



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

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

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

David J. Matanane
Chairman

(Vacant)
Vice-Chairperson

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

Joseph I. Cruz
Commissioner

Michael J.B. Borja
Administrative Director

REGULAR BOARD MEETING AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Thursday, October 16, 2014; 1pm

- I. CALL TO ORDER
- II. ROLL CALL
- III. ADMINISTRATIVE MATTERS
 1. Selection of Vice-Chairperson
- IV. APPROVAL OF MINUTES
 1. September 18, 2014
- V. PUBLIC COMMENTS
- VI. OLD BUSINESS
 1. Guam Resource Recovery Partners payment status
 2. Guam International Country Club payment status
- VII. NEW BUSINESS
 1. Commercial lease rules and regulations
 2. Velma Mendoza violation of lease
 3. Loan Guaranty program
 4. Festival of the Pacific – use of Oka Point
- VIII. DIRECTOR'S REPORT
 1. Revenue collection report for the month of September 2014
- IX. EXECUTIVE SESSION
- X. ADJOURNMENT

Rev. 09/24/2014



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COMMISSION MEETING MINUTES
Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, October 16, 2014; 1:03pm – 3:33pm

I. CALL TO ORDER

Meeting was called to order at 1:03pm by Chairman David Matanane.

II. ROLL CALL

Present were Chairman David Matanane, Commissioner Amanda Santos, Commissioner Pascual Sablan, Commissioner Joseph Cruz, Legal Counsel Kristan Finney and Director Michael Borja.

III. ADMINISTRATIVE MATTERS

1. Selection of Vice-Chairperson

Director Michael Borja – Unbeknownst to the Commission the Governor had actually already selected Dave Matanane as Chairman in July. I don't know if you got a copy of the letter but the letter was never received by us until it was rejected in the mail by return and so that's when we found out. That's what the law had stated that the Governor is the one that selects the Chairman. So all your up for now is just amongst the (inaudible) is to select the Vice who would stand in place of the Chairman in his absence.

Chairman David Matanane – The floor is open for nomination of Vice-Chair.

Commissioner Pascual Sablan – Congratulations Mr. Chairman.

Commissioner Amanda Santos – Yeah congratulations.

Chairman David Matanane – Oh thank you very much.

Chairman David Matanane – Well the floor is still open for nomination for Vice-Chair.

Commissioner Amanda Santos – I nominate Pascual Sablan.

Commissioner Pascual Sablan – Thank you for your vote of confidence but my health don't allow me to at this time. I'm under Doctor's close care you know.

Commissioner Joseph Cruz – I nominate Amanda Santos.

Commissioner Pascual Sablan – I second.

Rev. 10/16/2014

Commissioner Amanda Santos – Can I do another nomination? I nominate Joseph Cruz. You're more vocal boy than me and I'm old.

Commissioner Joseph Cruz – I don't think I can accept for my future schedule I might be going off and on off-island.

Chairman David Matanane – And you Tan Amanda?

Commissioner Amanda Santos – My health cannot permit me. Mr. Cruz please take it it's not every day.

Chairman David Matanane – Are you willing to accept that Tan Amanda?

Commissioner Amanda Santos – No.

Chairman David Matanane – You're declining it?

Commissioner Amanda Santos – Poor health.

Chairman David Matanane – So maybe an appointment will do?

Director Michael Borja – Why not put three names in a hat and pull one.

Chairman David Matanane – We have no other choice we have select a Vice-Chair.

Commissioner Pascual Sablan – You are rejecting the nomination? Okay.

Chairman David Matanane – All three of you have already rejected now one has to reconsider. The floor is still open for nomination.

Commissioner Joseph Cruz – I'll reconsider.

Chairman David Matanane – And Tan Amanda what are you going to do he's reconsidering to go ahead. I need a second.

Commissioner Amanda Santos – I second it.

Chairman David Matanane – Show of hands for Mr. Cruz. (All were in favor). Mr. Vice-Chair congratulations. That's not too hard.

IV. APPROVAL OF MINUTES – September 18, 2014

Commissioner Pascual Sablan moved to approve the minutes of September 18, 2014 subject to corrections. **Vice-Chairman Joseph Cruz** seconded the motion. There were no objections, **MOTION PASSED.**

Director Michael Borja – So just please point out to our recording secretary the corrections you want to make.

Commissioner Pascual Sablan – My only concern here is subject to correction that I was reading the minutes under Vince Akimoto on page 11 of 38 and I was kind of puzzled when he said Kasperbauer representing US Federal Government and the people of Guam. He's no longer a Senator and I'm not aware that you know he's being our representative also and there are some others that are very minor.

Chairman David Matanane – If you want to indicate here Mr. Sablan then go ahead please do so.

Director Michael Borja – Terese was that what was said on the tape? It was mentioned erroneously like that.

Teresa Topasna (CLTC) – Yes.

Director Michael Borja – So it was mentioned erroneously even though we don't believe that that's what he; he's not a representative of the US Government. That's the verbatim that was mentioned.

Commissioner Pascual Sablan – Okay thank you.

V. PUBLIC COMMENTS – None.

VI. OLD BUSINESS

1. Guam International Country Club payment status

Director Michael Borja – The Guam International Country Club is 90 days past due. I just got off the phone prior to this meeting with the General Manager and they actually are making payments every month it's just that they've been behind. It's 1 to 30 days because this is the October rent. I told him the rents are required according to his lease a month before the; one month in advance. I told him the understanding when we renewed your lease earlier this year was that you were going to stay current because they've gotten way, way, way behind where we were going to kick them out. He brought it current and then he said he would but he told me that he has been advising his corporate office in Japan for the need to pay for the past dues so he told me that November 15 he would have it paid off. Now I just ask your guidance and concurrence that when November 15 comes around and he hasn't made any effort and we have also made contact that we could proceed with the formal notice to advise him. I have to get this kind of advance requirement from you all because our next meeting for November will really not be a regular meeting we would probably have a public hearing so the next meeting after that will not be until December. But it gives us time to go ahead and allow this to proceed if we need to.

Commissioner Amanda Santos – What is their monthly bill?

Director Michael Borja – Almost \$22,000; its \$21,858.

Commissioner Amanda Santos – That's \$44,000.

Director Michael Borja – Well he's up to \$60,000.

Vice-Chairman Joseph Cruz – So aside from a phone call was there any written notice reminder?

Director Michael Borja – Yes there was. Joey what was the date in the letter?

Joey Cruz (CLTC) – September 24th.

Director Michael Borja – And before that?

Joey Cruz (CLTC) – That was the first one the initial.

Director Michael Borja – September 24th we gave them a 90 day notice and then we gave him a letter earlier this week to advise him that it's going to be on the agenda then we talked just before this meeting and I gave him all the issues about what's going on.

Commissioner Amanda Santos – So what will happen after that if they don't pay in three months, termination?

Director Michael Borja – Then we give them a notice to terminate.

Legal Counsel Kristan Finney – I just had a question the past due amount does that include the amount that was under a previous lease?

Director Michael Borja – No they came clean on that they're current.

Legal Counsel Kristan Finney – Okay so the past due amount is only for amount under this lease is that correct?

Director Michael Borja – Yes.

Legal Counsel Kristan Finney – Okay. I just wanted to clarify because when I was looking at the (interrupted).

Director Michael Borja – Statement.

Legal Counsel Kristan Finney – Yeah.

Director Michael Borja – That statement is historical and you saw there was a period where there was like \$179,000 due then the next month you look at the balance and it comes to zero.

Legal Counsel Kristan Finney – Right but as I went through what seemed to be due under this lease and compared to the payments it seems like there was maybe an included amount left over from the other one. So I just wanted to clarify.

Director Michael Borja – No because for example the payment they made on October 1st was really for July. So what they're due now is August, September, October.

Chairman David Matanane – About \$60,000.

Director Michael Borja – Yeah its \$65,000.

2. Guam Resource Recovery Partners payment status

Director Michael Borja – Likewise with Guam Resource Recovery Partners we spoke about this one months before and the meeting we were going to have we were going to advise them to look at termination if they didn't come up with \$44,000 worth of payment. They gave us a check. When we deposited that check the bank came back to us and said they put a stop on the check and then we've been trying to get little bits of money out of them. As it stands right now they owe us \$50,000. What they had proposed to us was they had a judgment in their favor in the court that awarded them a certain amount of money. Do you guys recall what that was? It was a large amount of money remember that and we rejected that because you know it's not up to us to go chase down; the Government is paying that for the judgment it's his job to go and claim on that. So he had promised us that by October he was going to be current. We had already given them their 90 days notice. We gave them the 90 days notice but then we overlooked it once he gave us the check and then that check didn't get cleared at their request. They stopped it after we deposited it.

Vice-Chairman Joseph Cruz – So these are monthly payments.

Director Michael Borja – Their only monthly payment is only \$4,400 but you can see it goes back over 90 is \$37,000 so they owe us \$50,000.

Vice-Chairman Joseph Cruz – So with the monthly payment is there any grace or (interrupted).

Director Michael Borja – They haven't made any payments.

Vice-Chairman Joseph Cruz – No but any assessment for past due?

Director Michael Borja – Have we put in any interest? No we haven't. We can apply it if it doesn't say that we have to automatically (inaudible) we can apply it. We have not automatically applied it. We haven't in the past and we haven't done it since but it's not to say we can't because it is in the lease that say we can. There's just not any mention in the lease about the amount of the interest and penalties to be applied.

Chairman David Matanane – See if the agreement made promise to paper let's say for instance particularly this month then sending him a letter notifying him that if he can't clear it up to October the payment that he promised we will (interrupted).

Director Michael Borja – We called him I spoke with him he lives in Hawaii Wagdy Guirguis and he made a promise to me that he was going to get everything and this was back in late August early September that he was going to get caught up by the first of October because he was waiting for some funds to be brought over. We gave him notice earlier this week as well advising them that this meeting was going to be taking place and for them to be present to discuss this. Nobody even showed up and nobody has made any effort to call in again either.

Chairman David Matanane – Today is the 16th and I think it's time for us to give him another letter also stipulating the interest on that if there is any that we should apply.

Director Michael Borja – But the notice would be to give him the formal notice again?

Chairman David Matanane – Yes.

Director Michael Borja – Kristan did you have a chance to look at what the requirements were for the termination? We have to reissue another 90 day or can we just issue a termination already?

Legal Counsel Kristan Finney – If they haven't brought it current then we wouldn't have to be making a new notice but I think I had some other questions about the (inaudible).

Chairman David Matanane – Ms. Finney but the new letter or sending them another notice will justify also the interest and penalties that we are going to apply.

Legal Counsel Kristan Finney – If you're going to ask for a different amount then you would need a new letter to give them.

Chairman David Matanane – That's what I meant the bill amount plus the penalty and interest.

Director Michael Borja – And we're going to give them another 90 days?

Chairman David Matanane – A notice to that so you know give him a kick in the butt that hey man you're going to be now increasing your liability. So that's where I'm coming from. Do you think its proper Ms. Finney?

Legal Counsel Kristan Finney – I think that if you are going to ask for a different amount than what you asked for in the original letter then you have to give another 90 day period.

Chairman David Matanane – That's why I'm saying that we're going to give him another letter stating that we are applying the penalty and interest and this is the amount.

Director Michael Borja – But the clocks starts another 90 days.

Chairman David Matanane – Yes.

Director Michael Borja – So we're going to keep giving him 90 days?

Chairman David Matanane – We give him a timeframe, yes 90 days. So if they want to keep it going that 90 days it's going to increase right but sooner or later we're going to have to stop it.

Director Michael Borja – No but I mean that's my point we've already given him his 90 days. We're going to give him another 90 days and he hasn't shown any progress in the first. On this piece of property because it's intended purpose was for an incinerator there's a lot of provisions in the lease that talk about making sure that if it was ever taken back that it was kept clean and that they clean it up but there's nothing out there. The property is vacant they haven't done anything to the property so it's not as if there's going to be an extended time period required for them to clean up and to remove the equipment. There is nothing there to remove.

Chairman David Matanane – They haven't built anything out there right?

Director Michael Borja – No they haven't.

Legal Counsel Kristan Finney – Can I just ask why is the amount of rent so different from what the lease says?

Chairman David Matanane – This took place years back and we're just following the lease itself.

Director Michael Borja – Well what does the lease say the rent was supposed to be?

Legal Counsel Kristan Finney – It ties it to the value of the property and it starts out with an amount of like \$25,000.

Director Michael Borja – I think that's over the course of the years isn't it?

Legal Counsel Kristan Finney – It says monthly.

Director Michael Borja – Do you recall on GRRP how the lease amount changed because I saw that too where it started off saying something; a high amount monthly now we're down to \$4,000.

Chairman David Matanane – Was it an initial deposit then we continue on a monthly? I haven't seen that lease anyway.

Director Michael Borja – Because they're on their second increment or third increment of the lease. The lease went through an automatic renewal two years ago or came up for renewal two years ago and it was granted because they were current at the time. But you know at that point we could have stopped the lease. There's still three more years left on the existing renewal. I think it goes in five year increments and it can go no more than twenty one years. I saw that Kristan and I'm just trying to remember if it was \$25,000 it's per month right it says there per month.

Legal Counsel Kristan Finney – Yes it does but I don't have the; I wasn't given the renewals only what I think is the (interrupted).

Director Michael Borja – Yeah I don't know if something else happened to reduce that amount. I think it was done in error. I think if you look through there I think there was an error that we've done in the calculations of the land.

Margarita Borja (DLM) – I think what had happened there I know they came up with an amount and it was prior to the appraisal that was done and then when the appraisal came out they based the monthly on the appraisal.

Legal Counsel Kristan Finney – And it's that far different on what the estimation was?

Director Michael Borja - \$4,400 to \$25,000.

Margarita Borja (DLM) – I believe so I can provide you with the information on it. But that's the last I recall I remember them coming up with the estimated amount and then they got the appraisals and then when it came out it was you know they based it on that.

Chairman David Matanane – Would there be any impediment on sending another letter and also adding on the penalty and interest if we get it correctly as far as the monthly payment is concerned?

Director Michael Borja – The lease doesn't mention an amount that we can add on for interest or penalties right?

Legal Counsel Kristan Finney – I haven't (interrupted).

Director Michael Borja – I think the part I saw in there is it allows us to do it but it doesn't tell us how much it can be.

Chairman David Matanane – Well you know Chamorro Land Trust is losing a higher on money I guess by just allowing and sometimes they get so complacent because the fact that we don't charge and they you know pay off. They can still owe it and maybe go and borrow a whole lump sum.

Legal Counsel Kristan Finney – I haven't reviewed it to determine what the amount (interrupted).

Chairman David Matanane – Can you take a look at it and also I don't know whether it is proper for us to give them a call or somebody there.

Director Michael Borja – We have, we have spoken with them on several different occasions. Not only us but also the Department of Administration because of the check that they put a stop payment on. We have communicated with them through correspondence through certified letter and hand delivered letters. We've given them their 90 days and then that's when they came back and gave us like I said that \$44,000 check that they put a stop payment on. We've spoken to them, they made a promise that they were going to just like the municipal golf course that made this afternoon they made a promise that by October 1st they were going to have it current. They haven't made any payments. They haven't made any payment for the last four months or so.

Chairman David Matanane – The check from Guam Resource Recovery Partners did the check go through the bank system?

Director Michael Borja – Yes.

Chairman David Matanane – It did so there is penalties on those checks that are bounced checks.

Director Michael Borja – And that's what we had them apply to them. So after that we weren't accepting any payments except for a certified check. They attempted to come in with a check and we rejected it and told them it had to be certified. So that's one of the requirements that it has to be certified.

Chairman David Matanane – I hope that any other lease that is being approved from now on we should stipulate that that any payment that comes in has to be certified check or cash or you know some instrument that is guaranteed or a cashiers check. I think we should stipulate that in any lease that we would not accept just a personal check.

Commissioner Pascual Sablan – What kind of account do we have is it a checking account?

Director Michael Borja – We deposit it to the Department of Administration and it goes into the account that's for the Chamorro Land Trust but we don't write checks on any account.

Chairman David Matanane – We used to.

Commissioner Pascual Sablan – So the Chamorro Land Trust account is not an interest bearing account?

Director Michael Borja – No it's just a general ledger account that goes into the general fund. Now that's not to say in the future we're not going to be able to do that. The law allows us to take moneys that are paid to Chamorro Land Trust to go into doing certain

things like housing loans and infrastructure accounts and stuff so we can do those kinds of things.

Chairman David Matanane – I did mention at the last meeting when I mentioned that the Global you know the metal recycling give us that money that it should be deposited into at least our own loan fund so we can build up our guaranty funds. So I don't think, is it proper there Ms. Finney do you think is that allowable for us if we do collect the amount of money and we deposit it into the home loan funds creating that fund? We have the fund already that taking some payments from that new amount on the leases and deposit it into that account so we can build the money in guarantying the loans.

Legal Counsel Kristan Finney – I'm not sure what I guess I'm not exactly sure what the question is but it sounds like something I'd have to do more research on it. So I request that you make a written request so that then I can look into it.

Chairman David Matanane – Mike maybe you can get together or put it in writing that we are requesting for that and I believe the Chamorro Land Trust (interrupted).

Director Michael Borja – Yes and we'll (interrupted).

Chairman David Matanane – And we can do that.

Director Michael Borja – Right and it's just a matter of working with the budget people. I've already made mentioned to some of those things. In the future GEDA could possibly be doing a lot of our commercial loans. I've already touched base and begun the preliminary discussions that the moneys that we receive in rent for those kinds of things go into the account that set up this for the Chamorro Land Trust. Those kinds of things that are set up by law already they can be used for those kinds of things because that's what we intend to use them for right for our home loan guaranties and then we can do the infrastructure as well.

Chairman David Matanane – I believe we did at one point in time have the checking account and I don't know what happened.

Director Michael Borja – There is one account, there is one bank account that we actually have money in but we don't touch I think it's an interest bearing account. That is the \$500,000 we had to have as a trust account it's more like a bond it's what's used for the loan guaranty program to (interrupted).

Chairman David Matanane – It's a certificate of deposit which is holding that money to guaranty any loans that we issue out.

Commissioner Pascual Sablan – And is it an interest bearing account?

Director Michael Borja – It is. That is the only account that we have that is in a bank and that's because the law requires us to have a bond account set up and that's what it is.

Chairman David Matanane – Really Mr. Borja take a look and see whether they have already closed that checking account. That was a couple of years back that I remember we have and we were using that also for operations like breakage of the vehicles and power and rent. So see whether that account has been closed if not then we can still revive it and if there's \$25.00 in there then we still can revive it right.

Director Michael Borja – I'm just going back to GRRP on the question that counsel asked was that why did the amount go down. There was letter dated March 31, 2003 from the attorney of GRRP at the time to the Director of the Chamorro Land Trust Mr. Joseph Borja and he stated that the appraisal had come in and the negotiated amount for the rent was only 1% of the appraised value. So \$440,000 was the appraised value so 1% of that was \$4,400 a month and that is what adjusted the amount to that amount.

Chairman David Matanane – At one point in time it was \$25,000 you said.

Director Michael Borja – Well the lease originally said \$25,000 per month.

Chairman David Matanane – But then there's no improvement on that piece of property until such time that they build the incinerator or anything else and the appraisal of that property will be higher than that and maybe we'll get more rent. Well I guess we're going to have to settle with that \$4,400 but still if he hasn't even paid so we're going to go after it.

Commissioner Amanda Santos – The land is just sitting there idle?

Chairman David Matanane – Yes.

Director Michael Borja – And that's the issue that they have is that they're unable to do anything due to court cases which is pending in litigation. I don't know if it's still pending but there has been a lot of litigations. It's a very, very controversial subject. So then what do you want me to do with them just give them another 90 days notice with interests and penalties?

Legal Counsel Kristan Finney – I'm not familiar with all of the pending litigation that you say is out there and I'm just wondering if any of that is going to affect your ability to terminate the lease.

Director Michael Borja – No they're not suing anyone people are suing them not to build.

Chairman David Matanane – It's only a letter saying hey if you don't pay us we're going to tag on the additional penalties and maybe we can give you a little bit more time for you guys to pay us.

Director Michael Borja – We'll state what it is. You have now been hit with this much in interests and penalties and it's going to be compounded.

Chairman David Matanane – Is that okay Ms. Finney do you think and we'll get together with you (interrupted).

Director Michael Borja – You guys want to move on that?

Legal Counsel Kristan Finney – I just want to make sure but if I can be provided with some more information on what litigation is still pending.

Director Michael Borja – I don't think we have that for the record because it never affected the Chamorro Land Trust itself. It is certain members of the community who brought lawsuit against their organization to prevent the construction of the incinerator facility.

Vice-Chairman Joseph Cruz – Class action.

Director Michael Borja - Class action yes.

Chairman David Matanane – Maybe the initial first time Chamorro Land Trust will be charging people for not paying their lease. Precedent I think we started our precedent on that.

Director Michael Borja – Do you guys want to do a motion on that?

Chairman David Matanane – Sure or to add on penalties and interests on all leases that are due.

Director Michael Borja – Well at least on this one and to give them another 90 days notice.

Vice-Chairman Joseph Cruz – I move that we prepare a letter for the client to notify for additional payment if payment is not made.

Commissioner Amanda Santos – Within 90 days.

Director Michael Borja – We'll give them 90 days notice to terminate their lease until they can come current with their payments and current outstanding amounts will be assessed penalties and interests.

Commissioner Amanda Santos – I second it.

Chairman David Matanane – It has been moved and seconded to charge penalty and interest on Guam Resource Recovery Partners on their due payment that we're giving them another 90 days. Show of hands for the motion. **Unanimous. MOTION PASSED.**

VII. NEW BUSINESS

1. Velma Mendoza violation of lease

Director Michael Borja – On this specific case the lessee Velma Mendoza had issued out a deed of gift to a person who then came to us and asked us what they could do with this deed of gift for Chamorro Land Trust property. We told him that it was not good. We advised Ms. Mendoza that she was in violation of the lease because you can't sell the land you can't lease out the land you can't do any of that such and that we were going to terminate her lease for violating this. So we also told her that she needed to provide us with something in writing so we can bring it up before the Board and to inform you of; to have reconsideration of the termination of lease. So what you have in your folder is her letter the one that is handwritten it's transcribed in the back side and what you also have is a letter that advised her that she issued out two deeds of gifts and you have copies of those deeds of gifts that were issued out. So she comes before you asking for your reconsideration of the termination of her lease.

Chairman David Matanane – Ms. Mendoza can you state what was the rational or reason for you to do such thing?

Velma Mendoza – Well it's an honest mistake because I was just trying to help my aunt. But I decided I changed my mind because my husband and I can do it ourselves but it was an honest mistake and I told Chamorro Land Trust that it won't happen again. I just didn't know what the rules and regulations were. It was something new to me so it was an honest mistake.

Chairman David Matanane – Are you still inclined to accept the property or are you giving it up?

Velma Mendoza – No I still want to accept the property because I'm trying to get a Guam Housing loan to build a house there for my children and myself because of my disability.

Chairman David Matanane – Who are the people that you gave a deed of gift? Who is Dorothea A. Cruz?

Velma Mendoza – She's an aunt of mine I was just trying to help her out. Yeah she was my auntie I was just trying to help her out but I didn't know what the violations were I wasn't aware of it.

Chairman David Matanane – Who's Juan S.A. Cruz?

Velma Mendoza – That's just a relative of mine that I'm trying to help out but he didn't have a place to stay. So now he has a place to stay so that's why I decided just me and husband alone to do it ourselves and take care of the land for the children's sake and their future and I decided to go ahead and help out my children.

Chairman David Matanane – You have an acre. You've gotten an acre.

Velma Mendoza – Four acres because I have nine disabled children. They're all disabled and I'm disabled myself.

Chairman David Matanane – Within the same lot?

Velma Mendoza – It's the same lot sir yes sir.

Chairman David Matanane – You have four acres that was given to you.

Velma Mendoza – Yes sir.

Chairman David Matanane – For agricultural?

Velma Mendoza – They're all agricultural because I applied for residential but they gave me agricultural because I applied for that also.

Chairman David Matanane – But you're giving up an acre.

Velma Mendoza – Yes but I changed my mind because my aunt didn't want it. She wanted something more than that so I was only trying to help her but I changed my mind.

Chairman David Matanane – What was your plans for the rest of the land? I mean you're giving away an acre the three (interrupted).

Velma Mendoza – Like I said I was just trying to help her out and I applied for Guam Housing loan to build a house for my children and myself and we plan to upgrade the property by planting and you know (interrupted).

Chairman David Matanane – You have an agricultural lease?

Velma Mendoza - Yes.

Commissioner Amanda Santos – So the aunt cannot apply under her name?

Director Michael Borja – She probably could.

Chairman David Matanane – But it was according to Ms. Mendoza she was trying to help out the relative but that doesn't go it can't apply to Chamorro Land Trust you can't do that.

Velma Mendoza – I understand, I understand that's why I said I wasn't aware of it. I was just trying to be a good Samaritan by helping out an aunt but I wasn't aware of the violation. But I can assure you it won't happen again because Chamorro Land Trust advised me not to do that so I understand.

Vice-Chairman Joseph Cruz – Any of these deeds recorded?

Velma Mendoza – I don't know because like I said I'm not aware of the violation I don't know.

Vice-Chairman Joseph Cruz – No but when you gave the deed of gift to Dorothea and Juan the original copy and also to the other one Tamara did they record this copy with Land Records?

Velma Mendoza – I don't think so and I wasn't aware that they were going to do that I told them that I was just trying to help them out. So like I said I was advised by Chamorro Land Trust not to do so.

Director Michael Borja – Ma'am you have four acres agricultural what have you been doing to the land?

Velma Mendoza – I've been planting vegetables, fruit trees we've been cleaning the place.

Director Michael Borja – How many trees do you have planted?

Velma Mendoza – I had it registered over at Agricultural.

Director Michael Borja – How many trees have you planted?

Velma Mendoza – We had planted more than fifty.

Director Michael Borja – Five zero?

Velma Mendoza – Yes.

Commissioner Amanda Santos – What kind of trees is that coconut?

Velma Mendoza – They're all like coconut, kangkung, sour sap, iba tree.

Director Michael Borja – Do you know the requirements for agricultural lots on growing; the number of trees you're required to grow over a course of years?

Velma Mendoza – No I'm not aware of that they just told us that we had to plant.

Director Michael Borja – Either you're planting a regular farm or you're going to be growing trees and it does state specifically how many trees you're required to plant every year over a course of a certain number of years. Are you aware of how many homes you're allowed to build on your four acres?

Velma Mendoza – I think so I believe they said only one.

Director Michael Borja – Only one can be built nothing more. The only other facility you can build would be a shed for your tools or equipment and stuff but nothing more than that. Are you currently using the entire four acres for growing?

Velma Mendoza – Yes for planting.

Commissioner Amanda Santos – How many buildings are in there?

Director Michael Borja – How many buildings do you currently have on the lot?

Velma Mendoza – We only have one.

Chairman David Matanane – Have you been out there?

Director Michael Borja – No I have not but the land agents have.

Vice-Chairman Joseph Cruz – Any report?

Director Michael Borja – Is there any report that they have?

Margarita Borja (DLM) – It's in the file.

Director Michael Borja – Anything to report from the land?

Margarita Borja (DLM) – I don't have anything with me but yes they did do a site inspection but I believe that they indicated there that it was not in compliance the number of fruit trees that is required.

Chairman David Matanane – So there's a couple of violations on the report?

Margarita Borja (DLM) – I need to pull the report.

Director Michael Borja – It didn't have the number of trees you're supposed to have with this amount of time already into the lease.

Velma Mendoza – But excuse me during the storm some of the trees were destroyed already so there's only a little left.

Director Michael Borja – Which storm was this?

Velma Mendoza – The storm before the other storm I don't remember the name I'm sorry I have a brain problem.

Director Michael Borja – And the trees got destroyed how big were your trees?

Velma Mendoza – Some of the trees are just growing and they're not too far along they're just a little over a couple of feet high.

Director Michael Borja – And they broke?

Velma Mendoza – And some of the peppers are broken and the kangkung are destroyed.

Director Michael Borja – Okay yeah but those are not trees.

Velma Mendoza – And the iba trees are all broken.

Chairman David Matanane – Have you planted any of those on that property that you were deeding out?

Velma Mendoza – Some of the trees were just there already so not all of it was the one we planted it was just there already when we got it.

Commissioner Amanda Santos – We need to see her farm plan. Does she have any farm plan on what she's going to do on that four acres?

Chairman David Matanane – Let's put it this way maybe we can table this and get all the facts and we can come back and (interrupted).

Director Michael Borja – But what facts do you want? What facts do you want?

Chairman David Matanane – The report from the land agent.

Director Michael Borja – Let's get the report out bring the whole folder over here guys. We really need to close this one out and I don't want to have to table this.

Chairman David Matanane – Because I'm wondering what kind of violations we got.

Director Michael Borja – It's just that there's xx number of trees you have to grow every year over the course of the years they didn't have all those trees. For a four acre piece of property there's got to be so many by this time to be planted if the lease was issued out.

Vice-Chairman Joseph Cruz – My concern is the conveyance if that conveyance can be retracted and to ensure that it won't surface for a claim through the Chamorro Land Trust.

Director Michael Borja – Oh no it will not. That's how it was discovered they came to us asking us what they can do with this deed and that's when it came to our attention that this deed was done on Chamorro Land Trust property. Because if it was to get registered they would know before they did it they would look to see that the land belonged to Chamorro Land Trust and that they couldn't do that.

Vice-Chairman Joseph Cruz – Well the agenda is to consider for reconsideration of the cancellation and for me if other violations are out there we'll see if we; first are we going to consider the cancellation or not. So I feel that if she falls through on the deed that were not publically recorded or assured that it won't come back and hunt us then I would like to reconsider her.

Director Michael Borja – Okay I don't have a problem with that on the reconsideration but I do probably think that a reduction on the size would probably (inaudible).

Vice-Chairman Joseph Cruz – After the assessment of the violation that was mentioned on the numerous trees that were out there maybe that would be the condition.

Director Michael Borja – But to violate the rules this terribly I mean before she was willing to give away an acre she may not need it. I don't think that she; if we reduce it down to two acres and it's still a sizeable amount of property down from four and then we can provide that land to someone else.

Commissioner Amanda Santos – Four is big.

Commissioner Pascual Sablan – My concern here is that I think we're talking about you mentioned 18,000 square meters.

Chairman David Matanane – Yes.

Vice-Chairman Joseph Cruz – It's a half acre. No 18,000 square meters or 1,800?

Chairman David Matanane – 18,000.

Director Michael Borja – That's what she was deeding away.

Commissioner Pascual Sablan – Anyways she has four acres and she just mentioned that she's in the process of trying to get a loan from Guam Housing let's say for example she got the loan is that lease that everything is going to be held by the Guam Housing?

Director Michael Borja – Oh no, no, no Guam Housing is and they've been doing quite a bit of this for the Chamorro Land Trust what they do is they assist people in getting qualified for a loan and getting them assigned to; finding of someone to loan to them and then have to qualify for the loan. The land is never encumbered or held as part of that loan. And then that's where it happens which we'll be talking about a little bit later on becomes this loan guaranty loan program where some banks will not loan if they can't control the land as well. So in order to finalize the loan they require the guaranty from the Chamorro Land Trust and that's happened in the past already.

Commissioner Pascual Sablan – Okay for example let's say that thing happened then in the future a bright Senator comes up with a bill and became public law that then says you can mortgage the Chamorro Land Trust land then the Guam Housing for example

hypothetically sold that loan to another bank okay. Is that 18,000 square meters going to go along with on one house? See why don't she cut it down.

Director Michael Borja – The whole lot would go over.

Commissioner Pascual Sablan – See that's my concern.

Director Michael Borja – But right now that's not the law. The land is supposed to belong to the Chamorro Land Trust forever. They only have a lease for 99 years which in time it returns back to the Chamorro Land Trust. So it's not, that's the issue with some of the reason some of these people have difficulty getting loans to build homes because the typical conventional loan requires the person to also own the property. I'll go into the loan guaranty program a little later on on the agenda but one of the issues we're trying to find is there's got to be other ways for people to borrow money that doesn't encumber the land and doesn't require us to provide a loan guaranty.

Commissioner Amanda Santos – Is the land lease under her name? Does she have a document?

Director Michael Borja – Yeah they're getting the folder but yes the land lease is under her name.

Chairman David Matanane – So any other comments that you guys would like to you know you can toss it around to see that there must be a penalty there. There should be a penalty.

Director Michael Borja – It could be determined by you I mean the worst case was that she was going to lose the lease that's what we had already told her that because she violated the lease terms by deeding out property that didn't belong to her. Or you know in some case it could be whether there's a lot of reasons you can lose your lease, misusing the land, trash and whatever. But there's a list of reasons they could lose the land lose the lease rather and this is just one of them. But she's asking for reconsideration in the case of her family situation you know she needs the property. What are you living in right now if you're trying to build a house?

Velma Mendoza – We're just staying in my mom's house for the time being.

Director Michael Borja – And elsewhere.

Velma Mendoza – Latte Heights until we get the chance to finish a loan with Guam Housing.

Director Michael Borja – So what house do you have built on the property?

Velma Mendoza – We have a shack house on the property right now and we're trying to build it. We're trying to renovate it.

Commissioner Amanda Santos – It was destroyed by typhoon long time.

Chairman David Matanane – Any suggestions Commissioners on how we're going to deal with this because it's either one the extreme or the other or we can reconsider that's what she's asking for reconsideration.

Commissioner Amanda Santos – Reconsider, take away about two acres and give her two.

Commissioner Pascual Sablan – I think there's a series of violations can we maybe Mr. Borja we'll do like this Mr. Chairman is that maybe we'll table this and give us a synopsis of violation and all of (interrupted).

Director Michael Borja – Well the number of trees and the use of the land under the agricultural requirements to me is quite minor compared to the violation that she committed in deeding out the property to someone else improperly. That in itself is automatic reason to terminate the lease and nothing more. I mean one of the things not having the proper number of plants or trees not using the land properly agriculturally is enough for us to go in and counsel them. But we have in the past in one recent case where I think it was ten acres of property that the person who had the lease passed away and then the property went to the beneficiary his daughter but nothing had been done to the property. And so the Commissioners at the time decided to also then reduce her property size down in half because nothing had been done to the property at all in the course of the original lease. So we were just going to be passing it on again to somebody else that didn't have a plan to use it at all so we reduced the property size down. I know you're within your means to do that. But here two acres is still quite a considerable amount of property for a home and to do any subsistence farming that's required.

Chairman David Matanane – When did the lease occur?

Director Michael Borja – No it's not fairly new.

Chairman David Matanane – But this is just talking I'm trying to figure this thing out since she's giving away an acre so she probably can give up another two acres or an acre. You know it's better than maybe just cancelling the whole (inaudible) this is my thoughts. I'm talking out loud. What's your sentiments on this Commissioners I think its incumbent upon us to decide that not myself I'm making my comments. What other suggestions that you guys have and that's the reason why I'm asking so we can table this and then maybe come back and think about it you know.

Director Michael Borja – Yeah but I'm not recommending (inaudible).

Chairman David Matanane – I know where you're coming from Mr. Director it's not that too I'm not thinking that.

Commissioner Pascual Sablan – She mentioned that because of her kids are also; are we supposed to take that in consideration that you know for the future like we're reserving something because if we're going to do that then we have to apply it to everybody.

Chairman David Matanane – We're starting a precedent here. Any other that occurs in the future we have to go to precedent that we have done this and this is what's going to happen.

Commissioner Amanda Santos – She has so much land that she's deeding it out that's wrong.

Commissioner Pascual Sablan – It's indicated here that she's not taking consideration the kids.

Director Michael Borja – The lease was issued out in 2006. I need to apologize to the Commissioners because the individual who did do the inspection while he gave a verbal report to the Land Administrator he did not write up the report on the information sheet that they would usually do. I can only say that's probably because all our land agents are extremely preoccupied right now trying to go out and assess all the properties for tax assessment purposes.

Commissioner Amanda Santos – You got only two, two land agents.

Director Michael Borja – No there's about four of them but they're all out all the time in fact I see them when they return back but they're trying to finish up what was supposed to have been done by the end of August they've been given the till the end of this month to finish up the land assessment. Most of the problem with the land assessment for tax purposes is Chamorro Land Trust properties because so much of the properties were issued out as portions of. So they have to go out and determine what parts of the property people are using so they're doing a lot of site visits as we speak.

Chairman David Matanane – I suggest Mr. Director have the land agent put a memo to file on his report.

Director Michael Borja – We will.

Chairman David Matanane – Okay now down to where we're trying to decide this.

Director Michael Borja – Let me just read what it says here the Lessee shall commence to cultivate the property within one year. Lessee shall plant and maintain five trees per acre leased during the first year. Ten trees per acre leased during the second year. Fifteen trees per acre leased during the third year and twenty trees per acre leased during the fourth year of the lease. So we're well into the fourth year of the lease and at twenty trees per acre twenty times four should be eighty trees. And these are trees not pepper plants, not crops. So that's what they should do and that's what's required for them to do to hold

the property. When it comes to livestock and crops they also need to submit their plans, farm plans and commercial production plans.

Chairman David Matanane – One other thing probably we should have her make it in a farm plan the agricultural if those items are not included.

Director Michael Borja – I think she mentioned she did go and get agricultural plans earlier but we would definitely sit down and be able to (inaudible).

Chairman David Matanane – But we do have those plans that was procured over at University of Guam you know the pamphlets and the booklets.

Director Michael Borja – Yeah the Co-Op and the Department of Agriculture.

Chairman David Matanane – I think she should read that also since we're dealing with her case right now and we're not planning on taking it all away.

Commissioner Amanda Santos – So you're going to give her, reconsider it?

Director Michael Borja – Well you guys need to make a motion on what you want to do with the status of this. The worst case right now we've already advised her we're going to terminate she's asking for reconsideration. So you can either just allow us to continue the lease and (interrupted).

Commissioner Amanda Santos – Not that big, take away some acres.

Chairman David Matanane – We need to make a motion as to; this is what I'm suggesting okay you guys it's all up to you I'm not trying to (inaudible). Are we reconsidering her lease and what penalties or things that we need to occur before we settle with the enforcement of the amount of land that she has on the lease. Some sort of penalty and not to the drastic extent of just obliterating the lease itself.

Commissioner Amanda Santos – Is she paying the taxes already?

Director Michael Borja – I don't know what the tax part is.

Chairman David Matanane – That's the reason why you know we're (inaudible) where we can maybe adjust that since she made that indication that she probably can't produce all the four.

Velma Mendoza – Excuse me can I say something sir. I wasn't aware that my auntie was going to take that and record it because I changed my mind. I was supposed to go to her house and change my mind about giving her the one acre because I need it for my disabled children because they're planning to plant and you know.

Chairman David Matanane – Has she recorded it?

Velma Mendoza – I didn't know I wasn't aware, I wasn't aware. But I was supposed to go to her house and cancel it and I didn't know until the following day.

Commissioner Amanda Santos – So maybe you can go to your Auntie and advise her to go and apply under her name.

Velma Mendoza – Yes that's what I told her. I told her that it's better that she applies on her own and I'll just go ahead and take back the acre and use it for my children. But I wasn't aware like I said that she was going to do that because she already has a home and we don't have a home so that's why I reconsidered to go back and take it.

Director Michael Borja – What's the minimum for agricultural leases?

Margarita Borja (DLM) – Half.

Director Michael Borja – Half acre.

Vice-Chairman Joseph Cruz – What's the max?

Margarita Borja (DLM) – Twenty. For subsistence it's half anything over an acre is commercial agriculture.

Vice-Chairman Joseph Cruz – We'll just apply the standard for the violation.

Velma Mendoza – The only reason why they gave me four acres is my kids are disabled and I have nine and because I applied for residential but they told me that if they didn't give me the residential and they gave me agricultural they would give me four acres for my children. So that's the reason why I didn't get my residential although I applied for both of them and I made payment on both.

Commissioner Pascual Sablan – What if we do like this we'll go down all to a half acre.

Chairman David Matanane – But you have given up the residential didn't you?

Velma Mendoza – I gave up the residential only for the reason that they gave me four acres. We could plant and do something with it for my children because they're of age already so they can do things on their own.

Chairman David Matanane – You know ma'am I'll be saying this that you applied for yourself and you can pass it down to the kids right?

Velma Mendoza – Yes that's the reason why I have beneficiaries.

Commissioner Pascual Sablan – But what you were saying is that they give you this much of land so when your kids comes to age you're going to pass it down to them.

Velma Mendoza – Yes.

Commissioner Pascual Sablan – You cannot do that.

Velma Mendoza – Well I don't know but they just asked me who my beneficiaries were so I just gave them that's all I know. They didn't tell me much.

Commissioner Pascual Sablan – You can pass it down but you cannot say you're taking so much because in the future when the kids becomes an adult give it to them.

Chairman David Matanane – No when she passes away then the kids will be the beneficiary that's the only time that she's can be passing it down not transferring but passing it down.

Velma Mendoza – Yes I'm aware of that.

Chairman David Matanane – Mr. Commissioners, madam Commissioner we are on a deciding factor that if we do decide something here today it starts precedent and it will continue and we cannot deviate from that anymore.

Vice-Chairman Joseph Cruz – I move that we reconsider the lease but reduce the acreage to the standard size of an agricultural with half acre.

Commissioner Amanda Santos – I second it.

Chairman David Matanane – Show of hands on the motion.

Commissioner Pascual Sablan – Any discussion, none, okay.

Chairman David Matanane – It has been moved and seconded and also majority voted on to reduce down to half acre.

Commissioner Pascual Sablan – So what we need here to do is terminate the entire lease then reissue with a half acre.

Director Michael Borja – Oh no we'll probably amend the lease and determine what the half acre portion would be.

Chairman David Matanane – Okay ma'am I'm sorry but this is what we have come up with. Come in and see Mr. Borja and get all the paperwork done.

Vice-Chairman Joseph Cruz – Could I make a note that on the renewal of the half acre a report from the staff is available the assessment.

Velma Mendoza – Can I say something, I think that's pretty unfair because I had that land for some time now and I did a lot of work on it that's why I was asking for reconsideration.

Chairman David Matanane – Ma'am the Board made its decision and (interrupted).

Velma Mendoza – That's fine.

Director Michael Borja – What they were voting on was to either concur with what we had determined to do in the Commission already and that was to terminate your lease. They were reconsidering the termination and they have allowed the lease to continue under a reduced size. And so you'll have a half acre we're giving you a half acre of land that is the minimum required for agricultural. If you thought that you would have been able to take this size of property and divvy it out individually to your children maybe perhaps they could but we couldn't subdivide the land into individual leases that's not allowed. They wouldn't be allowed to build there's only one home that's permitted to be built on that property if it was four acres. What we're going to do now is we'll visit with you out at the property so you can determine which part of this property that you want to maintain and then we'll survey it out accordingly to amend your lease with the new amount the new lot. So we do have your information and we'll have the land agents get in touch with you to set up an appointment to go and do this okay.

Velma Mendoza – Thank you sir.

Director Michael Borja – 747-0638 is still a good number?

Velma Mendoza – Yes.

Commissioner Amanda Santos – Are you satisfied with our reconsideration?

Velma Mendoza – Yes ma'am.

Chairman David Matanane – Ma'am thank you. It's a good thing that you know we didn't go the suggestion of the Commission.

Velma Mendoza – That's okay I understand.

2. Festival of the Pacific – use of Oka Point

Director Michael Borja – The Festival of Pacific Arts or FestPac is coming up in 2016 and they have the desire to use Oka Point as part for the festivities. Mr. Cameron is the Vice-Chairman of the Committee and is here to present their request to be able to use that piece of property. In meeting with the Committee I did instruct them that this property may be up for possible use for commercial purposes. If we do decide that we're going; we have put out an RFP on the property that the date that it will be effective for someone to use will be at the immediate conclusion of this festival. So if we found someone that finds the need to use the property and probably need it right way we would be restricted on using this property until after June 4, 2016.

Chairman David Matanane – So you're saying that they can make use of the property.

Director Michael Borja – They're going to ask to make use of the property probably starting immediately so they can start preparing the land up until after the festival has ended. So that they can use the property for the festival where there's going to be a lot and he'll give you a presentation, a lot of folks here from around the Pacific.

Chairman David Matanane – We have notified GEDA that we're (interrupted).

Director Michael Borja – GEDA is well aware of all of this. GEDA has been in the discussions as well.

Chairman David Matanane - Because you know as you know we have that MOU with them.

Vice-Chairman Joseph Cruz – So this is not (inaudible) Dr. Akimoto who made courtesy information?

Director Michael Borja – No what his request was I mean we couldn't have approved that on our own anyway because there are no commercial rules and regs and until that is passed we can't do anything. I'll talk about the commercial rules and regs here shortly but there are certain requirements with the commercial rules and regs that forbids from just issuing out to anybody who wants to come forward to take it, we have to do RFPs. So anyway we do have Ms. Therese Arriola as well she's the Chairperson with the Committee.

Theresa Arriola - Hi Good Afternoon Commissioners my name is Theresa Arriola and I am the Chair for the Festival of Pacific Arts coordinating committee and with me I have another colleague from the festival committee President of Department of Chamorro Affairs Joseph Cameron.

Joseph Cameron – Thank you so very much and yes it has been over two years now that the Festival of Pacific Arts coordinating committee has been meeting regularly for the past two years and one of the things that has always come to our mind was where would be an appropriate place to utilize for two weeks a venue site for the Festival of Pacific Arts, also taking into consideration that the request is temporary. It's not going to be a permanent and there won't be any permanent structures built there. Our intention was that we would like to utilize that area of Guam more clearly we were very excited about Ypao and we thought that the fabric would just make its way up. We know that there's approximately nine acres that the I Lina'la I Kotturan Guam has already and that would be a perfect marriage. We're very considerate of the fact that that property has a sprawl which is really flat. We're recommending that if the Commissioners felt comfortable about it that we will maintain the property by taking down the tangantangan and mowing it so that we get it all green because it's going to take time to make that place really pretty. But that we clearly do not have a desire to use it permanently. We are anticipating many tourists and also artisans. Artists from 27 island nations and I'll go ahead and yield to the Chair to give you an idea of what that looks like.

Theresa Arriola – Guam was awarded in 2018 the honor of hosting the Festival of Pacific Arts and as President Cameron had mentioned the coordinating committee which was created by statute has been meeting for a couple of years now. As we are about 18 months out it's coming down to the nuts and bolts as you can imagine. And so we humbly request that we use the Oka Point property which is under your jurisdiction right now. As Joseph mentioned it's just a natural marriage for the use of Ypao Park. Ypao Park is not big enough for what our needs are and so we were looking at tying it in with Ypao Park all the way up to the Point and also folding in and working with the Lina'la group up there so it augments their efforts that they currently have. I sit on the board the coordinating committee as a member of the Guam Visitors Bureau so I sit on the Guam Visitors Bureau Board and I just believe that this is just such a natural location to bring the visitors. The infrastructure for bussing, the infrastructure for trolleys which by the way is not just used for the visitors our own local folks pick up the trolley they know how to work the system. So with the proximity of Oka Point, Ypao and the proximity to many of the schools which may be used for we're looking at using for housing. Similar you remember the South Pacific Games in 1999 we used our public facilities to host and so it's just a natural tie-in. We're looking at over 10,000 people just from our visitor industry alone. The dates are a blessing. Not only is it good for the weather for our navigation canoes that are coming in from the outer islands but it's rain wise these days we're not sure what is rainy season and what's not anymore. But in our normal pattern that's a good period for weather but it's also a down time for hotels. So there's such great possibility of increasing and making sure that GVB through its efforts and marketing the festival as the key signature event for Guam will increase visitor arrivals for that period.

Joseph Cameron – Also the Chamorros who are living throughout the United States have shown an interest that they want to participate so we're looking at a couple of thousand Chamorros from the US Mainland that want to also participate in this activity. So we're pretty excited as you can imagine but I'm here to also let you know that the Governor of Guam is very pleased with the Government's participation as we did as Therese stated in 1999 it was a Government wide participation. We would like to stand up the Government to start cleaning that area. We realize that there was infrastructure in that area and then we can temporarily get the toilet needs or whatever it is we need for lighting just for those areas. And we're looking at 27 island nations we're creating miniature huts so that they have and then a mini stage. So we're pretty excited about what it could look like. We do have a website and we'll make that be available to you after today so that you can actually go into the internet and see. It's on your letterhead the website. Also taking into consideration the University students and the Guam Department of Education students are quite excited about this opportunity. There was some mention about the seafaring, in every festival for every four years whatever country that sponsors it they have the canoes actually leaving their country and they're going to come to Guam. So it would be nice to be able to bring them into Tumon to Ypao and this is very ceremonial I mean I've been to some of it and it's a hair raising event. We also have the seafaring for San Diego they're going to actually bring in how many canoes approximately more than 20.

Theresa Arriola – Yeah there is a major effort to make sure that our navigation tradition is well represented at the festival. And so as you can imagine if we have this at any other

place in the middle of the island we just won't have the effect of the water and the proximity of the water. So Ypao would definitely be the staging ground for navigation but we'll set it up for other things like vendors and then it'll just tie in so naturally if we would be at the Oka Point. We humbly request that the Commissioners take a look at our request and hopefully see how wonderful the partnership will be.

Joseph Cameron – And I believe as a tangible asset at the end when our locals see just how wonderful this event is and there was also a caveat of what is anticipated for that property on a longer term lease which is really wonderful that it also incorporates culture. So this will be a kick off for any potential company that really invested that wants to see what could a cultural venue look like on a property like that. So your investors are going to be queue of their curiosity of course to see it.

Theresa Arriola – We'll clean it we'll prep it really so that it's marketable after right.

Joseph Cameron – Yeah. So we did have a discussion with Director Borja and Director John Rios at the Guam Economic Development Agency and they both stated that notwithstanding that there will be a need to determine a need number one. Also the fact that the regulations for commerce driven activities of the Commissioners authority needs to stand up which will probably be sometimes early next year. But the process from which moving forward as to what an investor would look at and I believe that the timing is actually its divine intervention because we don't anticipate any immediate investor wanting to put for a five year lease multimillion. But nonetheless if it is available we yield to your better judgment.

Chairman David Matanane – Have GEDA or Mike you have already presented it over to GEDA and what was their?

Director Michael Borja – Well GEDA has been in part of this they're part of their group as well because they need to determine too you know what to assist because there's probably going to be some other issues that they're going to work with GEDA. But we met in a meeting and the discussion of Oka Point is yeah they understand and you know like Mr. Cameron mentioned we can't really do anything with the property just yet until rules and regs are up and RFPs have been issued. But that we don't foresee in the very near future anyway because there's a lot of processes that have to take place.

Chairman David Matanane – My concern is you know those boulders that are up there and also the cliff we wanted to I don't know if they fenced it already.

Theresa Arriola – Well if I can just talk to that point safety right. If I can talk to that point if the Commission sees fit to grant the use of the property then the festival committee will take the necessary precaution to ensure that fencing is done. We don't want our people to fall and we definitely don't want our guests to fall so we would actually put some investment into the property.

Chairman David Matanane – I would suggest also a liability insurance.

Theresa Arriola – Absolutely as even many of the events will have liability. Actually the festival will have insurance.

Joseph Cameron – We're also needing to let you know that we are investing approximately 12 million dollars for this festival. Just today we were so excited PDN gave \$100,000, today Matson gave \$100,000, Bank of Guam gave a \$100,000, United gave a \$100,000, TGalleria gave \$100,000, Ambros gave \$100,000. Imagine we're months away but we're very excited and we've already communicated with Guam Homeland Security and that they also have federal grants that will (inaudible) safety and security that will already partner in with this project so that we do take care of our visitors and our locals.

Theresa Arriola – So we would guarantee not only the event even the event is going to be insured. We'll have event insurance. But more than just the insurance we're going to put up the necessary precautions whether it be fencing. Fencing is probably the way to go. We're going to make sure that nobody falls that's the last thing we want. This is supposed to be a positive promotion for Guam and we don't want any fatalities or any accidents.

Chairman David Matanane – Really I have no qualms on that ma'am.

Vice-Chairman Joseph Cruz – Do you have a conceptual plan that we can (didn't finish).

Joseph Cameron – Well because we don't have a property as to sizing it we can work on that conceptual plan upon approval and we can certainly keep you apprised of that. But be clear that we are not looking for permanence.

Theresa Arriola – Maybe I can just share with you many of you we've been doing Guam Micronesia Island Fair for many, many years so Guam Micronesia Island Fair is just the Micronesia islands, Festival of Pacific Arts is Melanesia, Polynesia and Micronesia. So if you just for conceptual wise if you can look if you can think at Guam Micronesia Island Fair multiply that by three times it's that kind of set up but it's more of a cultural basis based on like you're going to see huts. We're going to pay our local people to build huts. When we have gone through I've gone to two Festival of Pacific Arts one in Solomon Islands and one in New Caledonia in 2000. I led the delegation in New Caledonia. It's just a wonderful experience. You'll just see large huts that will house each island nation who is going to be selling their wares, demonstrating their things and so it's just a wonderful; it's the biggest cultural event that Guam would ever have in our history.

Joseph Cameron – To coin the phrase the South Pacific Games is the Olympics of games but with this the Festival of Pacific Arts is the Olympics of culture. You will see some of their headgears that go up almost two stories high. I mean we're talking very big and a lot of investment. We're very excited about the opportunity only because we felt very strongly as well that May to the first week of June we've already checked and you know ocean matters falls under me I'm the point of contact for Guam for ocean matters with NOAA and also with Fisheries and also Coral Reef Conservations I'm in charge of all that. So we already know the science of what the wave patterns will look like bringing the canoes in so

we know that that's a perfect time. We can actually predict the wave pattern because if we did it later or too soon then the canoes would have to be really fighting the waves.

Theresa Arriola – Also if I could share that on the Guam Visitors Bureau as I mentioned I'm on the coordinating picketing committee because I sit on the board of GVB and so the Guam Visitors Bureau is a major player in attracting tourists. And so again we hope what would be normally a low season for visitors it's going to be the highest season ever. Not only that but this international event will bring into national media and regular festival followers to Guam. So this is really a big deal for our island and I think our island people are ready to host. This is a natural thing for us we're the greatest hosts you know we're known for our hospitality and our welcoming and so our shores are our home. So that international media is just going to bring such great attention to Guam a value a media value that we could never afford.

Joseph Cameron – Also to let you know we've already communicated with all the mayors of Guam because this is so large there's going to be venues in every village as well. This is big and that each village will sponsor a country pertinent to their village. So they're all excited actually they're fighting right now amongst themselves which country is the country they're going to; one mayor said I want New Zealand and the other one says why do want New Zealand? You know like that.

Theresa Arriola – Is there something you know about New Zealand that I don't know.

Joseph Cameron – They're excited. Just to give you an idea also just in the two weeks we have to come up with sixty five thousand pounds of taro. See those are the back drops that you're not seeing. But this is their starch ours is rice theirs is taro. So those are just minor things but they're very big. The entire Government of Guam will drive its natural resources and manpower to make that Oka Point beautiful. So I thought if we had it a few months early as early as next year we can start taking the tangantangan down start mowing it every week you know just keep it nice.

Theresa Arriola – You know how it takes a while for property to (interrupted).

Joseph Cameron – To go back to where it was and it's going to take some mobilization.

Theresa Arriola – And we will do the clean-up. Of course we would incur the costs or find the means the ways and means to get the clearing done and put up the fencing and just start preparing the site. Actually I think it's exciting even the preparation of the site is going to be exciting because our own people going around the rotunda will start seeing will realize just how beautiful that point is and like I said for future investment it will be a great way of we're preparing it so that it's picture perfect.

Joseph Cameron – And if it's your desire as the Board of Commissioners for us to not take down the temporary (interrupted).

Chairman David Matanane – Structures there.

Joseph Cameron – That’s really your call. You can ask us to keep it but you know just knowing that you don’t we’ll take it down.

Theresa Arriola – Of course the fencing will stay up. We’re not going to put up a permanent fence and then take it down.

Joseph Cameron – It could be chain link fencing where you can see through it.

Commissioner Pascual Sablan – Are you folks coordinating this with the Lina’la group?

Joseph Cameron – Yes, yes they are fully aware.

Commissioner Pascual Sablan – You mentioned earlier that you are going to bring in or connect to bring in infrastructure right? Can Lina’la group I think that’s one of their cry is that they don’t I think have water and power in that area.

Theresa Arriola – Yes it will definitely help them.

Commissioner Pascual Sablan – Could it be a commitment since we’re going to go through this magnitude that (interrupted).

Theresa Arriola – Oh no Commissioner Sablan that is definitely I mean we can make that a condition because our whole point of being at Oka is not to take away from Lina’la but actually augment their efforts.

Commissioner Pascual Sablan – No but what I mean to say is that since you’re going through this magnitude of we could say investment or activity there I’m pretty sure that you need to connect maybe things you know to the main sewer which is just on the road. But maybe go via the Lina’la so Lina’la can be benefitted by you know because they don’t have sewer they don’t have power. They told me I think that GPA wants something like \$80,000.

Theresa Arriola – Absolutely not a problem. Like I said actually the Lina’la group because they’re all cultural practitioners are already very involved most of them if not all of them are involved in the FestPac programming committee.

Commissioner Pascual Sablan – How come no member of the Lina’la is here? Are you coordinating with them?

Theresa Arriola – Actually Ann Marie Arceo who is the Chair if I’m not mistaken sits on the FestPac committee. And it was her suggestion because she knows that if we’re up there then the resources will be naturally tied in and assistance will come in. So we’re not competing with Lina’la because they’re part of our cultural group.

Commissioner Pascual Sablan – I understand that but it would be nice if we see a member of them you know with you so (interrupted).

Theresa Arriola – Ann Marie Arceo is a member actually she's the Governor's appointee to the FestPac committee. The Governor's appointee to the committee as well.

Commissioner Pascual Sablan – Can we go on record that you people are going to see what you can do to (interrupted).

Theresa Arriola – Absolutely it can be a condition of the assignment.

Commissioner Pascual Sablan – That you know maybe that when you bring in sewer that it's either on the abutting from the nine acres you know.

Theresa Arriola – Absolutely like I said it can be a condition.

Joseph Cameron – If you wish Commissioner Sablan you can make that as a condition.

Commissioner Pascual Sablan – Just give your word we'll go on record.

Theresa Arriola – Yes.

Joseph Cameron – Yes we'll go on record that yes.

Theresa Arriola – Ten times over yes.

Joseph Cameron – If you want that in writing we can do that as well.

Theresa Arriola – Better yet make it a condition of the assignment.

Chairman David Matanane – You know we were just talking about when do you start and the tear down you would have ample time to tear down right?

Theresa Arriola – Oh yeah.

Joseph Cameron – We have the manpower.

Chairman David Matanane – So it won't be ending in June 4th 2016 it could be a couple of months after that.

Theresa Arriola – You mean breaking down?

Chairman David Matanane – Yes.

Theresa Arriola – A month I would say it'll be fair to have a month. Kind of like the liberation you know carnival.

Chairman David Matanane – You know Mr. Cruz was mentioning since you're giving up in June the next month is July so he wants to continue.

Vice-Chairman Joseph Cruz – The liberation could be at.

Joseph Cameron – Well that's something to think about. That's why I offered to you early on upon which time we are ready to disassemble if it is the will of the Board of Commissioners to make that request that we leave it up because there's some tangible assets for the following month for the purposes of the liberation for that matter we will yield to that. I mean remember this is Government of Guam function it is not just you know out there. It's a Government of Guam project and it's fully funded.

Theresa Arriola – It was the Government of Guam that bid for it and it was the Government of Guam that received the bid received the honor. So this is driven by the Government of Guam.

Vice-Chairman Joseph Cruz – It's a win-win situation.

Joseph Cameron – And highly supported by the Governor of Guam as well.

Director Michael Borja – How much property do you think you'll need?

Joseph Cameron – I'm not very familiar I don't have the paperwork in front of me I should have brought it but I had the mapping of what was up there and what we'd like to think that even if we don't utilize the full scope we want to clean it. We want to clean it.

Director Michael Borja – Well you'll need it for parking as well right.

Theresa Arriola – For parking for eating areas for it's not just the 27 huts we have to put up vendor area we have to put up eating picnic areas. I mean it's going to be kind of like a park you know.

Joseph Cameron – But also realize that the majority of visitors either locally we have busses that will stage from all the schools in Tamuning that they're not going to bring their cars up there. They're going to be shuttled and also we have different areas in Tamuning that we already know of that are vacant lots that can be utilized as well as parking. Like across Oka Payless that's another big part for parking. So we don't want to congest the area and get everybody all messed up and pissed off so to speak. But we clearly want it to be so that people can be dropped off and picked up.

Theresa Arriola – And the proximity of things the proximity of the schools as I mentioned earlier most of the schools JFK, LBJ, Tamuning Elementary will be considered as venues of housing. And so if we don't have to travel very far then that's less transportation logistical nightmare for the committee to coordinate with the busing company.

Joseph Cameron – And it's walking distance.

Theresa Arriola – It's walking distance to a lot of places.

Joseph Cameron – For hotels.

Theresa Arriola – The trolley up and down is already going there so you can drop. The infrastructure is so set up already you know it goes from all the way Tumon around the rotunda drop off GPO come back.

Joseph Cameron – To be honest we went to a venue we went to UOG to consider but UOG was asking right up front almost a million dollars for us to build something for them. Seriously we were like shocked because this is temporary but they want us to build a permanent structure for them.

Commissioner Pascual Sablan – How about if you have some salvage some material can you donate it to the Lina'la group?

Theresa Arriola – In the past specific things like tangible because FestPac committee there's a sunset you know we're not going to last forever right so in the past when committees like I can draw from like South Pacific Games SPG we were very involved in that so tangible items that were bought that can be reused was donated. In that case it was a sport so we donated it to the sports federation. That is definitely the intention whatever material, costuming whatever apparatuses anything it's going to have to benefit actually I think that is part of the legislation that it has to benefit because what are we going to do with it the committee is going to be defunct after.

Joseph Cameron – But thank you for bringing that up Mr. Sablan you're right and that was already taken into consideration.

Theresa Arriola – And actually I think it's tied in to the legislation because the committee is going to end right after the FestPac. There isn't a FestPac department that we can take everything with us it will be donated to the cultural organizations or cultural disciplines on Guam.

Chairman David Matanane – You can probably utilize the huts that you build up there for you know their daily living I guess but then you would need well no.

Joseph Cameron – Daily living?

Chairman David Matanane – They are going to be building their own type of huts like how the Chamorros built their own house but it's not going to be livable for them.

Joseph Cameron – For who?

Chairman David Matanane – For the organization or the people that (interrupted).

Joseph Cameron – Oh no those are temporary structures they cannot be permanent.

Chairman David Matanane – Well during the duration of that.

Theresa Arriola – It'll be no it won't be living.

Joseph Cameron – No living there.

Theresa Arriola – It's just you know like a home. Each hut will be assigned like to the Solomons, Papua New Guinea then you go to that hut to see everything they brought with them.

Joseph Cameron – What we'll do is we'll download pictures for the Commissioners to see of Solomon Islands and it's also on our website you would actually see how they built it. We're emulating the (inaudible) but we're doing the Chamorro thing.

Chairman David Matanane – When do you feel you guys would start?

Joseph Cameron – January so we can start cleaning just to get the tangantangan out of the way and start mowing.

Theresa Arriola – And train the grass.

Chairman David Matanane – I caution you again all we want is safety if anybody gets injured Chamorro Land Trust is not going to be liable for anything you guys are going to have to take care of that.

Theresa Arriola – Absolutely an event insurance liability event insurance.

Joseph Cameron – The Secretary of Pacific Communities who is the mother house of the entire Pacific Asia that stands up this every four years they will not give it to us unless we assure them that we have that. So we did that actually my mom passed away five years ago we did that five years ago that we already signed up on the document that we will provide the following because otherwise we would not have been selected.

Theresa Arriola – If we were not able to show that we have the basics and one of their basic requirements is event insurance then even though we won the bid it would have to be considered and probably moved, taken away and given to another country. But because Guam is cosmopolitan and we're still very, very traditional island but with a modern twist we showed them that we have the infrastructure to hold such an event.

Chairman David Matanane – Congratulations guys I'm looking forward to see that. We need a motion.

Commissioner Pascual Sablan – On the insurance can you include the Chamorro Land Trust to be part of that insurance, liability insurance in other words not on paying the premiums (interrupted).

Joseph Cameron – Yes I understand you need to be a party to it.

Director Michael Borja – We're additionally insured.

Joseph Cameron – You would have to be a party to this insurance so that it's not separate and apart an issue for the event.

Theresa Arriola – Absolutely and those can be conditions of the assignment and you can just enumerate that.

Joseph Cameron – So that you don't lose your house in your personal capacity as Commissioner or your Urunao property.

Commissioner Pascual Sablan – Or you don't cancel and then we're left holding the bag.

Joseph Cameron – No I understand.

Theresa Arriola – For the festival you mean?

Commissioner Pascual Sablan – Yes.

Director Michael Borja – The Chamorro Land Trust Commission shall engage in a user agreement with the Festival of Pacific Arts Guam 2016 committee for the use of approximately twenty-five acres of the Oka Point land for the purpose of the Festival of Pacific Arts beginning January 2015 and concluding July 2016. The user agreement will include things such as liability insurance and for the permanent utility hookup of the Lina'la group once it's fund in there and other things that have not yet been discussed.

Commissioner Pascual Sablan – So moved.

Commissioner Amanda Santos – I second it.

Chairman David Matanane – It has been moved and seconded it to accept the request from the Guam Festival of Pacific Arts for the duration of January 2015 to July 2016. Show of hands to make that approval, unanimous.

Theresa Arriola – Thank you Commissioners.

Joseph Cameron – Thank you.

Director Michael Borja – I will be in touch with the committee to arrange for the user agreement and the details.

Theresa Arriola – Thank you for partnering I knew this was going to be a natural partnership I just know it you know. This is a promotion of our Chamorro culture you are the Chamorro Land Trust it's natural, very natural so thank you.

Joseph Cameron – If you don't mind could we work with your office Mike in doing any type of a press release rather than just us. We'll work with you we won't do any press release until we get with you.

Theresa Arriola – Yeah actually we're looking at probably in a couple of months because we have some other sponsors and so when we develop some sponsorship then we'll have more to share with the media and so we'll tie it in to that press conference, sponsorship plus the announcement of the venue.

Joseph Cameron – We'll invite you to that event so that you're all there.

Theresa Arriola – Because everybody is asking us about the venue and we keep saying wait. Everything is timing, everything is timing.

3. Commercial lease rules and regulations

Director Michael Borja – You should have in your packet the proposed rules and regulations that we're going to look at. It's the one that's put together and it starts off with a schedule. The proposed rules and regulations for commercial use of property was drafted up with the major assistance of the Guam Economic Development Authority. It was held up for the longest time being reviewed by the legal counsel at the Governor's Office and upon their concurrence there really was various insignificant changes that they made and were not really anything at all. But in discovering they discovered unfortunately that the law somehow got changed in describing I think it's written in here in her opinion. The last part here they had changed the part of the law for the Land for the Landless and it made mention that residential leases by the Chamorro Land Trust is pursuant to it's rules and regulations and somehow it did not include the need for legislative approval but it excluded or didn't mention agricultural leases so we're going to have to go back and look at something here. But it could be interpreted that agricultural leases have to be approved by the legislature which is really not the intent of the original law. Anyhow so that's what the gist of this commercial rules and regs is. I took this draft bill to be our rules and regs and I went down last month and spoke to Vice-Speaker Cruz since he now holds the committee for the land and I asked him; there's two ways to go about this in the administrative adjudication law they could do it and have the public hearing or we can have the public hearing and they still would have to give final approval. He chose that we would have to be the ones to do the public hearing. And such today I'm presenting the Commissioners with this so that if you have any other specific issues please get with me one on one and we can go over it. I'd to finalize and make sure this is I think we've already presented to the Board once and that's before we sent it on out to be reviewed at Adelup because the idea is to get it all reviewed before we go to the public hearing. On November 6, the law requires us to publish ten days prior to the meeting and I'm going to give them a little bit more than that because it doesn't say ten working days it doesn't say ten calendar days it just says ten days. At least ten days prior to the hearing we need to publish. Thursday, November 6 we will put out a publication that this document will be available for review and we're going to have a public hearing on November 20th. It also required us in the law to have five copies available here at the Chamorro Land Trust and for it to also be available on our website which we will be doing. Before we can submit this to the Legislature for approval we also

have to have an economic impact statement so the Guam Economic Development Authority is currently putting one together. I put down the date of November 12 to get it I think I may be getting it much more sooner than that. I'm proposing that we meet a week prior to the November 20th meeting the public hearing so on November 13 just to sit down as a working group not as a calling together for any discussion just to discuss the procedures of conducting a public hearing since it's not something we do alright so it's just kind of talk about how we can do it. The Chamorro Land Trust is going to have its public hearing on November 20th at 1pm in the afternoon here in this conference room. It will be in lieu of our next monthly meeting. I really would appreciate full attendance by all the Commissioners to be here to listen to the public hearing. The public hearing we will be allowing people to submit written and oral statements. Written statements can be submitted at the public hearing the public notice will tell them they can also mail it to us or they can email it to us. My suggestion is going to be that it's strictly just a public hearing. We're going to listen to the testimonies and if there's any questions they have to submit it in writing and we'll have forms for them to do it so we'll answer them back individually. But it's not here to be a sparing session okay.

Chairman David Matanane – Have you checked the procedures that we sent to the Legislature about a year ago?

Director Michael Borja – For what?

Chairman David Matanane – Does it accommodate with this?

Director Michael Borja – Oh this is the same one we never sent it to the legislature. No it never went.

Chairman David Matanane – I think we did.

Director Michael Borja – No we never got it there because it didn't get reviewed by Adelup.

Chairman David Matanane – Oh okay I thought it has already done through the routing; I always thought it was sent to the Legislature that was a year and half or two years ago.

Director Michael Borja – It's actually it was almost a year ago.

Chairman David Matanane – That's why we were working with the late Senator.

Director Michael Borja – Actually what had happened was according to Oscar there was a set of rules and regulations several years ago that was submitted to the Legislature but it never came out of committee. On December 4th that is my deadline to have the rules and regs finalized with any comments that might have been suggested that makes sense to change and there's not a requirement in the law that says that we have to meet as a public hearing again for the final bill. But I will have public hearing report presented for your review. On December 18th which is going to be our December meeting that I will have the

full package of the public hearing the final bill ready for you guys approval. And then we will submit the package immediately thereafter to the Attorney General for their review and then my goal is to have this thing ready to be submitted as a bill to the Legislature in (interrupted).

Chairman David Matanane – Through the Governor or through us?

Director Michael Borja – Well that's going to go to the Governor but it has to be sponsored by someone in the Legislature. We'll have it in the first week of January. We won't have time to submit it in through this Legislature because any bill that's introduced when the Legislature closes for this session all bills are considered to be dead so it will probably be in January or February to present this in the Legislature.

Chairman David Matanane – If in case it's going to be established over there in the Legislature and when the new Legislative comes in we don't want it to be dead rather to just hold it until such new Legislature.

Director Michael Borja – Yeah so we'll introduce it and it will be a complete package that we held a public hearing. We'll do in accordance to the law requirements as addressed in the Administrative Adjudication Law okay. So just take a look through here if you have any specific issues let me know and that's pretty much it. But I am kind of thinking that if any of you went to the Marine Corp draft EIS public hearings I'd like to hold something like that where people would be allowed to make comments we only hear the comments and record the comments we don't address any questions and that oral statements be limited to a certain amount of time. We can figure out what that time could be 3 minutes, 5 minutes whatever you want it to be. If they wish to address longer than that they would have to get back on the list again to complete their oral comments later on. What I really don't want is this public hearing to become a circus. We'll have certain rules that we're going to set up and I'll address with you later on. If people do want to protest there's a lot of parking lot outside. If their aim is to be on camera there's (inaudible). This is a public hearing not a protest. I'm not going to deny them their right to go protest but not in the public hearing. They can come in and protest by giving oral comments. We'll have someone who will be a timekeeper and we'll have someone if we have the reason to ask people to leave then we'll have that but I don't think so I think we'll be pretty much okay.

Chairman David Matanane – Would it be like we are in session right or call it session in a meeting and we have a Sergeant at Arms.

Director Michael Borja – We'll address someone to come and be the Sergeant at Arms.

Vice-Chairman Joseph Cruz – Or get an officer visible during the public hearing.

Director Michael Borja – We might. I just want it to be as orderly as possible but we're also going to go out and if you guys have individuals that you think would be good to bring in to speak in favor you know please. Dave Camacho and I are going to go out and we're going to talk with some of the people who; not just business people but some community

people. Some people who are some of the leaders in the Chamorro Nation or Chamorro Activists groups and talk with them and just let them know what this is all about. Because some of the criticism we have from folks is that they think we're going to try and give away all the land for commercial that's not really the case. I mean there are certain properties and what we're going to do is try and have some kind of display and show this is where our primary properties are that may be used for commercial. And they would be the ones that you know who would want to live there you don't want to put housing there you don't want to put agricultural there because it's right along the main road. So we'll have some points we'll make beforehand why this was actually we didn't put this into the law this was part of the original law to have commercial. And the reason for it is how in the heck do you put forward to put infrastructure into land you can't do it from a dollar a lease per year.

Commissioner Amanda Santos – This is Paul Bordallo rules and regulations?

Director Michael Borja – Yes this is the segment and in fact there's paragraph 6.9 that is specifically for commercial rules and regs and right now all it says is reserved and so this will go into that section of it okay. Any questions on this? Please have a look at it and if you have any questions don't hesitate to give me a call.

Legal Counsel Kristan Finney – I was looking at what I think was the most recent draft but I'm not sure I thought you had said that there was a section added for licenses?

Director Michael Borja – No, no we didn't add the section we just addressed it, it had to do with commercial lease or license opportunities. We just specifically used the word together lease or license.

Vice-Chairman Joseph Cruz – So we're replacing it?

Director Michael Borja – No, no we're not but there are definitions in which you want to sometimes use for license term or the lease term. But we're still mandated by law that they're only limited to five years so that still is a really significant problem. There are ways to go beyond that but it's just more requirements. But we can't do any commercial as you know we have held back from doing any commercial until we do this.

Vice-Chairman Joseph Cruz – I was looking at this section 60112 that states Land Use Permits, is that still in existence? Do we still have those? It states this section shall not apply to Land Use Permits, the Land for the Landless Program or residential leases by the Chamorro Land Trust. Do we have a Land Use Permit?

Director Michael Borja – No just like the Land for the Landless is pretty much wound up this is just she's quoting from this specific section.

Vice-Chairman Joseph Cruz – Yeah but that section; that statement is part of this section 60112.

Director Michael Borja – It is but what she's suggesting is we make some changes to it because they included residential leases by Chamorro Land Trust and it says this section shall not apply to residential leases so that was something in her research of the law to see how this fits in. She found a part that she thinks that there needs to be some fixes because she says it's (interrupted).

Vice-Chairman Joseph Cruz – What I'm alluding to is that if this statement falls through that Land Use Permit it's not applicable to this 60112 and we do have a program or an existing Land Use Permit, we don't have to report the Permit to the Legislature but the lease does. So being that the commercial lease is only good for five years can we convert it to a permit instead of a lease so that we don't have to get an approval from the legislature because it's exempt from this thing. That's why I'm asking if we have a Land Use Permit in existence.

Director Michael Borja – Not that I know of no.

Margarita Borja (DLM) – That was a program under Land Management.

Vice-Chairman Joseph Cruz – Yeah because the section is 60 that's Chapter 60 of Land Management. Chamorro Land Trust is being held to this section which is under Land Management. You understand what I'm saying? Chapter 60 is Land Management mandate, Chapter 75 or 76 is Chamorro Land Trust. So if we are obligated to be part of this law because Chamorro Land Trust it says section shall not apply to residential leases by the Chamorro Land Trust.

Director Michael Borja – What she's trying to point out here is that it shall not apply to residential leases by the Chamorro Land Trust and what they failed to include is agricultural as well. It shouldn't apply to even agricultural but because it excluded agricultural then that may mean we have to get legislative approval just to do agricultural leases.

Legal Counsel Kristan Finney – I think what he's asking is is there a time when instead of having a lease that would have to get legislative approval if there is such a thing as a Land Use Permit that wouldn't need legislative approval.

Vice-Chairman Joseph Cruz – Because the mandate or the policy that we're having here (interrupted).

Director Michael Borja – To get around this just go with a Land Use Permit.

Legal Counsel Kristan Finney – That's what he's asking.

Vice-Chairman Joseph Cruz – And you can counter by saying Chapter 60 is mandated by Land Management and Chapter 70 is Chamorro Land Trust.

Legal Counsel Kristan Finney – Well there is a provision in Chapter 60 that had authorized the Department of Land Management to enter into Land Use Permits but my

understanding is that is not on the table anymore because there is no land available to the Department of Land Management.

Margarita Borja (DLM) – Unless it gets transferred.

Director Michael Borja – It doesn't belong to Land Management right.

Legal Counsel Kristan Finney – The law is still there that says it could do it but it has no practical effect but if they did have land to do that they wouldn't have to go to the legislature.

Vice-Chairman Joseph Cruz – Right.

Legal Counsel Kristan Finney – But they're authorized to do that but the Chamorro Land Trust Commission doesn't have a portion in their statute that says you can issue Land Use Permits.

Vice-Chairman Joseph Cruz – He's wearing three hats.

Legal Counsel Kristan Finney – Right but as the Commission.

Vice-Chairman Joseph Cruz – Because of the existing mandate that says not applicable or exempt from so as the Director on the Executive Order.

Director Michael Borja – Yeah.

Chairman David Matanane – But if you continue too but shall apply to any transfer to the Federal Government or any agent of the Federal Government.

Vice-Chairman Joseph Cruz – No but we're not selling we're converting the lease to permit. The lease is only good for five years you can use a permit for five years.

Legal Counsel Kristan Finney – That's why I was wondering if there was a section addressing license which might be closer to what a Land Use Permit is. We can't just call a lease something different and make it not be a lease anymore. But the Chamorro Land Trust statute does you know it mentions leases and licenses.

Director Michael Borja – And you'll see in Ms. Miller's comments where she thought that licenses are something that is under the mandate of Revenue and Taxation, she's just making a recommendation okay.

Legal Counsel Kristan Finney – Well it's like what these guys were asking for they made it pretty clear that they weren't really asking to enter into some sort of long term lease of the property they just want to (interrupted).

Vice-Chairman Joseph Cruz – A permit.

Legal Counsel Kristan Finney – Yeah they want to be able to use the property for (interrupted).

Vice-Chairman Joseph Cruz – Use that and use that as our guide.

Commissioner Amanda Santos – You're not going charge them?

Director Michael Borja – No because it's a Government function.

Vice-Chairman Joseph Cruz – That's our share.

Director Michael Borja – They're just needing to formally come and ask us to use the property because it's under Chamorro Land Trust.

Vice-Chairman Joseph Cruz – Draft up a sample permit for them and then see where it takes us.

Director Michael Borja – Well I don't have any problems with the schedule and you guys are all okay with the schedule doing the public hearing next month.

Vice-Chairman Joseph Cruz – Yes.

Director Michael Borja – So then I'll go ahead and begin the process to make the announcements.

4. Loan Guaranty program

Director Michael Borja – I want to kind of give you an update on where we are on the CLTC loan guaranty program as you know the Public Auditor had identified it's a problem that it's a program that's not being monitored. It's 13million dollars in guaranties. So we went through and found out of 151 of loan guaranties we believe there were actually only 147 of them because some were never enacted some were just people turned down the guaranty. Now of the 13million dollars that were on the guaranty list, 10million of them were for things other than what would have been a guaranty for a home loan, it was for disaster relief and that's pretty significant. So 78% of the loan guaranties were for something outside of what they were originally intended for. The reason there's a loan guaranty as I mentioned before is that most banks did not want to give a loan a conventional loan for a house loan if the land is not included and so they want a guaranty. We're working right now to determine whether or not there needs to be that kind of restriction. And we believe that there doesn't need to that there should be some loans out there that can be provided that doesn't require the loan guaranty. When we went through them we sent out letters to all the people and because this program had not been monitored ever we haven't been getting good feedback. We got a number of letters returned so we've taken those letters and then gone out to the land to find the people and hand deliver them so that's what some of the land agents have been doing as well. Today we've only been able to get twenty one people to provide us with statements and of that twenty one we've found that there are probably eight of them that are high risk. I've talked with three of them already and there are issues.

One of the predominant issue is that because 78% were for non-housing regular house loans they got it through SBA. SBA has sold those loans over and over and over and over and SBA has no clue who's the current lender. In one of these cases already one of the individual doesn't even know who that bank is she's supposed to pay because she hasn't gotten a statement in years.

Chairman David Matanane – Ms. Finney can you look into that whether they can do that where the guaranty follows to each person that it's been sent to?

Director Michael Borja – Well it's supposed to and that's the intent is we're supposed to go we're going to remind them of this. But what we have found in talking with SBA and telling them that this is a problem that we've encountered there is a simple thing we can put into the statement of the loan guaranty that says that SBA cannot sell the loans.

Chairman David Matanane – And we have a standard form on that?

Director Michael Borja – Well no we're putting together our action plan but SBA has already recommended to us that in the event; what I wanted to do is we've had all these typhoons come I wanted to make sure that if we did get hit with a major disaster and if people needed money and they were going to get disaster loans and we were going to be required to give loan guaranties I wasn't going to say no. I was going to say okay but here's the period of provisions and that's what we've created too we've created certain rules. I'll go over that with you formally I'm just giving you (interrupted).

Chairman David Matanane – I'm just kind of curious Director Borja is I thought this loan guaranty is on a case by case basis rather than just giving this out.

Director Michael Borja – Well it is but you know the disaster relief loans were given after typhoons Paka, Chataan and Pongsona and (interrupted).

Chairman David Matanane – But we didn't mortgage that property itself because of (interrupted).

Director Michael Borja – No we didn't mortgage a house. We don't have a grip on a mortgage of a house.

Chairman David Matanane – That's the reason why I asked is there a standard form for that loan guaranty?

Director Michael Borja – That's what we're creating right now. That's what I'm going to go through with you because we are going to say something to the effect that if you are a family of four the minimum requirement that's allowable for a home size is this, the cost of building one of those homes is this, that's all you're going to get. So if it's \$60,000 and you came up with this grand deals plan that you know the roof on your palapala blew away so you need \$100,000 to replace the roof and you spend \$200 for a new palapala and the rest you went on a vacation to Disneyland then that's not going to fit. We're going to have

certain guidelines in place and we haven't gotten through the whole process of it yet but do we pay the contractor ourselves or do we allow the guy to have the money to pay the contractor when nothing gets built. Because if you go out and take a look and I know I promised you guys a field trip we can give you an example where there was a \$50,000 SBA loan on a home that has no roof presently and nobody is in there so where's the money (interrupted).

Chairman David Matanane – That's the one we guaranteed?

Director Michael Borja – That's what we guaranteed so where did the money go? What good is that if I have to foreclose on it? So anyway that's what we're working (interrupted).

Chairman David Matanane – That's the reason why I asked if there was a standard form or the turn around document before we even approve the loan has to come back to us for approval.

Director Michael Borja – You know it could have gone through the Board I'm not exactly sure. Well were you the Commissioner since Pongsona?

Chairman David Matanane – I've been a Commissioner but I never seen any guaranty come to us. No but I thought that the guaranty program if you are Chamorro Land Trust recipient they're supposed to bring it to the Commissioners to approve the guaranty rather than of course the Director has the authority to approve it but has it been divvied out through the Director by himself, sole person.

Director Michael Borja – Yes it has been. Does it need the AG's approval too?

Margarita Borja (DLM) – Well now it does.

Director Michael Borja – Now it needs the AG's approval.

Chairman David Matanane – Because I have never seen during my tenure as a Commissioner the loan guaranty.

Director Michael Borja – Nor have I. But I don't know if the law is written that says but I have to go back and find out where it goes into this if the Director had been given that approval at one point but that's the reason why we're going through it and we're working on changing the rules okay.

Vice-Chairman Joseph Cruz – My understanding on that is at that time they guaranteed loans during or after the typhoon. All they need to get is the authorization from the Director that they're leasing the property and then they go through the federal (interrupted).

Chairman David Matanane – But not guarantying that loan, I think it's a grant.

Vice-Chairman Joseph Cruz – No but there's two types of financing out there one is guaranteed and one is a regular loan through the bank here that we have. I think some of those that are privately or independently went and got their loan are now (inaudible).

Director Michael Borja – There's not that many regular loans that are out there that people came in to get for houses. Like I said 10million out of 13million was for all these disaster relief. You know what it's like to have to go through typhoons and so you really need to get people back on their feet and that's what happened. That's why we put together really fast and got something in place just in case we got hit by a major typhoon until it's finally approved but it basically is going to limit what we can guaranty on.

Chairman David Matanane – But the point is when Chamorro Land Trust was enacted it says there that you can't mortgage this piece of property.

Director Michael Borja – No you're not mortgaging the property that's the point that's exactly why the banks won't give the loan fully to the borrower because the property is not included. So they're saying in order for us to finish off the loan then you've got to get a co-signor and that's what we are. But they haven't been fulfilling their end of the bargain by telling us when problems occur when borrowers are failing to pay. I had this one individual who came in and she; you know in some of these cases it's because beneficiaries have taken over and the problem they have then is that the bank don't want to talk to them because they're not the borrower. The new beneficiary needs to get something from us to say hey I'm now the eligible person holding on the property and the land talk to me so I can at least get a statement and they're a year past due. I got one that's past due since 2005. Now here's a good story we had one case where a piece of property up in Yigo, five acre agricultural lot with a house a brand new house was built and the man who built the house was an elderly man and he died. His beneficiary was his son the loan was a VA loan and it was for \$120,000 or \$110,000 something like that was the balance and the son was the beneficiary and he qualified for the loan. But the son is in the military living off-island and there's no other relatives on island to live in the house so he was trying to rent the house to at least pay the mortgage because he's not here. When the realtor came to us to get details on how they can do this they were told that it can't happen. So unfortunately the guy now has to make a mortgage that he can't nobody is paying rent on or nobody is living in the house and he may also have his own financial issues that his own house he has to pay for in the States somewhere or whatever. In the end he notified VA that he was foreclosing. We never received any formal notification from the individual. In our attempts to call him and email him have been unsuccessful. So we're working now with Guam Housing through VA to turn this house over. We have found a lessee who is currently leasing land and has become eligible and qualified for this loan and he's willing to switch properties and assume the loan. Now there was some minor damage to the house. The house has accordion shutters throughout. We've inspected the home, somebody had gone in and pulled apart the circuit breaker panel and we don't know what other kind of wiring damage but that was pretty much it. The sliding glass door was broken but we closed; all the shutters were closed and locked. The front door locks weren't working so we put in a new deadbolt to keep it secured and there was a field gate a farmer's gate that closed off the entry way and we padlocked that and put signs throughout that said no trespassing. So we've tried to

secure the property to prevent any future damage to it but we feel that we've got this will be our first case in which we've actually had and the lease even specifically mentions that we can change over the property in the event of foreclosure.

Commissioner Amanda Santos – How big is the land?

Director Michael Borja – Five acres.

Commissioner Amanda Santos – Oh that's big.

Director Michael Borja – It's beautiful and the house is set way on the back side of the house. The house is really nice too it's a very tasteful looking house.

Commissioner Amanda Santos – A hundred and some thousand foreclosure?

Director Michael Borja – Yeah. So that's where the loan guaranty program is I'll have more for you hopefully in December where we're going to have something finalized that will go into effect for all future loan guaranties. In fact I had even put a moratorium on signing any loan guaranties until I saw what was here. I'm still not comfortable right now, the outstanding balance is 12million dollars but that's only based on 21 responses out 147. So it could be pretty good out there because I think that if somebody was really a deadbeat on some of these properties especially if it was a regular mortgage not a disaster relief they would have been after us a long time ago. Karen this is your last meeting with the Chamorro Land Trust right? So we would like to bid you good luck and farewell on your next endeavor. She's going into real estate, small plots.

Karen Charfauros (Staff, Senator Ben Pangelinan's Office) – Very small. This is Uriah Perez he will be taking over and he'll be in touch with all of you I'll pass on all your email addresses.

Chairman David Matanane – Good bye and good luck.

Karen Charfauros – Thank you.

VIII. DIRECTOR'S REPORT

1. Revenue collection report for the month of September 2014

Chairman David Matanane – I guess the Director's Report has he completed it?

Director Michael Borja – We are it is back here but the highlights are the ones we talked about earlier with the two past due.

2. Sagan Linahyan

Director Michael Borja – We have begun signing the user agreement for the contractors and hopefully in the next couple of weeks in fact it has to be in the next couple of weeks we're going to have groundbreaking. So we'll get in touch with you guys to let you know but these will be the model homes that are going to be built. There is going to be (interrupted).

Commissioner Amanda Santos – Is that in Yigo or Dededo?

Vice-Chairman Joseph Cruz – Dededo next to Astumbo.

Director Michael Borja – Right by the Astumbo School. They're going to be building some model homes out there and there was just some delays in getting this contract signed because there was a requirement that they have bonding and all that. They wanted to make sure they had the bonding in place before they sign this. There's actually a time limit for them to get things done. Once we get these things started to be built; when the first one is ready to go we'll do a groundbreaking and we already assigned the lots out to the different contractors. It's sort of spread out. Out of those ten lots along one side of the road they were kind of spread out so it worked out just right for them.

Commissioner Amanda Santos – How many homes are you planning to build?

Director Michael Borja – I think there is five.

Vice-Chairman Joseph Cruz – Ten available.

Director Michael Borja – There's ten available. There are four contractors but one of them is going to do two and the other three are going to do one each because it's all at their cost.

Vice-Chairman Joseph Cruz – It's like a turn-key right.

Director Michael Borja – Yeah but it has to be a model home for a year.

Chairman David Matanane – I was wondering on the statement it said it can be sold after one year.

Director Michael Borja – Yes it can be sold anytime within that year it just can't be occupied.

Chairman David Matanane – So literally saying we'll be selling this piece of property.

Director Michael Borja – No we're not selling the property it can only be sold to Chamorro Land Trust applicants. People who already have leases they can swap it if they want but just because you applied and you haven't been called in then you're not really eligible but anyone can come in and take a look at the house and say hey I like that design I like the price can you build it on my own property somewhere else.

Legal Counsel Kristan Finney – What happens to the house if it's not sold?

Director Michael Borja – Well we have to make a big effort to try and get it sold.

Legal Counsel Kristan Finney – But if it's not.

Director Michael Borja – If it's not sold well they're going to make a big effort to try and get it sold. We're all going to make a big push we can't have that's not an option because he ends up holding the stick on it until it's sold we're not buying the house.

Commissioner Amanda Santos – Is it concrete?

Director Michael Borja – No they're not all concrete one of them is actually metal.

Commissioner Pascual Sablan – Can we have a copy of that listing of people that you're trying to get a hold of maybe we can browse through it and whoever we know we can refer to you.

Director Michael Borja – Well I know you're Commissioners you probably should have that but I have to really respect the privacy of some of those things.

Commissioner Amanda Santos – We need to make a field trip to that lady's three acres.

Director Michael Borja – Yeah let me try and put something together and make an arrangement here for us to go. I got to make sure it doesn't rain but you know in this field trip we'll try and do like a couple of hours two or three hours at least to just run around and take a look at a couple of places.

Commissioner Amanda Santos – But how in the world did she give deeds?

Director Michael Borja – Oh you can write a deed up anytime you want it's when you try to register the deed then it doesn't work. That's why those people came in trying to find out if they can register the deeds and what they can do with. They might have gone to register the deed and then they were told to talk to Chamorro Land Trust.

Vice-Chairman Joseph Cruz – You see that lot parcel that's there that 10139 that's over 50 acres and they're only mentioning 18,000 square meters on the deed but the basic lot is big.

Director Michael Borja – Yeah but she probably got a portion of and see that's (interrupted).

Vice-Chairman Joseph Cruz – And that portion has to be a described portion.

Director Michael Borja – Yeah and that's the big problem that's why all our land agents and surveyors have been tied up because 1,000 out of 3,000 leases have problems. I won't say what era they all occurred on but they were the same era as the typhoons. A lot of those problems were like okay here's five acres of land and I got five people okay so you get this part, you get this part, you get this part and that's the end of it. Someone just drew it up on paper and that's what's been put into their folder. So we go okay, Rev and Tax is saying a portion of well which portion of is it and they can't tax it. How big is it and is there

a house on it? So all our guys are going out there and they got out aerial pictures so they go out and they go there's a building there and building there.

Commissioner Amanda Santos – Resurvey it again?

Director Michael Borja – Well it's never been surveyed so what we're going to try and do is do it on paper but we have to look and see. We have GPS units now and they figure it out okay this is where the house is so we got to make sure we set back from there because we don't want to say oh if we divide it evenly next thing you know you're putting a line right through somebody's house and that's not going to work. So we got to be sensible in doing this stuff. So there's a lot of clean up they're doing and the big part of it right now a lot of it hopefully is going to be fixed with all these tax assessments that have been going on and like I said the biggest amount of the problems with tax assessment has been with Chamorro Land Trust.

IX. EXECUTIVE SESSION – None.

X. ADJOURNMENT

Vice-Chairman Joseph Cruz moved to adjourn the meeting. Commissioner Amanda Santos seconded the motion. There were no objections, meeting adjourned at 3:33pm.

Transcribed by: Teresa Topasna: *Teresa Topasna*

Approved by Board motion in meeting of: *Jan. 6, 2015*

Michael J.B. Borja, Director: *[Signature]*

Date: *JAN 6, 2015*

David Matanane, Chairman: *[Signature]*

Date: *JAN 6, 2015*