades and improvements. But in year two if we come back by the end of year

one and year two you should grant us another increment that should be able to keep us going.

Acting Chairman Michael Borja – Year two is dependent on being able to get another land increment so that you can have expansion right and as you mentioned to also to allow the previous soil to rejuvenate it.

Joseph Cruz – Also I forgot to mention at year three if it is granted we are looking at also providing the vegetables that we produce within a two thousand foot radius of Guam. That won't only benefit us but we will also open it up to local farmers who have no networking or capital available to even get into that kind of arena.

Acting Chairman Michael Borja – I don't understand what do you mean?

Joseph Cruz – Exporting.

Acting Chairman Michael Borja – Exporting the product off island?

Joseph Cruz – At the end of year three after we've fulfilled the demand on our island.

Acting Chairman Michael Borja – So like at the other islands?

Joseph Cruz – Yes sir.

Director Monte Mafnas – Also I did inform them to work closely with USDA and Farmer's Services and NRCS.

Acting Chairman Michael Borja – Where are we looking at, at a proposed area?

Director Monte Mafnas – This is in Dededo.

Acting Chairman Michael Borja – And how are we doing this? How are we looking at doing this?

Director Monte Mafnas – Designate a basic lot that they can begin the pilot project and move forward.

Acting Chairman Michael Borja – So is this going to be as a lease or a license?

Director Monte Mafnas – A commercial license which also necessitates two appraisals, a survey and they understand that.

Acting Chairman Michael Borja – Okay and there's not an application process required all of this that goes like the other agricultural farmers.

Director Monte Mafnas – We just treat it like a commercial license.

Acting Chairman Michael Borja – At what cost to us? What's the price?

Director Monte Mafnas – Based on the appraisals, two appraisals, we'll come in on the mean of the two.

Acting Chairman Michael Borja – Okay and then we base our rental then.

Director Monte Mafnas – Correct.

Vice-Chairman David Matanane – They understand that it will be in incremental bases and also the acreage itself it should be rather than ten I believe five.

Director Monte Mafnas – To start off first.

Commissioner Amanda Santos – So how much per acre?

Director Monte Mafnas – Depending on the two appraisals.

Acting Chairman Michael Borja – Well that's what's not listed on your financial statement is any rent.

Joseph Cruz – We didn't have an idea.

Acting Chairman Michael Borja – Okay.

Vice-Chairman David Matanane – I'm all for it if it's born in incremental basis and based on the submitted appraisal value then we can come up with the total lease agreement at five years and then five acres.

Acting Chairman Michael Borja – Where will this be located at? Where were we looking at?

Director Monte Mafnas – Not too far from the old GEDA farm is it.

Acting Chairman Michael Borja – In which village?

Joseph Cruz – In Dededo.

Director Monte Mafnas – It's more from the Machanao side before you get to the golf course area. It used to be Hatsuho, it's Starts.

Acting Chairman Michael Borja – Okay the one off Route 3.

Director Monte Mafnas – Before you get to Potts Junction off Route 3 correct.

Vice-Chairman David Matanane – Are you sure it's Chamorro Land Trust property?

Director Monte Mafnas – It is Chamorro Land Trust property.

Vice-Chairman David Matanane – I'm all for it Mr. Chairman and we can go ahead and make a motion to work it out with the Director.

Commissioner Amanda Santos – Yes that's right I second it.

Vice-Chairman David Matanane – So that's the motion.

Acting Chairman Michael Borja – So the motion is to approve the L.K.C. Farmers Corporation for a license to have a farm and the motion has been seconded. There's no objections the motion is carried. Good luck.

2. Eugenio S. Aguon – submittal of farm plan

Eugenio Aguon – My name is Eugenio Aguon, I applied for farm land.

Acting Chairman Michael Borja – And we're looking at the area right now in Radio Barrigada.

Eugenio Aguon – Yes. First I would like to thank you for giving me this opportunity to try and get this land lease. I have this paper here my original application since May 1998. The prior administration would tell me you're just wasting your time because we're only entertaining 1995. I hope that maybe I'm not wasting my time here because when I go in Balbino would say can I help you, sign here. Mr. Quan would say oh, you're just wasting your time because we're only entertaining 1995. I always tell them I'm not looking for residential I'm looking for farm land. Anyway I am currently in the Farmer's Co-op, I am a bona-fide farmer, I deliver to IDI. I am currently farming my three acres ancestral property that returned just like last year. I just started really farming last year. There was no water I used to haul in my water. Now I ran my water I ran two thousand feet of pipe. I am only interested in one property and I know Monte knows that property.

Vice-Chairman David Matanane – Adjacent to your property.

Eugenio Aguon – Adjacent to the Chamorro Ancestral.

Director Monte Mafnas – Behind the Kinney's Café back in that area.

Eugenio Aguon – There is only, I believe there's only five acres there, it's undeveloped. All I'm asking is to give me a chance to farm. If I don't do anything in two years because I have to survey it, I have to clear it, take it back I don't need. But just give me a chance. The waterline that's going through my property is going through that forty feet easement on the Chamorro Land Trust that was given to five families for the road access. They need to open that road but I made a trail and I got my pipe back there running right next to me. I'm just asking that maybe you can consider my application for 15 years.

Director Monte Mafnas – I must apologize to Mr. Eugenio that it was my order that we identify the by passed list and begin with 1995. That was my instruction.

Eugenio Aguon – No, no this was prior from the last administration. Whenever I come in they tell me I'm just wasting my time.

Acting Chairman Michael Borja – So we have a situation here where Mr. Aguon is applying for an agricultural lease as opposed to the individuals beforehand who were getting a license to use properties.

Director Monte Mafnas – Yes and he's asking for five acres and we must quantify that he is a bona-fide farmer by submitting a farm plan. The rest of the other applicants they just want land. But Mr. Aguon clearly demonstrates that he's a farmer yesterday, today, tomorrow, bona-fide and he is producing at this time and he's identified the site. Fortunately he's at Ancestral right across the street from where this CLTC land is at.

Acting Chairman Michael Borja – And he's paid for the water to come in already.

Director Monte Mafnas – He's paid two thousand feet of water line.

Vice-Chairman David Matanane – I see you also have livestock.

Eugenio Aguon – Well that's the plan, I'm just on the plan right now. If it's good dirt then I'm just going to farm it all. If not then maybe I can do something about it even a greenhouse or something. Right next to me is the hydroponics the Australian guy, he's got that area.

Vice-Chairman David Matanane – How are you doing with your farming nowadays?

Eugenio Aguon – Good the only problem that I'm trying to get help from NRCS is the wild pigs. Since there's no power I'm trying to get solar or battery type electric fence or something. But there's a lot of wild pigs.

Vice-Chairman David Matanane – Is there a fence there or you're going to build a fence there.

Eugenio Aguon – No I'm looking into NRCS where if they can help me out on the fencing, electric fence but I don't have power maybe battery type or solar type electric fence just to deter the wild pigs.

Acting Chairman Michael Borja – There's a lot of wild pigs there they come through my yard all the time. Now we have had other applicants come forward with farm plans with dates that I can't recall they were probably like in the 2000 something but what are we asking to waive this individual's application to move forward based on his credentials and his already shown abilities, documented abilities?

Director Monte Mafnas – And we must laud and applaud him because he said you give me the land and in two years I'm not doing anything take it back. Now that's testimony that goes for real farming.

Eugenio Aguon – The reason why I want this area because it's right next to my ancestral. If you're going to give me Dededo I don't want it, I don't want it. I just want to be within that area because that's the only vacant Chamorro Land Trust that's right next to my area.

Director Monte Mafnas – When I first met with Mr. Aguon he said when he filed his application he had black hair before.

Eugenio Aguon – I have the map here.

Vice-Chairman David Matanane – Can I see. How big is the property adjacent to his?

Director Monte Mafnas – Five acres.

Vice-Chairman David Matanane – You got to understand that he has to take care of the parceling.

Director Monte Mafnas – Yes he will take care of the map. In addition Mr. Chairman and Commissioners no one has ever expressed interest on this property.

Acting Chairman Michael Borja – Because it's landlocked almost I mean there's an easement but its jungle. It's just a bull cart trail in there.

Director Monte Mafnas – So it's consistent with the use the highest and best use of farming.

Acting Chairman Michael Borja – What year is the (interrupted).

Director Monte Mafnas – In 98 two years off.

Acting Chairman Michael Borja – I personally don't have any issues with the intent and I trust Mr. Aguon but I just you know I'm trying to keep the balance of trying to keep the fairness of maintaining the order of the application times just to make sure that we don't cause some confrontations in the future for others that are going to want the exact same kind of favor. That is my concern because we've had other folks come before us asking the same thing but how can we waive them on this thing. Now the credentials are here. What is it going to be, how different is it for the next individual that's going to be asking this who is actually next on our agenda? What fairness is there in all of this? Are we going to continue to do this for everybody? You know I don't have a problem I'd rather see the land used properly and the people who have the ability to do it to do it the right way. Because you're right if they are just coming here to say give me five acres so I can go and farm tangantangan.

Commissioner Amanda Santos – They started planting the used cars.

Director Monte Mafnas – That's right.

Acting Chairman Michael Borja – Right and I don't want to see that I'd rather see it used productively. He followed everything else that we've asked for.

Director Monte Mafnas – But in the past those that requested did not come forth with a farm plan.

Acting Chairman Michael Borja – Wasn't there one, you were absent we had a young man who came to us he was asking for something down in the south someplace he didn't care where he had his whole plan.

Director Monte Mafnas – Oh Mr. Chairman and Commissioners please be advised that Margaret and David and the whole team have audited all the by passed people, applicants of 1995 listing. So we're reaching out to them to come in.

Acting Chairman Michael Borja – And what's their take I mean what is the deal do we have them just saying no I want something specific not what you're offering?

Director Monte Mafnas – Most of them or at least some of them their numbers have changed.

Acting Chairman Michael Borja – Oh so you weren't able to find them.

Director Monte Mafnas – Some of them have passed away.

Commissioner Amanda Santos – Some of them left the island.

Director Monte Mafnas – It gets complicated but we're moving forward. We will advertise as soon as we have some more money.

Commissioner Amanda Santos – So how many more applicants? Five thousand?

Director Monte Mafnas – Less than.

Acting Chairman Michael Borja – How do you feel Mrs. Santos about this application?

Commissioner Amanda Santos – I don't know maybe you can give him consideration if he's going to make use of the land and check if there's any improvement within one year.

Director Monte Mafnas – He said two years but survey will take some time.

Vice-Chairman David Matanane – **He's ready to work the land. I move Mr. Chair to have the Director work with Mr. Aguon on any and by the next meeting we will and I guess he has to comply with everything.**

Commissioner Amanda Santos – **I second it.**

Acting Chairman Michael Borja – Mr. Aguon how do you obtain one of these bona-fide farmers certification?

Eugenio Aguon – What I plant then I buy then they come and inspect. I have my current one here.

Acting Chairman Michael Borja – What are you planting right now again?

Eugenio Aguon – Cucumber.

Acting Chairman Michael Borja – Just cucumber?

Eugenio Aguon – Peppers.

Acting Chairman Michael Borja – So do you also comply with the UOG Extension Program and (interrupted).

Eugenio Aguon – Oh yes I am also a core certified. In order to sell your product you have to be core certified you take the test at EPA. Bill McDonald will tell you I'm in the Farmer's Co-op, I'm a member.

Acting Chairman Michael Borja – It's not that I don't trust your credentials I was trying to you know give myself some overriding reason why I should vote the way my heart tells me to vote.

Vice-Chairman David Matanane – I have no problems with this Mr. Chair. We move to accept to his application.

Acting Chairman Michael Borja – The motion to accept Mr. Aguon's application has been made and seconded and two members do not object to it. I do not object but I'm still kind of torn. Is my vote necessary do we need to have three? Two doesn't work? I believe in you sir but I'm just not wanting to set ourselves up for other issues with other folks who are going to come (interrupted).

Commissioner Amanda Santos – While he's still young because when he gets older maybe he will not be able.

Acting Chairman Michael Borja – Oh I know but I say yay so the motion is carried. So please work with Mr. Mafnas on this.

3. Frank J.R. Cabrera – submittal of farm plan

Frank Cabrera – I submitted a farm plan because two months ago I thought I had a farm. I was given a half acre by Chamorro Land Trust to find out that it wasn't agricultural it was residential. So the Commission here told me to do a farm plan and submit it to you which I did.

Acting Chairman Michael Borja – Was the original application for agricultural?

Frank Cabrera – Yes.

Acting Chairman Michael Borja – Instead you got residential and what year was your application?

Frank Cabrera – 1995 I was one of those I think who were by passed.

Acting Chairman Michael Borja – So have we identified something suitable? A piece of property that is suitable for your farm. Have we looked at that yet?

Director Monte Mafnas – No.

Acting Chairman Michael Borja – So we're just getting the farm plan right?

Director Monte Mafnas – Do you have a site in mind Mr. Cabrera?

Frank Cabrera – Well initially I prefer where I live down in Piti but I was told that there's nothing in Piti. Then I said well something close to Piti maybe Santa Rita or Agat or Talofofa. I was told that most of those are still un-surveyed so basically I'm just waiting.

Director Monte Mafnas – We have to work with Mr. Cabrera to identify the five acres so he can go to ten or whatever but five acres as you can see is the magic number at this point in time not ten. But we'll see what we can do to identify a site. So you can work with Margaret and Mr. Camacho.

Frank Cabrera – I tried farming in my back yard I was raising pigs at the time. They were really big fat pigs where I raised close to thirty pigs but then I guess the neighbor or somebody complained that it was stenching up the place. So Public Health came and told me to get rid of it within one month. So I basically sold it to Chuukese at a very low price.

Acting Chairman Michael Borja – Have you had any other experience in farming?

Frank Cabrera – I was certified a bona-fide farmer in my backyard. I was certified I went through the process and I even got a water meter basically for that small backyard I had. I got it installed I think it cost me close to a thousand dollars.

Acting Chairman Michael Borja – So you know a little bit more on a much larger scale now we're looking at a larger piece of property.

Frank Cabrera – Because I was washing down the pigs and you know wow that's a lot of water. But then I noticed that I had to go every month or so to explain to Waterworks that hey I'm a certified farmer I should be getting the agricultural rates instead of residential rates. They said you have to renew your bona-fide farmer every month. So I tried to do that you know go up and try to do that but then it's just a losing battle. I mean you know from that to Public Health.

Director Monte Mafnas – Mr. Cabrera we have, the Board has rezoned an area in Malojloj right off Route 4, back of the water tank. Legislatively it was deemed to be residential homes but considering the lack of infrastructure the Board also rezoned it to agriculture. So we have identified that to accommodate the farmers as they come in. It's three hundred plus acres but the property is steep it's erroneous, it's not flat at all but it's pristine and good for farming. So that is the site that we have basically agreed to develop farmers that way you can work with USDA and NRCS and Farm Agency to try and help all the farmers in certain sections with the education, the amenities, the fencing, the funding, the grants, whatever we can to assist them. But dedicate that area for farming at this point in time so

that site we can show you. In fact if you can go see Margaret she will have an aerial shot to look at Mr. Cabrera.

Frank Cabrera – Okay I'm agreeable to that. But you were saying that the water resource is (interrupted).

Director Monte Mafnas – Is limited.

Frank Cabrera – Is not there, the infrastructure is not there.

Director Monte Mafnas – Yes it's far away but if we can put more farmers in we want to see if there's grants we can get from USDA and see what we can do to appeal to Farm Services and NRCS to try and help you guys function as a farmer.

Frank Cabrera – I'm amenable to that if you're saying it's a grant. If it's not a grant where I have to come up with my own money then I don't want it. If it's a grant sure okay.

Director Monte Mafnas – You can grow into it if you're successful with your five acres you can grow into ten and twelve. So it's a total of three hundred acres so we want to see if we can put all the farmers down there to try and help each other, learn from each other, use equipment together and make it an eco-farming area.

Frank Cabrera – I like the idea except for the like you said the infrastructure. The farmers will need the water.

Acting Chairman Michael Borja – Well then that's the other thing you know I mean one of the things that the UOG Extension program and Department of Agriculture tried to show is how to get water from the rain and how to catch it and how to store it and how to irrigate from that as a start for example if you don't have the ability to bring in water. Those are the kinds of things that are important for many folks. We can't always rely on just piped in water for those kinds of things it can be an expensive resource as well. Not only just putting the pipes in but I guess what Monte's saying is that if we can get enough farmers in there then there possibly can be a work through with USDA on getting some grant money to get that infrastructure put in. But it's not something that we can promise on day one and all that it's a long term kind of idea. So based on the application I don't have any reason to have problems with re-assigning your lease property to an agricultural spot like it was supposed to be in the first place but it's just identifying. I think we're okay to go from there you have your farm plan submitted so just work with Monte on this process to see if this land out there through Margaret is what you think you can work with for the time being.

Director Monte Mafnas – That's the only thing we know of that can be available at this point in time. Other than that we have to research, research, research and try to find something else.

Frank Cabrera – If I'm understanding correctly it will be available right away or soon?

Director Monte Mafnas – Yes.

Acting Chairman Michael Borja – It's not land that is going to be suitable for residential and that's the reason why we made the decision a few months ago to take this whole lot of land and dedicate it towards farming rather than to the residential.

Frank Cabrera – But it will be available soon.

Director Monte Mafnas – The property yes.

Acting Chairman Michael Borja – There's just the whole process of surveying again right?

Director Monte Mafnas – Yes survey and bringing in the water that's the problem. You know where the Fire Department is back there in Malojloj its back there.

Acting Chairman Michael Borja – Near the turn off to go to Talofofa Falls.

Director Monte Mafnas – It's on the ocean side. Margaret will show you the aerial photo so you'll have a better idea of where the property is at okay and then we can talk after that.

Frank Cabrera – Okay.

Director Monte Mafnas – Okay Mr. Cabrera thank you so much.

Frank Cabrera – Okay thank you so much.

VII. DIRECTOR'S REPORT

1. Monthly report for June 2013

Director Monte Mafnas – Revenue collection is \$20,947 the breakdown is as follows for the license, application fees and land leases. Documents issued for June 2013 are 13 leases, 15 survey authorizations and 7 utility authorizations. We received 548 telephone calls and 420 visitors who have signed in.

Acting Chairman Michael Borja – So of this commercial license payment of revenue we collected out of that \$20,000; \$19,800 of it or almost all of it is from the Municipal Golf Course.

Director Monte Mafnas – No they didn't pay, they haven't paid.

Acting Chairman Michael Borja – Who's this commercial license that paid this twenty thousand plus.

Director Monte Mafnas – Well they only paid the promissory note that's why.

Acting Chairman Michael Borja – Oh okay I'm sorry I'm seeing that as the rental.

Director Monte Mafnas – That's the monthly rental for everything.

Acting Chairman Michael Borja – But we collected twenty thousand nine-hundred plus for June. So twenty thousand of it most of it then came from the golf course. So the issue that

was brought to us in a meeting with Senator Pangelinan is that we have an on-going payment issue with the golf course and we're looking at the possibility of terminating their lease. Once we do that we're going to lose a significant portion of our commercial revenues. So a couple of questions I have on this is where do we stand on the notification to the golf course about the possibility of not renewing the options?

Director Monte Mafnas – Number one, we've been mailing their accrued delinquent amount. Number two, I am awaiting a meeting with their Attorney Rosick Tolentino from Carlsmith to address the delinquent taxes. At that point in time I will bring up the fact that their lease expires January 31, 2014 and to be careful or how can we renew their lease the option to renew if they are delinquent. Historically they've always been delinquent.

Acting Chairman Michael Borja – If their lease expires on January 2014 is it possible to without renewing for another five years allow them to do on a month to month as a transition towards them closing but also for us to continue to maintain revenue especially a sizeable amount of revenue? I know there are some plans to take this property and redevelop it into some homes but that's not anywhere near execution and so in the meantime if we don't renew this lease not only do we stand losing a sizable amount of fees but the property would turn into a jungle quickly.

Director Monte Mafnas – My fallback position is number one we continue a month to month basis with them as managing agent for CLTC until we can enter legally a lease or license that is on a month as a management partner and manage the property and we go fifty, fifty on the net. Now that's only with them because they expend millions of dollars to purchase the lease. Number one, they have to be current. Number two, they have to pay up all the delinquent real estate taxes. Number three, we can enter into a management agreement on a month to month at fifty percent net, net, net. After the deduction they can take the fifty percent, fifty percent. Number four, if we do not come to terms and agreement and we perfect the termination of the lease then we can do an RFP for another golf course management to come in. But I would already suggest we pay fifteen percent on the net.

Acting Chairman Michael Borja – We take fifteen?

Director Monte Mafnas – No we pay fifteen percent on the net to them and we take the other eighty-five percent. Because it will be a different arrangement, a different management team, different game, different amount. That's what I propose.

Acting Chairman Michael Borja – Okay well let's start working towards talking with these guys to make sure that they know where we're coming from on this. I mean they understand where they're at as well I know they do. We haven't seen them though in over a year but they've done a lot better in this last year.

Director Monte Mafnas – Yes. At one point in time they were almost seven, eight hundred thousand dollars.

Acting Chairman Michael Borja – Right so the amount they owe on rent is better than it was before.

Director Monte Mafnas – Never was before.

Acting Chairman Michael Borja – What do you mean never?

Director Monte Mafnas – They were up to almost eight hundred thousand. They domed it down considerably.

Acting Chairman Michael Borja – Right but they've cleaned it up a lot. If it's just on the property tax side where there's some delinquencies that exist that they probably didn't know that they had assumed. Right that's one of the big problems.

Director Monte Mafnas – Exactly.

Acting Chairman Michael Borja – So we just need to have this discussion formally with them. We need to talk with them on that.

Director Monte Mafnas – As soon as we meet with their attorney I will elaborate what I just stated.

Acting Chairman Michael Borja – One of the things to that was mentioned in our discussion with Senator Pangelinan last week is that he wants to make sure that there's monies that we're getting for commercial. In the long term or actually it should be on the short term that we have our own account. I'm hoping that after you get this audit that's required then we can start going in the path of obtaining our own account within the Department of Administration so that the monies that we collect are the monies that belong to the Commission and to the Trust actually. And then we can use those for the things that we've been trying to do like infrastructure development and whatever else there is. But one of the other things we need to look at is the piece of property that carries the most emotions is Oka. So we've had some parceled out for this and that but I think what we need to do is if we parcel out too much more there's not going to be much for that. It's just going to be a lot of little properties. So we look at what the Trust has as far as properties that could be potential for commercial use and to identify those specific properties and then say these are the properties the ones that are up against Marine Drive, the ones that are down there, cliff line properties looking down to Tumon things like that. Things that you know the ones that could potentially turn into a bigger commercial property that the Mental Health folks were asking for those homes in Tamuning. There are other places, the one that Toelkes has in Yigo that could be used better and it could be used with more function that could bring revenue to the Trust. And then reserve those in what he is also suggesting and I kind of agree is that there will be this commercial which I think Monte is already working with GEDA this commercial rules and regs so that we can then use those lands properly. And for the folks who are going to lease it for commercial use they need that as well. They need that understanding of what they're going to use it because there's some large monies that can go into those properties and they're not going to put money into something that they're not going to have some solid control over it. So that's a real big one that I think the Trust needs to look at moving towards this finishing off the commercial lease rules and regulations and then we can start getting monies put into our treasury our own account.

Commissioner Amanda Santos – What is the status of the eviction because I heard something that one Filipino got evicted next to NCS? He was evicted and he was told just to break his house down. He was living on Land Trust property.

Director Monte Mafnas – I do know that some squatters and people living in Sagan Linayan have been evicted.

Acting Chairman Michael Borja – Where is this at?

Director Monte Mafnas – By Astumbo area.

Commissioner Amanda Santos – There's some in Dededo Monte, farmers, the Chamorro that lease the land sublease it to Chinese and they build a house and they were raising crops and sending money to the Chamorro in the States.

Director Monte Mafnas – We need some names but we're starting to (interrupted).

Commissioner Amanda Santos – I'll take pictures. They have been living there for more than 20 years generating money for themselves not for the Trust.

Director Monte Mafnas – Also I've met with GEDA and we've authorized them to proceed with marketing Oka Point. Also I've met with Perez Bros to try and resolve their claim of interest that presents a color or cloud on the title of Oka and we're working on that.

Vice-Chairman David Matanane – I thought we settled that.

Director Monte Mafnas – No they filed so we have to have them release that claim.

Acting Chairman Michael Borja – What does Perez Bros got to do?

Director Monte Mafnas – They're claiming that Government of Guam failed to pay their end of the bargain. Frank Perez gave Hospital Point to build a hospital. We were supposed to get equipment from Department of Defense from Saipan or be barged over by Guam Air some Apra Harbor.

Vice-Chairman David Matanane – That was taken care of I believe in 2006.

Director Monte Mafnas – Okay good when you guys marketed the first property.

Vice-Chairman David Matanane – I think we settled it and the offer that was given to Mr. Perez wasn't coming from GovGuam or Chamorro Land Trust it came from (interrupted).

Director Monte Mafnas – DOD.

Acting Chairman Michael Borja – From who?

Director Monte Mafnas – Department of Defense.

Vice-Chairman David Matanane – They have these used trucks and equipment which is non-paying that word germane to Chamorro Land Trust is their contract their agreement. And it cannot put a specific hold on Chamorro Land Trust because that's what they offered the land for. It's DOD the one that made that agreement.

Director Monte Mafnas – They did file documents Mr. Matanane and we need to get the release.

Vice-Chairman David Matanane – I believe if we go back and look into the meeting I believe it was 2005 or 2006 or something like that. Break out those files I believe we have rectified that problem already from the Perez. I remember going down to the Governor's Office and we (interrupted).

Acting Chairman Michael Borja – So the Perez's are still having issues about Oka because of this?

Director Monte Mafnas – I saw the documents that were recorded I didn't get a copy.

Vice-Chairman David Matanane – I think we have resolved that thing.

Director Monte Mafnas – Okay good. So regardless we're moving forward on marketing Oka because that's our biggest money maker.

Vice-Chairman David Matanane – You know when the Taiwanese came over here it was just this much all they had to do was just give us the money that first deposit and that would have taken care of that. If you see the plans it's a bulky, I looked into their plans I still got those things. But if it had gone through we wouldn't be sitting here and I think the money that's coming in to Chamorro Land Trust would eliminate all those infrastructure problems that we have if that's gone through. It was just down to that minute and it so happen that we came out of the meeting and nothing. I believe in 2005 and it was under Damian he was the Chairman for the Chamorro Land Trust and we had this (inaudible) already and you know all Chamorro Land Trust had to do was okay we approve the plans.

Director Monte Mafnas – Anyway regardless we'll resolve this but I want the Commissioners to know that my offer to them is mineral rights from Lot 7163 and they were happy, we're talking and they like the idea.

Acting Chairman Michael Borja – Who for Perez Bros, mineral rights up in Yigo?

Director Monte Mafnas – Right so we can resolve this if needs be. But I think personally we need some form of release to perfect the title otherwise it will be a cloud.

Acting Chairman Michael Borja – Oh he put a hold on the title?

Director Monte Mafnas – No but the cloud or the color. They can't hold the title because the title is issued by Government of Guam but it's not clean and we can't market the property in good faith with a scar on it.

Acting Chairman Michael Borja – Okay.

Vice-Chairman David Matanane – One other question on this Premier Hotel when is the last payment on the monthly payment?

Director Monte Mafnas – I apologize I didn't make a copy of that but I received a letter from them. So I have to go back and double check on their lease agreement.

Vice-Chairman David Matanane – Because you know we will be less three thousand again every month.

Director Monte Mafnas – But not for long because I have Dan Bradley who owns Mandara Spa an office out of the Hilton Hotel, I think at two or three or four sites. He's been on Guam a long time and he's expressed interest to Alupat Island.

Acting Chairman Michael Borja – I thought somebody had that already.

Director Monte Mafnas – Yes Ken Corporation dba Premier Hotels also known as Sheraton. They gave me a letter that they will not be renewing the lease.

Vice-Chairman David Matanane – And the public law there the, I guess Mr. Mafnas has insight of this public law because it passed in the 24th Guam Legislature right? We had all that time the law was in effect and we still haven't got our management or revenue checking account. At one point in time we did have that and when they wanted to take it away we deposited the bulk of it to a time certificate.

Acting Chairman Michael Borja – So who is going to be interested in Alupat? Mandara?

Director Monte Mafnas – Dan Bradley he's a promoter.

Acting Chairman Michael Borja – And what is he going to use it for?

Director Monte Mafnas – Mandara Spa. So the reason why I put this public law (P.L. 24-220) in is CLTC owns the land, DLM owns the building plans and fifty thousand square feet parking garage of a hundred and sixty units and we can build a building for whoever wants whether it be the Attorney General or any other line department and we can rent out the building to them. Also there's a possibility that a building may be coming up for sale and it has a positive cash flow wherein we can use some of that money for SUTA programs and educational scholarship programs for the Chamorro beneficiaries of the Trust.

Acting Chairman Michael Borja – Oh the Trust is going to buy a property a building?

Director Monte Mafnas – I'm looking at that yes because I already have finances (interrupted).

Acting Chairman Michael Borja – Can we do that?

Director Monte Mafnas – I guess based on this law.

Acting Chairman Michael Borja – But how will we get the income to pay for the building, through the rent?

Director Monte Mafnas – Yes.

Acting Chairman Michael Borja – I mean this building then might as well be GovGuam then.

Director Monte Mafnas – I already talked to USDA and they're willing to finance it a hundred percent at an interest rate of three point one two five percent (3.125%) amortized over forty years. So they're very favorable terms so a hundred percent financing very favorable terms. So I just want to alert the Commission and also I asked the Governor's opinion and he supports it but there's still a lot of logistics to go forth. But the purchaser has to be CLTC.

Vice-Chairman David Matanane – You know on this second item that you have down here Monte the possibility of building a CLTC that was really our well before you came in was our target to build our building, house everybody. And we kind of get all Land Management all the lands name and just (interrupted).

Director Monte Mafnas – Yes that was the Land Resources Building there.

Vice-Chairman David Matanane – And we had I think the plans and all we needed to do is finance it and build it and we can have any other department through the lease we can bill another department and they pay us instead of paying somebody outside with their rents.

Director Monte Mafnas – Presumably we will have our account and we meet with OPA the first week of August, me and Bob and (interrupted).

Acting Chairman Michael Borja – Does the Chamorro Land Trust have a personnel listing for a person who specifically supposed to deal with financial matters you know reconciling accounts and things like that? Is there a position for that?

Director Monte Mafnas – Chamorro Land Trust does not but DLM has an ASO, Administrative Service Officer that can handle the accounting aspects.

Acting Chairman Michael Borja – Because that's the only thing there has to be someone responsible to do this.

Director Monte Mafnas – That is correct. So we meet with the OPA the first week of August and hopefully by October on or before October we complete the first audit, first time real audit by the CPA firm of Deloitte and Touche. I think we're moving in the right direction Commissioners doing the right thing and total legality.

2. Press release with USDA, Affordable Housing Members

Director Monte Mafnas – Because we are master planning fifteen hundred units I've asked USDA and I want the CLTC Commissioners to be there and the Affordable Housing

Coordinating Council to be there to do a press release informing the Territory of Guam, all the people of Guam, the Chamorro Land Trust is building xx number of units and that's just in the planning stage.

Acting Chairman Michael Borja – But all those kinds of planning developments we're looking to build places like the Senator mentioned if there is a way that we can also make sure there is a financial plan in there how much we think it's going to cost, where that funding source may come from and things like that.

Director Monte Mafnas – That's why USDA is going to be present.

Acting Chairman Michael Borja – But also GEDA right I mean they're supposed to be doing a lot of these other stuff for us now. So to be our (interrupted).

Director Monte Mafnas – Our marketing.

Acting Chairman Michael Borja – Yes to find the people to put in the spaces.

(Going back to New Business, Item No. 1.)

Commissioner Amanda Santos – Can you explain more of Lee's interest in this for farmers and this Joe Cruz?

Director Monte Mafnas – It's a license it's a five year license.

Commissioner Amanda Santos – Five years oh, so Cruz is in charge of their farming?

Director Monte Mafnas – Yes he's a partner of that.

Acting Chairman Michael Borja – And Kim is a retired Army guy?

Legal Counsel Robert Cruz – Army Reserve.

Director Monte Mafnas – That's why he's been here a long time.

Legal Counsel Robert Cruz - Food service.

Commissioner Amanda Santos – This Joseph Cruz does he have a farm for these people here?

Acting Chairman Michael Borja – Does he have a farm?

Director Monte Mafnas – Farm site.

Acting Chairman Michael Borja – No he's part of the corporation.

Commissioner Amanda Santos – Corporation under Land Trust?

Acting Chairman Michael Borja – No, no well that's what we were just talking about that's the guys that were up there that were applying for the property we were going to be looking at, I already forgot where it's at.

Director Monte Mafnas – It's in Dededo Machanao area.

Commissioner Amanda Santos – It's not approved yet?

Acting Chairman Michael Borja – That's what we just approved.

Director Monte Mafnas – Yes we approved if you seconded the motion.

Commissioner Amanda Santos – How many acres?

Acting Chairman Michael Borja – Five for the first. If they do the job correctly then it moves on.

Commissioner Amanda Santos – How much are you going to charge him?

Director Monte Mafnas – Based on two appraisals.

Acting Chairman Michael Borja – Okay anything else for today's meeting? The meeting is adjourned until August 15th.

VIII. EXECUTIVE SESSION – None.

IX. ADJOURNMENT

Vice-Chairman David Matanane moved to adjourn the meeting. **Commissioner Amanda Santos** seconded the motion. There were no objections, meeting adjourned at 3:15pm.

Transcribed by: Teresa Topasna: *Teresa Topasna*

Approved by Board motion in meeting of: *Sept. 19, 2013*

David V. Camacho, Acting Director: *D. Camacho* Date: *9/19/13*

Michael Borja, Acting Chairman: *M. Borja* Date: *9/19/13*