



Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lieutenant Governor of Guam

Commission Members

David J. Matanane
Chairman

Joseph I. Cruz
Vice-Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

(Vacant)
Commissioner

Michael J.B. Borja
Administrative Director

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guam 96932

Phone: 649-5263 ext. 435 Fax: 649-5383

REGULAR BOARD MEETING AGENDA

Department of Land Management Conference Room
3rd Floor, ITC Building, Tamuning
Thursday, June 18, 2015; 1pm

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES
 1. May 21, 2015
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS
 1. Commercial Rules & Regs Update
 2. Glenda Palacios Lease Issue
- VI. NEW BUSINESS
 1. Decha Farms/James Adkins Land Transfer
 2. CLTC Subdivision Maps
 3. Lorna Lynn & Joe Taimanglo – Loan Guaranty Request
- VII. DIRECTOR'S REPORT
 1. Revenue collection report for the month of May 2015
 2. Bank of Guam certificate of deposit pre-renewal notice
- VIII. EXECUTIVE SESSION
- IX. ADJOURNMENT



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COMMISSION MEETING MINUTES

Department of Land Management Conference Room
3rd Flr., ITC Building, Tamuning
Thursday, June 18, 2015; 1:20pm – 3:05pm

I. CALL TO ORDER

Meeting was called to order at 1:20pm by Acting Chairman David Matanane. Present were Commissioner Amanda Santos, Commissioner Pascual Sablan, Legal Counsel Kristan Finney and Administrative Director Michael Borja. Not present was Vice-Chairman Joseph Cruz.

II. APPROVAL OF MINUTES (May 21, 2015)

Commissioner Pascual Sablan moved to approve the minutes of May 21, 2015 subject to corrections. Commissioner Amanda Santos seconded the motion. There were no objections, **MOTION PASSED.**

III. PUBLIC COMMENTS

(Chamorro translation by CLTC staff Eileen Charquata)

1. Francisco Flores – My name is Francisco Flores. It's not a public comment it's a help me comment. I have a lease that Mr. Mathas signed and up till now I'm not occupying in Pagat because there is somebody there that is occupying. There's a lot of times that I came here to check on the outsiders but they're claiming that it's their property because they're waiting for the Attorney General. It's been four years and I paid half of my lease already. That's why I'm here to ask you guys the Commission if you can help me or if you can't then give me the direction and I'll check furthermore. I'm not going to point fingers that it is his fault or her fault. I'm asking for help. This is not heavy this is law for the people of the land that should be there. My papers are complete for the land and I even got it surveyed and paid for it. I'm asking you how can you help me.

Acting Chairman David Matanane – Do you know the reason why there is somebody there that is occupying?

Francisco Flores – No but my understanding is the land is for our people not for outsiders. I'm not prejudice with the outsiders but find them a place. Give it to our people.

Acting Chairman David Matanane – So you're telling me that it's not our people.

Francisco Flores – No it's not our people that's the reason why I came here today it's not for public comments but for help. I'm going to make it short because there are other important matters you need to discuss today.

Rev. 10/16/2014

Commissioner Amanda Santos – *Who gave them authorization to occupy?*

Francisco Flores – *They are pointing to Governor Gutierrez, Senator Ted Nelson. They just occupied but nobody gave them from our people. They know the law and they shouldn't be giving if it's not theirs. There's a Mayor and they shouldn't just occupy and it seems like the Mayor gave them permission.*

Acting Chairman David Matanane – *When did you sign the contract?*

Francisco Flores – *January 2012 by Monte.*

Acting Chairman David Matanane – *Where at?*

Francisco Flores – *Pagat, Mangilao Lot 5403. There was an incident when someone was threatening to stab and I was there with CLTC staff. They said get out fast I'll give you fifteen minutes before I cut you with the machete. That is not a machete. Jeff ran and almost couldn't find the pickup when they said to get out fast.*

Commissioner Amanda Santos – *Where are these people from?*

Francisco Flores – *People from another land.*

Commissioner Amanda Santos – *Micronesian?*

Francisco Flores – *Yeah Micronesian, they are Palauans, Palau.*

Acting Chairman David Matanane – *They're claiming that it's their property?*

Francisco Flores – *They're claiming all the land. If you go up there it's all Palau. They gave me 2 acres but I can't survey it all because they're there with the machete saying that it's theirs. Here is a witness my agent, Jeffrey. He came up three times but he can't do anything because they're asking where is the Attorney General.*

Acting Chairman David Matanane – *I guess I'm going to go to the (inaudible) so we can have Mike also look into this. Mike according to Mr. Flores here he has a lease with us and there's people that are occupying the lot that he has leased out up at 5403.*

Administrative Director Michael Borja – *I've had a talk with Mr. Flores already and if Jeff or any of the members of the staff would like to enlighten the Commissioners on the background of this situation on how far back Mr. Flores has been on this land. I believe he precedes the CLTC. Any of you guys want to jump in, Jeff? Can you give me a history on this land on this property?*

Joffre Aguon (DLM) – *Actually Mr. late Matnas when he went out there also himself he was told that he cannot take them out because Senator Nelson allowed them there.*

Administrative Director Michael Borja – Right we understand that situation but Mr. Flores was assigned this property how long ago? Was he been living there since before the CLTC or been using the property or did you guys assign him the property through the whole process?

Joffre Aguon (DLM) – No actually there was only one Palauan that was staying there but those are family that just spread like grass fire.

Administrative Director Michael Borja – Right but this property he was assigned through the normal process of an application?

Joffre Aguon (DLM) – Yes.

Administrative Director Michael Borja – Okay but we've also looked for and offered him to settle somewhere else right?

Joffre Aguon (DLM) – Yes.

Administrative Director Michael Borja – And since he had also paid for his survey you know we were already talking we would survey the property because he had already paid it but we had already made an offer for another piece of property. The issue we have there with individuals on that property that's something that we're trying to tackle and deal with but it's a situation that goes way above even what I can do.

Acting Chairman David Matanane – One thing I'd like to find out when was the application submitted and of course he just mentioned that 2012 was his lease agreement was signed. So are we working on the 95?

Francisco Flores – 95.

Acting Chairman David Matanane – And you submitted your application in 95.

Francisco Flores – Since 1995.

Acting Chairman David Matanane – So it coincides with what we're trying to do.

Administrative Director Michael Borja – Yes.

Acting Chairman David Matanane – And do we know who are the people that are there?

Administrative Director Michael Borja – We know who they are I mean we know there's a family of Palauans that have been there way before CLTC so it's an issue we have to deal with but it's not an issue we can deal with on our own. There's some other political issues we have to deal with.

Commissioner Amanda Santos – Is that the arrendo properties?

Administrative Director Michael Borja – Yeah and so Mr. Flores has already been shown and I think you've accepted to move to another property right?

Francisco Flores – If they could accommodate survey.

Administrative Director Michael Borja – And I told you we would be doing that.

Francisco Flores – But you know they showed me two, three weeks ago. They showed me a place I said you know I told one of the agent to go back and ask the supervisor to you know are they willing to survey that lot for me? I haven't heard anything that's why I went to your office.

Administrative Director Michael Borja – And we already talked about that Mr. Flores I told you we would accommodate for that because you already paid for your share of the survey and that we would accommodate in doing when you have accepted that piece of property to go out and get a survey for you.

Francisco Flores – Right okay they showed me the location but prior to that there were people staying on that area but they got in trouble with the law because they were growing illegal stuff around the place and they were chased out. So I don't know the legality there now. If I come in again in there it's still under their name what's going to happen again?

Acting Chairman David Matanane – So the property that was shown to you has some problems too? Is that right Mike?

Francisco Flores – There was a problem there before. It's a jungle now but there were people there before staying but they were evicted. So I don't know is it clear here or over there that the place is ready for me? If not I'm still going to stick to this.

Acting Chairman David Matanane – Okay but then but you did really accepted that or to exchange it.

Francisco Flores – Verbally I did accept that at that moment when Mr. Artero and Mr. (interrupted).

Acting Chairman David Matanane – So we haven't finished (interrupted).

Francisco Flores – There's nothing yet after that.

Acting Chairman David Matanane – What is not finished yet is to clarify whether the Director and the staff to check and make sure that piece of property is clear before you change it.

Francisco Flores – No it's not clear I haven't been told any.

Acting Chairman David Matanane – So we will have an update I guess if we need to do that and check out the property that you already saw that you wanted to exchange with okay. So let the Director and the staff work at it and we will apprise you or come in and check with Mr. Borja and if everything is clear we can also bring it up to us so we can do the process of exchanging that piece of property that you have a lease on. Nobody can say anything else other than you still have a lease.

Commissioner Amanda Santos – You don't go back to that Palauan again before they stab you. Stay away from them.

Francisco Flores – I'm not scare of them.

Administrative Director Michael Borja – We will be working with Mr. Flores. We'll sort this out.

Francisco Flores – The point is how long am I going to wait again? I'm almost 70 years old and I'm unable to plant 10 coconut trees. You know it's always on 6 o'clock it's never 9.

Acting Chairman David Matanane – I appreciate that Mr. Flores

Francisco Flores – If I'm going to wait again you know. *How many more years do I have left?*

Acting Chairman David Matanane – *Yes I understand why are we going to give you and it's not going to be good again. Please bear with us because we're trying to fix it up.*

Understand Mr. Flores we're trying our best. You know back then it was kind of messed up now we're trying to make it better. Hopefully God will give us more years and we'll make it better forward. Do you understand Mr. Flores?

Francisco Flores – *I understand just give it to me fast. I have one point why is it that we cannot move the outsiders?*

Acting Chairman David Matanane - *That's our problem. We gave you that area so you will be peaceful on whatever was given to you.*

Francisco Flores – *We're defeating the purpose if you're just going to put me over there on another place and yet the problem is still there. If somebody comes and applies for that area then they'll catch the problem. It's been a long time since I came here to let you guys know my problem and that's all my problem is.*

Acting Chairman David Matanane – Call Mr. Borja to keep you up to date so when everything is clear he can present it to us then we'll do the exchange on that.

Francisco Flores – *So am I going to call Mr. Borja or am I going to call Ms. Margaret?*

Acting Chairman David Matanane – *It's up to you if you're comfortable with Margaret that's fine.* Thank you Mr. Flores.

2. Alfredo Lastimoza – I have a lot in Dededo by Batulo Road. Batulo going to Fanihi Street and I moved there about a year ago. I got accessible utility recently so I applied for power but the guy that came today Duenas explained to me that there's no way of hooking up the power there unless because there's a power pole across the street where I'm at now but my lot is inside.

Acting Chairman David Matanane – Where are you at Mr. Lastimoza?

Commissioner Amanda Santos – Batulo.

Acting Chairman David Matanane – Batulo Street?

Alfred Lastimoza – Batulo yes.

Acting Chairman David Matanane – Up in Dededo?

Alfred Lastimoza – Yes.

Acting Chairman David Matanane – Okay and go ahead I'm sorry.

Alfred Lastimoza – The road that goes in there is Fanihi Street. Here's where I'm at and there's a lot there.

Acting Chairman David Matanane – What's the problem?

Alfred Lastimoza – Okay the pole is here GPA told me the only way that they can hook up my power is to this pole across the street.

Acting Chairman David Matanane – And whose property is that?

Alfred Lastimoza – Nobody but there's another person that is living (interrupted).

Acting Chairman David Matanane – This piece of property is Chamorro Land Trust?

Alfred Lastimoza – Yes agricultural.

Acting Chairman David Matanane – Where you are at.

Alfred Lastimoza – Yes.

Acting Chairman David Matanane – Okay so what's the power has to do with Chamorro Land Trust? I'm sorry Mr. Lastimoza but I still haven't gotten what's your problem.

Alfred Lastimoza – Okay I'm asking if you can allow power hook up here I mean my pedestal temporary power here.

Acting Chairman David Matanane – But you're encroaching to other lots.

Alfred Lastimoza – That's the only way the (interrupted).

Acting Chairman David Matanane – No, no, no, GPA has to find a way to give you the power not Chamorro Land Trust. You see where I'm coming from Mr. Lastimoza?

Administrative Director Michael Borja – Which lot are you at? You're in this lot right here?

Alfred Lastimoza – Yes.

Administrative Director Michael Borja – And this is a road?

Alfred Lastimoza – It's supposed to be a road but its all jungle.

Administrative Director Michael Borja – But it's the easement so there's a pole there they have to put a pole here.

Commissioner Amanda Santos – You check GPA?

Administrative Director Michael Borja – We can't allow you to be encroaching into another property.

Alfred Lastimoza – He said it's going to cost over \$2,000 to put another pole there.

Acting Chairman David Matanane – Well even if you put it here it's still going to cost you Mr. Lastimoza. Even if they put it but you're going to have more problems if you put it there because there are other people that owns that property or somebody else or is in Chamorro Land Trust and we're not about to give out another easement. You know you're minimizing the easement itself is there so it has to go through the easement not through any other property. You understand where I'm coming from?

Alfred Lastimoza – Yes.

Administrative Director Michael Borja – They won't even put it on private property that's why they're asking you to ask us if we can give permission to put it on there but we can't because it's on another piece of lot that either there's another lessee or potential and then we'll have a future problem.

Alfred Lastimoza – Well if there is no one in there sir?

Administrative Director Michael Borja – Still it's an empty lot that may have already been assigned or could be assigned in the future. The power people can only put their poles on rights of way or on easements.

Alfred Lastimoza – We cannot go over?

Administrative Director Michael Borja – They cannot be cutting across private properties or even Chamorro Land Trust properties because in the future if somebody else wants to use that now they have a power pole right in the middle of their yard.

Alfred Lastimoza – My lot is I'm agricultural status this is more than agricultural status I think. If this is still not (interrupted).

Acting Chairman David Matanane – I think Mr. Lastimoza you're trying to acquire properties here but you have to have GPA take care of it where the easement is at.

Alfred Lastimoza – Okay.

Alfred Lastimoza – My lot is smaller than the size of the agriculture land.

Acting Chairman David Matanane – 929.

Administrative Director Michael Borja – Yeah it's a residential lot. Have you talked to anyone in the Land Trust about your problem or are you just coming straight to the meeting?

Alfred Lastimoza – Yeah I've spoken to (interrupted).

Margarita Borja (DLM) – No regarding your issue today. You haven't spoken to anybody right?

Alfred Lastimoza – Yeah.

Administrative Director Michael Borja – But you have not built anything on your property right?

Alfred Lastimoza – No I'm just staying in a canopy right now.

Acting Chairman David Matanane – But you're trying to get the power in there.

Alfred Lastimoza – Power and water.

Acting Chairman David Matanane – Why wouldn't GPA go through the easement?

Alfred Lastimoza – Because I have to have it cleared they said check the mayor and get it cleared. It's all jungle there.

Acting Chairman David Matanane – Why is GPA doing that?

Administrative Director Michael Borja – GPA will charge too for installation of the power poles. But they know that this is an easement they know and see it even says a right of way. They know they can use this without asking for permission but they know they cannot put it here if there's no permission.

Alfred Lastimoza – But the problem here sir is that it's all blocked off. There's a fence there from the golf course and its all jungle.

Acting Chairman David Matanane – All utilities have to go through the easement not through anybody's property.

Administrative Director Michael Borja – See and that's supposed to be the method to get into your house I don't know what you're using right now. If this is an old dirt road its existing pavement this is not the true easement and this will eventually not be permissible to use because it's going through again somebody else's lot. This is the designated roadway for you to be able to go into your lot.

Acting Chairman David Matanane – Somebody else is going to be having problems too later on.

Commissioner Amanda Santos – You got your lot surveyed already?

Alfred Lastimoza – I got (inaudible).

Administrative Director Michael Borja – Yeah this is the survey.

Acting Chairman David Matanane – So Mr. Lastimoza I think you need to work it out with Guam Power.

Alfred Lastimoza – GPA is just waiting for me. They know about this here but it's all blocked off with fence with the jungle. They said ask you guys if you can connect over here to this power pole here.

Administrative Director Michael Borja – And what is in this lot?

Alfred Lastimoza – Nothing.

Administrative Director Michael Borja – So why do you want a power pole that goes all the way across to here you can't stretch that across somebody else's lot like that.

Alfred Lastimoza – They're asking if we can use this to put the (interrupted).

Administrative Director Michael Borja – Another pole?

Alfred Lastimoza – A temporary provision a pedestal.

Administrative Director Michael Borja – A pedestal for you?

Alfred Lastimoza – Yes.

Administrative Director Michael Borja – No we can't do you can't even put a pedestal here because they won't hook you up for that. You can put a pedestal there but they won't even hook you up because your lease is not for that land.

Alfred Lastimoza – Well they know that but they're saying to me (interrupted).

Administrative Director Michael Borja – But your lease is the document that they need to see. Your lease is for that other lot.

Alfred Lastimoza - They know this is mine right here.

Administrative Director Michael Borja – Right so they're not going to put a power meter into a lot that you don't have any right to.

Alfred Lastimoza – That's why I'm here to ask you guys.

Administrative Director Michael Borja – We can't give you the use of the lot for that purpose otherwise we can't even use it for anybody else.

Alfred Lastimoza – Or can I come back later and ask?

Administrative Director Michael Borja – Yes you can go ahead and talk with the staff any time. Come on in and try to get a chance to talk with Margarita or any of the staff from the Chamorro Land Trust and let's see what we can do to work out some kind of solution to this okay.

Commissioner Amanda Santos – You don't have a closest neighbor that has power?

Alfred Lastimoza – No I just don't want to (inaudible). I have a family of four. I have a little girl 2 years old and at night it's kind of dark.

Administrative Director Michael Borja – Okay well talk with them let's see what we can do to work this out. The only other solution is we have to look to clear that roadway so they can put a power pole but that's the only way that that can happen. Talk with the staff and let's see what we can work out okay. But occupying another piece of property just for the purpose of your pedestal even the power people are not going to like that. You have to keep your pedestal on your property that's what they require not in some distant location.

Alfred Lastimoza – Well with the land I got its agricultural it might be (interrupted).

Administrative Director Michael Borja – Well let's talk maybe we can do something about the size okay.

Alfred Lastimoza – Thank you.

Administrative Director Michael Borja – You're welcome.

Acting Chairman David Matanane – Thank you Mr. Lastimoza.

V. OLD BUSINESS

1. Commercial Rules & Regs Update

Administrative Director Michael Borja – I want to update you on the commercial rules and regulations, last month I told you that it had finally been signed off by the Attorney General. On June 2nd it was signed by the Governor of Guam and then on June 3rd it was transmitted to the Legislature. I've had the opportunity since then to meet with 13 of 15 Senators to discuss the status of the rules and regs and to give them a background on what the rules and regs are all about. It appears that the best interest of the rules you know there's two ways to approach the approval. One is to let it sit for 90 days in accordance with the Administrative Adjudication law. The other one is to introduce it as a bill and try and pass it on the floor. The Chairman of the Land Committee's recommendation is he would prefer it sit for the 90 days. The 90 days would mean on September 1st if it's not touched or disapproved it will be adopted as the rules and regs.

Acting Chairman David Matanane – 30 days are already gone?

Administrative Director Michael Borja – It started on June 3rd. So in the meantime we'll have other issues we'll be working on to fulfill some of the programs that have come to a stop as a result of not having the rules in place. All the Senators were quite excited about it. It finally came through the process and happy to understand what the rules are all about. So that's it about the rules and regs unless you have any other questions about it.

Commissioner Pascual Sablan – I thought Dr. Akimoto said it would be done this month.

Administrative Director Michael Borja – What the rules?

Commissioner Pascual Sablan – Yes remember when he was.

Administrative Director Michael Borja – He's a healer.

2. Glenda Palacios Lease Issue

Administrative Director Michael Borja – I'm going to have Matt Leon Guerrero brief you up on this but do you recall several months ago we had one of our lessees come to us complaining that there was a lot next to him in which the people living there were living in tents and canopies and defecating on the property. So we went out to take a look and then the next month we brought in one of the individuals who had been using the property Ms. Sofia Palacios but we asked her if there is any way she can prove her lineage to be an

eligible applicant and she has not come forward since then. The lot had been granted to Glenda Palacios and we have been in contact with her to allow her the opportunity to come in and speak. Is Glenda Palacios here? Glenda Palacios has not come. We don't believe Glenda Palacios lives here but I'll let Matt take it from here to give you a report.

Matthew Leon Guerrero (DLM) – Sir the land agents went out again this morning to validate if anything has changed on the site and it's still the same. An email was sent to Glenda to appear for today's meeting and she didn't reply. The last meeting we were recommending termination of what was offered to her on her lease but we were asked to come back and afford her the opportunity to come before the Board but it seems as though (interrupted).

Acting Chairman David Matanane – She didn't show up.

Matthew Leon Guerrero (DLM) – Yeah and the documents we have I believe she actually resides off-island because there's a notarized document that she signed to authorize Antonio Palacios to stay on the site and they utilized a Florida State driver's license for it. Her claim was she was in the State for medical reason but you know she has a Florida State driver's license.

Acting Chairman David Matanane – Still the issue is she's not qualified for that particular.

Matthew Leon Guerrero (DLM) – Glenda is.

Administrative Director Michael Borja – The issue is Glenda is an eligible applicant. She was given the opportunity to lease this land. She was given a notice to survey. She did do the survey but she hasn't gone through the process to finish off the lease. But in the meantime she gave authorization for other people who we don't know who they are to use the land and she had also given them authorization to hook up to the utilities. But she doesn't have that right because she doesn't even have a lease. The problem is the people who are on this property have been using the property improperly. They are not the designated lessee for the property and they're spoiling the land and we've asked them to show cause to come forward to us and show us. We've asked one of the people living there Sofia Palacios who claims she has a right to the land but she has not been able to provide documentation. We've held off till this month for Glenda because she asked us to wait because she probably won't be back to Guam until May as late as June. So we waited last month and this month and she still hasn't come. So at this rate what we find is that she has not been using the land properly and she's not even permitted to use the land yet because she doesn't have a survey but she's been granting others to use the land and they've been spoiling the land. We come to the Commissioners to ask for your permission to terminate her lease. She can still stay as an applicant on the listing but we'll drop her from this lot allocation because of the problems that she's caused and we'll keep it as a note that she has been found in violation of use of the property.

Commissioner Amanda Santos – There's utilities there?

Administrative Director Michael Borja – There are no utilities, no water, no power.

Acting Chairman David Matanane – You sent out communicates to Glenda?

Administrative Director Michael Borja – She knows that we have been inquiring about all of this and we have issues. We have copies of the documents.

Acting Chairman David Matanane – I think I recall was she here at the previous meeting?

Administrative Director Michael Borja – No that was, it's kind of odd but they were married to this common man that's why they have the same last name.

Acting Chairman David Matanane – Oh okay I remember now. This is a problem then after maybe June after the month of June we should send out a letter saying everybody vacate that piece of property nobody has the right to be there anyway.

Commissioner Pascual Sablan – But I think the Director wants us to make a motion to terminate.

Commissioner Amanda Santos – So what is our decision? To terminate Mike?

Administrative Director Michael Borja – Well she doesn't have a lease but to terminate the lease application process because she has violated the (interrupted).

Acting Chairman David Matanane – That's why I said to whoever is occupying.

Administrative Director Michael Borja – When did we give her the information to begin the lease? How long ago was that? It's been quite a long time right?

Margarita Borja (DLM) – The map has been approved for a while already.

Acting Chairman David Matanane – But still through the process she hasn't completed the (interrupted).

Administrative Director Michael Borja – Because she doesn't live here.

Acting Chairman David Matanane – And still the fact that she hasn't proven her lineage here.

Administrative Director Michael Borja – No, no, no this woman has. Glenda is qualified. It was the other woman Sofia who is also residing as one of the multiple inhabitants on this property. She has not been able to demonstrate her eligibility. And all these other people that are there we have no idea who they are but Glenda has given them written authorization to use her land. So we don't even know you know I mean if she's collecting rent from them or what. But we do know that she's told us that they are relatives from

Saipan. So if that's the case there's a very high possibility they may not even be eligible to be applicants of the land.

Matthew Leon Guerrero (DLM) – On the field inspection report from the land agents according to Lorraine there's a new individual that is out there. An Antonia Arriola that was authorized again by Glenda.

Administrative Director Michael Borja – So Glenda has authorized someone else since?

Matthew Leon Guerrero (DLM) – According to Lorraine they went out this morning.

Administrative Director Michael Borja – See so she continues to think that she has use of this land so we need to notify her. We'll notify her by certified mail that she no longer has any authority to use the property and to cease and desist all activities.

Commissioner Pascual Sablan – Yeah but in order for you to do that you have to terminate right?

Administrative Director Michael Borja – Right based on your direction.

Commissioner Amanda Santos – I move that we terminate her.

Commissioner Pascual Sablan – I second it.

Acting Chairman David Matanane – What was the motion again?

Commissioner Pascual Sablan – To terminate Glenda.

Commissioner Amanda Santos – That's right Palacios.

Commissioner Pascual Sablan – Glenda Palacios from you know from the current lease.

Acting Chairman David Matanane – And have the Director issue out a letter to terminate anybody that is on that piece of property.

Commissioner Pascual Sablan – Effective immediately.

Acting Chairman David Matanane – All in favor, aye.

Commissioner Amanda Santos – Aye.

Commissioner Pascual Sablan – Aye.

Acting Chairman David Matanane – It's been moved and seconded and approved to have the termination of Glenda Palacios lease or whatever involvement in the piece of land.

VI. NEW BUSINESS

1. Decha Farms/James Adkins Land Transfer

Administrative Director Michael Borja – I provided you all with a summary sheet of what's going on. Mr. Adkins and through the company Decha Farms they would like to do a land transfer request. The property that they're looking at is Lot 5075 and there's a map behind this. It's the piece of property that is located between the East West Rental and the Pia Marine building in upper Tumon. It is approximately 13,500 square meters and it's currently zoned as R2. The land they would like to trade for is Lot No. 154-1 in Yona. It's located in Windward Hills near the intersection that goes down to Talofoto and between there and the Israel Apartments down on the way over to the Our Lady of Peace Cemetery. Again there is a map and an aerial view of that area. That piece of property is zoned agricultural. If there is going to be any kind of land transfer method the basic formulas that usually occur are either value for value which is based on the average of two appraisals or area for area. In this case what I would probably suggest that it be value for value. The requirements for all Government owned land transaction by law the Legislature must approve it through duly authorized legislation. In this specific case as well since it's involving Chamorro Land Trust property in upper Tumon the CLTC Board of Commissioners would also have to give their approval first if you wish to do a land transfer or whatever activity you want to do with this land and then we have to then go before the Legislature to get duly authorized legislation which is basically enacted into law. There are two options that you have available in this process actually there could be three but the two options is that if you do do a land transfer I need your approval and then I'll need the Legislature's approval. I definitely recommend we ask for value for value and that the cost of survey appraisals and any other costs for this land transfer will be paid for by the recipient of the land transfer and that's usually what's typical on these kinds of activities in the law if it's not as a result of something that the Government owes to someone. Or you can do a commercial lease. The commercial lease again will require not only the CLTC Board of Commissioners approval but also the approval of the Legislature and we can't commence with any kind of lease however until the adoption of the commercial rules as I told you but hopefully commence after September 1st of this year. So those are the two issues and really a third option is that there is no action taken. But those are the two options I present to you to talk about or want to talk about whatever you want to do here. Again you know the option for Chamorro Land Trust to do some leasing there's not very many properties in the area for leasing for commercial purposes and this one sits in an area where it doesn't. It won't be practical for agricultural or residential use so it only falls that it be commercial.

Acting Chairman David Matanane – I was looking at the up in Yona is this Chamorro Land Trust 154?

Administrative Director Michael Borja – No this is their property. To do a transfer they would prefer to get the one upper Tumon Lot 5075 they would give us land that comes out of Lot 154-1 up in Windward Hills.

Acting Chairman David Matanane – It looks like theres some activities down in Windward Hills right in the middle.

James Adkins – Mr. Chairman that property is quite a large piece of property. Its 37 acres of which we would take a portion of that and cut it out and make the transfer whatever the amount comes out to it will be equal to what the property in upper Tumon. The property in upper Tumon is a coral pit leftover from WWII and it has a big hole in it about 20 to 25 feet deep in that area. So we would like to exchange the property in Yona which I believe you could build between 80 to 100 houses on it in that area for the piece of property behind East West Rental that does have a big coral pit on it and that's what we would like to exchange.

Acting Chairman David Matanane – You said there's a coral pit here.

James Adkins – Yes.

Administrative Director Michael Borja – You can't see it because it's covered over by jungle but it's a post WWII pit.

Acting Chairman David Matanane – He has been extracting minerals from there?

Administrative Director Michael Borja – No, no this is from right after the war.

Acting Chairman David Matanane – I just wondered whether they have already taken out all the minerals and it belongs to Chamorro Land Trust. Hey it can happen hey man nothing surprises me nowadays.

James Adkins – What happened out of that was in WWII when the B29 bombers where here that area was a taxi way for Harmon field and where the aircrafts were parking (inaudible). They used that area to dig the coral out for the runway and for the parking area.

Acting Chairman David Matanane – Have you checked into this Mike? Have you gone through, have the guys take a look at it and see (interrupted).

Administrative Director Michael Borja – Well there's activity behind East West Rental what is that that's behind the building itself in this lot area?

James Adkins – Okay well we have been using that area there's a small area there which we have been using for parking our trucks and our employees parking. That has been the activity there.

Commissioner Pascual Sablan – You mentioned that there's about 25 feet deep of coral pit but how big the entire lot?

James Adkins – I would say out of the whole area there probably 50% of it is controlled by the coral pit.

Acting Chairman David Matanane – Well as Mr. Borja mentioned that it's value for value on the exchange and another option we can always lease it out. We need to kind of check through this and see what are the, is there anything else behind there?

Administrative Director Michael Borja – No I mean it's an empty lot. It's available for use it's just they haven't gotten around to trying to lease it in the past and then we couldn't lease it because we didn't have the rules in place.

Acting Chairman David Matanane – And it's zoned commercial right?

Administrative Director Michael Borja – No, no zoned R2.

Acting Chairman David Matanane – But your place is commercial.

Administrative Director Michael Borja – Agricultural.

Acting Chairman David Matanane – No, no the one up at East West Rental.

James Adkins – Oh East West Rental it is commercial.

Commissioner Pascual Sablan – But behind, agriculture right?

Administrative Director Michael Borja – R2.

Commissioner Pascual Sablan – Is there a reason why Mr. Adkins you want to do this land exchange?

James Adkins – Yes it is East West Rental has been there for many years and we would like to expand our business. Also we are looking at doing other things in the area there (inaudible) business. So we would like to make it where we can use it that way. The property we have down in Yona I understand there is a shortage of housing area in the southern part and I think that would be a very good property there for the low income and local people to exchange and give them some land they can use.

Acting Chairman David Matanane – I guess we can go step at a time. We would like to also have our own you know that you are required to do the appraisal. Get at least two appraisals before (interrupted).

Administrative Director Michael Borja – Well that's once if it goes into law. That would be part of the (interrupted).

Acting Chairman David Matanane – But then us we as the Commission should also take a look at that and also take a maybe hindsight look and see whether (interrupted).

Administrative Director Michael Borja – Well the issue we have up in the Windward Hills property is that while it's a nice piece of property it's a great piece of property we cannot hook up to any sewer. Sewer does exist but the sewer wastewater facilities are over subscribed. The Land Use Commission is not permitting anybody that's going into any kind of commercial development or R2 development in that area to hook up to the sewer. And that would be a problem with that so the size of the lots would have to be larger for us to be able to do septic tanks.

Acting Chairman David Matanane – I would like to see where our advantage and of course your advantage and disadvantages between the two properties that we are going to exchange. So in the meantime for our own purpose and I guess you guys can do that on your own too but I would like to know what's our advantage in doing so in exchanging it and also our disadvantage. That's where I want to know whether Chamorro Land Trust would really be beneficial for them to do this. I'd like to find whether what's our pluses and minuses for you know doing this exchange. I know the all the reason that you want the piece of property to exchange is to of course (inaudible). Let's say its Land Trust we have more land to give out to the people of Guam so it would be that plus but still behind it we're not really looking to see what's our disadvantage on it. You understand where I'm coming from Mr. Adkins?

James Adkins – Yes sir I do.

Acting Chairman David Matanane – So you know it's going to take a quite a process before we even complete this journey because it has to go through us it has to go through the Legislature and you know things can happen before we even finalize this thing. So yes I think Mike, you and Mr. Borja here or give us a call and then we'll go through the motion of trying to go ahead with this thing. I would like to know from the staff, from Mr. Borja what are our advantage and our disadvantage for ourselves. Of course you already thought about that.

James Adkins – Oh yeah we would be if you would like we can go ahead and have an appraisal and find out what both pieces of property value is.

Acting Chairman David Matanane – If you're willing to do that Mr. Adkins that would be a very good idea you know. That will cut off certain things that before it goes through the process. It's up to you I mean if you're going to do that.

James Adkins – Yes we can do that.

Acting Chairman David Matanane – We would appreciate it if you will share it with us. Of course if we have to you would have to do it anyway.

James Adkins – Yes we'll go ahead and start on that (interrupted).

Commissioner Pascual Sablan – I think the Commission would have to approve first whether (interrupted).

Acting Chairman David Matanane – No, no this is just discussing it. The reason why I'm delaying it is because I want our look at this particular endeavor before we jump into it. So I wanted Mr. Borja to give me a listing of what our advantages and disadvantages for Chamorro Land Trust so we can look at it and start from there. You know where I'm coming from Mr. Adkins right?

James Adkins – Yes sir I do.

Acting Chairman David Matanane – I think a little time and a little massaging would be better off than just going right at it. So I appreciate, I appreciate that. You know when I first came in I was looking at the, it wasn't included in my packet he just gave me when we came in for the meeting so I was oh, so this is new to me but then it's still untold stories behind it. I appreciate and please keep in contact with Mr. Borja and as soon as Mr. Borja appraises us the Commission of our you know our endeavors in that then we can really press on it.

Administrative Director Michael Borja – So would you like to me to put this back on the agenda next month?

Commissioner Amanda Santos – Yeah.

Acting Chairman David Matanane – Fine if you get enough information. Okay we can do that again next month and we can see each other next month or we'll see it more of the picture behind it.

James Adkins – Alright thank you sir.

2. CLTC Subdivision Maps

Administrative Director Michael Borja – As you recall we had put in a resolution to have CLTC properties create subdivisions and during the tax assessment process during this last Christmas period the survey division and Chamorro Land Trust folks have all gone out and they created a number of maps of subdivisions of the properties. We're going to begin the process of getting them approved now. We want to bring you up to speed on an example of one of them. What we're also going to be asking to do is that the signators on both of these maps be the Chairman of the Land Trust and the Chairman of the Land Use Commission and that will authorize the subdivisions. The subdivisions are a little bit difficult. What we have here is almost looks like where that man's house was but what we've done in some cases especially where there's a lot of people is we've also even identified who's got the leases in these lots in the housing that we've already subdivided out. Now this is an example of one which already has almost all the lots assigned but what you're going to begin to see is you're going to have many, many more of them they're going to have a lot of

empty spaces so that we can begin the process of using some of those to do subdivision development.

Commissioner Pascual Sablan – How many lots is this?

Administrative Director Michael Borja – About 50.

Commissioner Pascual Sablan – Is there a way we can split up again another map?

Administrative Director Michael Borja – Oh yeah well what's going on here is that they're really working hard. We are going through the process right now especially for the ones that have assigned names that we are verifying that the individuals assigned to these lots are truly the correct ones that are listed here. There were some mistakes that were made we don't want it because once you sign off on these maps and it gets recorded it's a legal document and we don't want to be having something sitting out there that's got errors and someone who is supposed to be here but their name is down there. So that's the process but yes we are moving it in a little faster pace and like I said in the next meeting or maybe even before that we're going to call in the Chairman to come in and start signing some of these maps.

Acting Chairman David Matanane – According to the resolution 2015-02 right?

Administrative Director Michael Borja – For the Land Use Commission?

Acting Chairman David Matanane – Yeah.

Administrative Director Michael Borja – Yeah. They accepted our resolution for them to help expedite this process through because we're all doing it in-house we were going to build it, see what you don't have in this case is because I think it was already done before we would do normal subdivisions is this just validating what's already been done. But this was probably correct me if I'm wrong were these one of the kinds that were done where they said portions of?

Margarita Borja (DLM) – Well basically this map here was this subdivision here was already tract out but it was never recorded. The map was never recorded it was still in a master plan.

Administrative Director Michael Borja – Okay. What we've done in some cases where you had big tracts of land and people with portions of we've actually subdivided it out. In those big areas where we still have a lot of extra space where we haven't assigned people the lots we haven't even drawn out the lots they've created areas where there's playgrounds and things like that.

Acting Chairman David Matanane – Certain areas for amenities.

Administrative Director Michael Borja – Yeah.

Acting Chairman David Matanane – And where is this place at?

Administrative Director Michael Borja – This specific place is in Dededo.

Margarita Borja (DLM) – Next to the golf course.

Administrative Director Michael Borja – Next to the golf course?

Margarita Borja (DLM) – Yeah if you're coming in from it's on Battulo the same place where Mr. Lastimoza was.

Administrative Director Michael Borja – Yeah that's why I was saying it looks kind of familiar. Is this one of his lots in here?

Margarita Borja (DLM) – Yeah.

Acting Chairman David Matanane – Wow and he's asking to disseminate those power lines on those.

Administrative Director Michael Borja – This is where Mr. Lastimoza is right here but you know I can understand his concern this is still jungle the power company doesn't want to put the pole in because that means they have to excavate the land to do it. I don't know if there is a way and is possible to swap out the land but if it's not then it's not something we can do. Block 3, Lot 12 so this one here is empty there's nobody there yet. He's here but this is where he wanted to put the pedestal because the power pole is right here. If this is already surveyed I mean he doesn't have to pay for anything we can just switch him to another lot.

Margarita Borja (DLM) – The reason why there's a power pole there is because there's an existing dirt road.

Administrative Director Michael Borja – Yeah remember you saw that road on his map. He said it was a paved road. Is it paved?

Margarita Borja (DLM) – I'm not sure.

Administrative Director Michael Borja – That's the problem you got all these roads and so people begin so that's what he has been using to get to his house. But once we start assigning this place he can't this has to become the road.

Commissioner Amanda Santos – You can switch his land?

Administrative Director Michael Borja – Well we probably can if that lot next to him is empty that might be the way to do it but I don't know what he put inside his lot. He put a tent? So it's not a permanent structure. You see what he's trying to do I mean he's struggling he's trying to get power hooked up because like he said it's dark at night for his little girl.

Acting Chairman David Matanane – But if we do make a decision on that then we're deviating from those things.

Administrative Director Michael Borja – No we can make the decision on our side we can make the switch where that other property is better for him. What GPA is asking for is yeah they're going the right way they're making sure they get permission for it. But you know they cannot put their pole on any non-easement. So that's what's coming down, there should be a big stack of them coming pretty soon but there's a big stack that's almost ready to go and there's more to come.

Acting Chairman David Matanane – GLUC would have to look at that and then we have to sign.

Commissioner Amanda Santos – So those are new that are not assigned.

Administrative Director Michael Borja – Yeah. Well there will be other people that will be signing for it you know. The Land Administrator, the Chief Planner, the Chief Cadastre they're all going to approve that this is correct the data is correct and then you guys are approving to validate it and officiate it.

3. Lorna Lynn Taimanglo & Joe L. Taimanglo – Loan Guaranty Request

Administrative Director Michael Borja – As you know we're coming to the Commission to ask for your approval on loan guaranties. Mrs. Taimanglo is getting a bank loan to build a very modest home on Chamorro Land Trust property for her family. She's gone through the process with Guam Housing?

Lorna Taimanglo – Yes sir.

Commissioner Amanda Santos – What village, Dededo?

Administrative Director Michael Borja – I don't know, which village?

Lorna Taimanglo – Dededo.

Administrative Director Michael Borja – Matt Leon Guerrero will explain the issue but we do have a process to follow to ensure that the amount that we're going to guaranty fits within the scope the template and in this case I believe what she's asking for is well under what her qualification is for the loan guaranty.

Acting Chairman David Matanane – We do have a template?

Administrative Director Michael Borja – We do have a template yes.

Commissioner Pascual Sablan – I thought the last time we discussed the template you said you were going to go back and make some kind of adjustment then come back to us.

Administrative Director Michael Borja – No we got to promulgate it as rules and regs but for the time being I'm using it as policy because the auditor has asked us to put together some policies.

Commissioner Pascual Sablan – And we adopted that already?

Administrative Director Michael Borja – You guys did adopt that back in January.

Commissioner Pascual Sablan – Okay thank you.

Matthew Leon Guerrero (DLM) – Lorna Taimanglo is requesting for a loan guaranty approval for \$64,988.90. She submitted to the Trust all the required documents in our CLTC Home Loan Guaranty Program checklist. We received everything yesterday. Now based on our formula that we used Mrs. Taimanglo is allowed to build a 759 square foot home. The plan that she submitted is for 650 square foot home which makes her house approximately 109 square feet below what we can guaranty. Staff is recommending the approval of her loan guaranty for the amount of \$64,988.90.

Acting Chairman David Matanane – 69,887?

Matthew Leon Guerrero (DLM) - \$64,988.90 that's how much her house is going to cost based on the building and construction contract agreement she's got. That is how much Guam Housing is willing to finance her.

Acting Chairman David Matanane – They don't round out those stuff?

Administrative Director Michael Borja – What the loan amounts? What rounded it up for the bankers benefit?

Acting Chairman David Matanane – Round it to 65.

Matthew Leon Guerrero (DLM) – That's exactly what they Mr. Chairman that's what they approved them for.

Acting Chairman David Matanane – They want it to the penny right?

Matthew Leon Guerrero (DLM) – To the penny sir.

Acting Chairman David Matanane – Alright if that's the case that's fine. I'm just wondering why would they want to do that to the penny and it prolongs to 30 years and then point zero, zero, zero what the heck man. Anyway go ahead sir I'm sorry. It just blows my mind when you know we have to figure out let's say for instance Mrs. Taimanglo wants to pay it off she has to pay that one cent or else it's still going on. So I'm sorry. So you're saying that Guam Housing has approved it.

Administrative Director Michael Borja – Guam Housing has vetted her to approve for her bank loan. We're not giving her the bank loan we're just having it to be a guaranty. I just want to remind the Commissioners that of the loan guaranties that we've done while a predominate number of them were for guaranties for FEMA related disaster relief loans and those in many cases are not very good. The ones that we do have a control of and it only makes up 23% of our loan guaranties 22% of our loan guaranties is for regular home loans and those predominately are what, lately we've been keeping them under control. I think this is like the second or third one we've done this year right. We've been pretty strict about these things and as you saw in the past we had to have her go back and complete one of her documents. Correct me if I'm wrong was this one of the cases where because we didn't get it on time you had expired out on your loan?

Lorna Taimanglo – Yes.

Administrative Director Michael Borja – See so the time it took for her to get her loan guaranty from us she expired out on the offer the bank was giving for the loan expired and she had to start all over again. So she'd like to move forward so she can at least get a roof over her head with her family and her children. She's not asking for something that's going to be you know overwhelmingly crazy. It's something that's very, very modest.

Acting Chairman David Matanane – I think I remember the last time you were here concerning the square footage and all that.

Administrative Director Michael Borja – Yeah and that's how we base it on you know to figure out our calculations on what they should be eligible for, for the minimum required. But I think some of those may have changed recently. Wasn't something changed on what Guam Housing requires in the number of bedrooms? That's what we were looking at number of bedrooms. There was a minimum on bedrooms and stuff and there's not even that requirement now.

Acting Chairman David Matanane – Yeah I was going to ask you how many did they approve already as far as loan guaranties.

Administrative Director Michael Borja – To date the grand total?

Acting Chairman David Matanane – No, no your tenure during your tenure.

Administrative Director Michael Borja – Oh no there were probably four or five. We did probably about three of them last year in the last calendar year.

Acting Chairman David Matanane – But we are reducing also the ones that are in the previous.

Administrative Director Michael Borja – Right we're still sorting that out. We're just waiting for the purchase order to be approved before you see a listing that's going to get

published in the two newspapers of about fifty people we're looking for in the loan guaranty program.

Acting Chairman David Matanane – From 10 to we're down to?

Administrative Director Michael Borja – Well we went from 12 and we're down to 10 but as soon as we find who some of these other people are and figure out what's going on we're trying to get a grip on all of these.

Commissioner Pascual Sablan – It's showing on this report that your house the proposed house is 109 square feet below. This is equivalent to let's say 10x10. First of all do you have a blue print already approved?

Lorna Taimanglo – Actually our contractor is actually trying to get that done for us right now. So we're still actually in the process with the contractor on what he's going to do which is the building permit and the blue print.

Commissioner Pascual Sablan – So they haven't approved the blue print yet right? You don't have any final blue print yet.

Lorna Taimanglo – No, no it's just the (interrupted).

Commissioner Pascual Sablan – Conceptual plan or something like that.

Lorna Taimanglo – Yeah.

Commissioner Pascual Sablan – My worry is that 109 maybe is please excuse my word for a better word you know a substandard size.

Administrative Director Michael Borja – No she's not 109 square feet. Her house is going to be 650 square feet. What we would guaranty up to is 759. So that 109 is she's under our minimum requirement.

Commissioner Pascual Sablan – But what happens if she decided to modify the blue print and needs more?

Administrative Director Michael Borja – Well we're only going to guaranty this \$64,988. If she increases it above that we're not guarantying it she has to come back to us.

Commissioner Pascual Sablan – Are you aware of that?

Lorna Taimanglo – Yes.

Commissioner Pascual Sablan – Okay. That's my concern.

Administrative Director Michael Borja – She qualifies for this amount so I believe you're going to work within this means to stay within this amount right?

Lorna Taimanglo – Yes.

Commissioner Pascual Sablan – I don't think the bank ever approve a one bedroom. You know really why? I have a house at Finegayan and when I building my house in Agana they told me that it is a must that it's two bedroom because if one day if I argue with my wife where am I going to sleep. Seriously. So I haven't seen any house that is only one bedroom.

Administrative Director Michael Borja – Not that the bank pays. Mrs. Garrido's hers is one bedroom right. We have a one bedroom house that's up for sale from the Chamorro Land Trust.

Margarita Borja (DLM) – It was self-construct.

Commissioner Pascual Sablan – Oh that's why okay.

Lorna Taimanglo – Because the area that we chose with the contractor the total amount of the house is actually \$55,000 but the extra the leftover of the loan is supposed to go to a septic tank and a leeching field. But since the lot that we were at that we chose which is in Dededo we don't need that so that extra if there's no extra charge and if I'm not mistaken from GPA that extra amount might just go to one extra bedroom which will be maybe about 10x10.

Acting Chairman David Matanane – That you can take care of maybe later on.

Administrative Director Michael Borja – Or no to add it on to this. Are you using one of the contractors that they're kind of looking at to build affordable homes?

Lorna Taimanglo – This one is Premier Properties with West Enterprise.

Acting Chairman David Matanane – We have a few contractors that are you know working with us.

Administrative Director Michael Borja – Well they cannot make any recommendations right now but they are using some contractors Guam Housing remember they're building some model homes up at Sagan Linahyan and once those homes are ready then they'll look at those homes and you'll see who built them and if you're interested you can use those people to build them.

Acting Chairman David Matanane – But they do have schematics right now when we open.

Administrative Director Michael Borja – Yeah and this might be one of them they just have to do the blue print for approval.

Acting Chairman David Matanane – I wonder if she saw those.

Administrative Director Michael Borja – Oh yeah Guam Housing she's going through Guam Housing they're showing her all the options that are available.

Acting Chairman David Matanane – All we need now is us Commissioners to approve.

Commissioner Amanda Santos – I move that the loan guaranty for Mrs. Taimanglo will be approved for the amount of \$64,988.90.

Commissioner Pascual Sablan – I second it.

Acting Chairman David Matanane – Show of hands to approve Mrs. Taimanglo's loan guaranty.

Commissioner Pascual Sablan – One quick question where's Joe?

Lorna Taimanglo – He's at work sir.

Commissioner Pascual Sablan – Oh thank you.

Acting Chairman David Matanane – Show of hands. Majority rules. It has been moved and seconded to approve Mrs. Taimanglo's loan guaranty of \$64,988.90. Thank you Mrs. Taimanglo.

Lorna Taimanglo – Thank you so much.

VII. DIRECTOR'S REPORT

1. Revenue collection report for the month of May 2015

Administrative Director Michael Borja – You guys have a copy of the collection report and what I do want to point out it's not totally clear here because it happened just yesterday but the Guam Municipal Golf Course is paid in full.

Acting Chairman David Matanane – Really?

Administrative Director Michael Borja – They came in yesterday with a check. The check was for \$174,866.

Acting Chairman David Matanane – Which one is that?

Administrative Director Michael Borja – Guam Municipal Golf Course.

Acting Chairman David Matanane – It says here 262,000.

Administrative Director Michael Borja – Well that's what they were current up to. That's the income that's the amount they've paid that's the total. That's not how much they're due that's how much they've paid for this fiscal year. If you look at the long sheet this is an income this is the amount paid each month by each customer.

Commissioner Pascual Sablan – So \$262,000 is the total payment to date.

Administrative Director Michael Borja – To date for the fiscal year but the check we received brings his balance to zero. I also want to let you know that they did get sold to another Japanese company I'm waiting for the details on that. As soon as we get all the details on all of that then it will be amended into their lease.

Acting Chairman David Matanane – So do you know who is the buyer or who is the new owner?

Administrative Director Michael Borja – Not exactly it's another Japanese Corporation and that's why I've already instructed both the General Manager and their accountant to provide me the details of that as soon as it's because it hasn't been fully executed.

Acting Chairman David Matanane – The check is good?

Administrative Director Michael Borja – The check is good we took it up to the Treasurer of Guam to verify. They were able to call it in and validate it and verify it.

Acting Chairman David Matanane – Not like the last time where we had to go asking for it again.

Administrative Director Michael Borja – Not them that was GRRP.

Commissioner Pascual Sablan – I thought we have already a policy that we accept only cashiers check.

Administrative Director Michael Borja – No, no, no we will only on GRRP. They have to demonstrate their errors.

2. Bank of Guam certificate of deposit pre-renewal notice
Administrative Director Michael Borja – The last thing here is the Bank of Guam certificate of deposit there's a (interrupted).

Acting Chairman David Matanane – I'd like to question that Mr. Borja please I was talking to Terese but anyway I want it from you is that part of the total \$500,000?

Administrative Director Michael Borja – Yes I believe it is.

Acting Chairman David Matanane – I thought we had a \$500,000 and \$300,000.

Administrative Director Michael Borja – No, no there's only \$500,000 that was set aside.

Acting Chairman David Matanane – Not 8.

Administrative Director Michael Borja – No not 8 it was 5. So I think it was a 3 and a 2 right? Yeah. This is the basic amount it's actually a little bit more than that because there's interest.

Acting Chairman David Matanane – Where's the interest at?

Administrative Director Michael Borja – Well the interest is not listed here.

Acting Chairman David Matanane – What is the percentage?

Administrative Director Michael Borja – The percentage here is 0.12%.

Acting Chairman David Matanane – Wow it's pretty good.

Administrative Director Michael Borja – No it's not don't say 12.

Acting Chairman David Matanane – It's not 0.01 but it's 1.0.

Administrative Director Michael Borja – Okay so you multiply it times .0012 it's still a low number. If it was 3% then its 300 here this is .00.

Acting Chairman David Matanane – I said even at a half of a percent at .05 that's quite a lot of money.

Administrative Director Michael Borja – Well this is not even half a percent this is a tenth of one percent. It's gross especially for a certificate of deposit.

Acting Chairman David Matanane - You got a direct deposit for it or is it going you know I was inquiring whether we take the interest and we fold it up and let it run.

Administrative Director Michael Borja – Well you know the public auditor has always asked us what we could do with the money to make the money grow better. But you know the extent in which you're permitted to do is kind of I mean you have to protect the money right. If you take this money and go put it in an extremely high interest but yet highly volatile mutual fund or something you know you could make a lot of money or you could lose a lot of money. You never want this to go you know to lose money.

Acting Chairman David Matanane – What I mean is you roll it you roll it with the principle.

Administrative Director Michael Borja – Oh yeah.

Acting Chairman David Matanane – I was thinking maybe if you role it with principle and you still not touch it it will grow, it will grow at a faster rate.

Administrative Director Michael Borja – Right okay.

Acting Chairman David Matanane – Think about that.

Administrative Director Michael Borja – Let me talk to them.

Acting Chairman David Matanane – You know it's a faster way even at .05 it's still a lot at \$300,000.

Administrative Director Michael Borja – Oh yeah but this is .1.

Acting Chairman David Matanane – But even at that .1 that's 30,000.

Administrative Director Michael Borja – No it's 300. If I multiply 300,000 times .12%, oh Lord that's even worse its \$360. \$360 for \$300,000 yeah but for \$300,000 my God you would think it would be at least upwards towards over a thousand dollars in interest.

Acting Chairman David Matanane – Better than zero.

Commissioner Pascual Sablan – You know when I was handling wage and hour we have an account and by the virtue of it being a Government account it's an interest bearing account because it's Government see the Government is nonprofit but much, much higher than this.

Administrative Director Michael Borja – Well there's a lot that has changed since that time. I mean that's why a reason why really interest rates right now for borrowing it's starting to go up but for the longest time it was like you know 3% to borrow you know which is crazy. There was time when it was costing 9, 10% to borrow that's for a mortgage you know and credit cards are a different creature. But if you can do a 9 to 12% lending rate then that means your savings rate is going to be somewhere around 3 or 4%. But if your lending rate is at really at 1% or even 3% your savings rate is going to be way it's going to be almost because really the big banks the lending rate was almost at 0%. They kept dropping the interest rate and I said how to do you go negative because they're going down to the point where it's negative. They just decided today in a meeting last night that they don't think that they're going to raise the interest rate and so then everyone read that as meaning they're going to raise it in December. They're not going to raise it today but they'll raise it in December. Yeah I mean it's all because the economy you know sucked. But I'll take a look because I agree there's got to be some other way to figure out how we can raise the rates because even the Ancestral Lands Commission they have ten times this amount and yet their interest rate too you know you're stuck at these kinds of certificate of deposits that are not earning you much. Now if I took it out of the Bank of Guam and put it over at Family Finance I would make a lot of money over there right. And should we you know but the problem was in this non-Government Board I was on we had to pull it out of there

because it wasn't protected by the FDIC or anything like that. So you know there's ways of earning more money but it's riskier because if they have all of a sudden all of their loans go bad which you know.

Acting Chairman David Matanane – It can happen.

Administrative Director Michael Borja – It can happen. You know what a Federal Court just ruled yesterday? That the ALG bail out was illegal. So basically they're saying the Government cannot bail out these big banks. Which I think is good. If a big bank fails, goodbye. You know better learn your lesson.

Acting Chairman David Matanane – We have already bailed them out so much.

Administrative Director Michael Borja – Well is it right that you bailed out a bank and then after they're bailed out they all get million dollar bonuses and yet the guys who are working hard are all kicked out of their houses because of their predatory kind of lending?

Commissioner Pascual Sablan – But see you have to understand that they have to fly to Washington with their private jet.

Administrative Director Michael Borja – Yeah.

Acting Chairman David Matanane – I don't know if these two, are they aware of this letter that you wrote to (interrupted).

Administrative Director Michael Borja – There's a letter in there to Lars Hellmott who is the co-owner of the ITC building and Lars in February had asked me to acknowledge the fact that my predecessor had agreed verbally that he would allow the ITC Building's ground lease to extend another 50 years to the year 2111. He never got Monte to sign on that so he came to me in February and says can you acknowledge that you're going to do this? I told him I cannot and I was waiting for a letter direct from the Attorney General in this regards but he kept pushing and pushing and pushing so finally early part of this month he said I need it. So I put out a letter which was pretty close to what he was going to get anyway that basically says the law doesn't allow me. There are requirements within the law that says I cannot, nobody in this Government can make any land assignments and decisions without the Legislature's approval. So I told him that and he got this two page letter which basically spelled all that out and he goes this is not what the bank wants to see. So he asked me to write another letter and to that letter it basically quotes directly out of what our leases say is that I will that the Chamorro Land Trust will do everything it can to assist in whatever endeavors he needs to get his licenses and permits and his extension. We'll do what we can that's all I can say we can do. I mean I'll go and try to fight in the Legislature to get the approval but in the case this specific case the land that this building sits on is Chamorro Land Trust property. It was actually Government of Guam property that was given to GEDA by the Governor in 1966 or something like that and he was allowed to, GEDA was allowed to lease it out and then later on I think the Governor was not supposed to have been allowed to do that I mean that authority was taken away. But nevertheless the

lease had already been given out and that lease in 1966 will expire in 2065 with GEDA. With ITC I think it's in 2061. So he is asking for a ground lease extension beyond 2065. I can't give him anything extra because GEDA still owns 4 years from 2061 to 2065. We can work on something after that but who's to say what's going to happen. Does the Legislature want to still give GEDA the right to use this land or is Chamorro Land Trust going to be able to do it?

Acting Chairman David Matanane – Can you look into when it was extended to 99 years?

Administrative Director Michael Borja – Oh yeah we have all those documents.

Acting Chairman David Matanane – Have you gone through it?

Administrative Director Michael Borja – Yeah I have and it was the result of extensions on leases or another lease that was given out right on the land. I mean how it got to, yeah it was a 99 year thing.

Acting Chairman David Matanane – When was it extended and how did it go through the process of extending it on a lease?

Administrative Director Michael Borja – Oh no it was given for 99 years.

Acting Chairman David Matanane – No it was 50 for the first time.

Administrative Director Michael Borja – Okay well they went through, there was a sell of the ownership. We do have all those documents.

Acting Chairman David Matanane – Okay I'm curious you know and I appreciate if you look into it and if you see that it's legit (interrupted).

Administrative Director Michael Borja – Oh no it's all legit because you know all those documents were signed and what we see too. All those documents were signed by the Attorney General, the Governor, the Lt. Governor I mean they were vetted through the whole process.

Acting Chairman David Matanane - That's all I'm looking into I mean (interrupted).

Administrative Director Michael Borja – But you know what he says is well look if you extend it another 50 years it's going to be a five 10 year increments when you're going to get an increase but you know what I did the math too. I told you today I pay \$54,000 a month for the Land Management's rent alone. Their rent per year is somewhere in the mid \$30,000 that's all they pay this year. And by 2111 if you keep incrementing it only 10% by 2111 they would be paying somewhere around \$50,000 a year which is what you know if you compare it today this is what I pay per month. Now he came to me right after there was an article in the newspaper that said the Chamorro Land Trust rules and regs are in and this is how much the rent would be 9% of the value of the property. So he comes in and says

oh, Mike how can anyone pay that much money? Because he was thinking it was the value of the property with the building. I said no it's the value of the land not the value of the leasehold improvements too. So he felt more comfortable but I told him you have to follow all these rules and regs too it becomes part of us.

Acting Chairman David Matanane – And if not then he (inaudible) that.

Administrative Director Michael Borja – No but see here's the dilemma that we have this is going to be one of the first example the Government's going to have to deal with is that here is a long term 99 year lease that's going to come to its expiration in 40 years. Still a long ways away right but it's not really it comes fast. Remember 40 years ago when you were a teenager? So it's coming really, really fast and how do you deal with that? You know do you really put this land up for bid when a building is sitting on top of it already that's not owned by us? How does that work? You know you almost have to go in and have a good negotiation with these guys I mean it's something we have to look at I can't say what we can do.

Acting Chairman David Matanane – Just like us the appraisal value of this what's this, is there a salvage value for this particular building after the lease agreement. That's where I'm coming from.

Administrative Director Michael Borja – Yeah but if he loses the land lease and the winner of the land lease is not allowed to sublease what happens to the guy who owns the building? One of the reasons too that you want a person like this that owns this big building wants to look at very long term leases because it's all financial. If you start to approach the end of your land lease and you haven't secured an extension are you going to improve the building? No you're going to make no improvements. Things break so what. Why fix it if I don't have the guaranty that I'm going to keep the land. See so those are the kinds of problems. Some of the hotels are running into this already. Some of these hotels are on 50 year leases they're expiring soon and they can't even sell it. Who wants to buy a hotel that has a 5 year land lease remaining? You know its crazy they're not going to buy it.

Acting Chairman David Matanane – You have not received a turn around?

Administrative Director Michael Borja – Response to it, no.

Commissioner Amanda Santos – I thought that Monte mentioned that he wants to buy this.

Administrative Director Michael Borja – Well there was an attempt by them but what happened is that it was going to be a USDA loan and the problem is that there were too many non-Government renters in this building and they didn't want you to buy a building that you're going to lease out for commercial purposes. But if you look at the building now I mean it's predominately Government of Guam. What I am looking at is the process to go towards our own building which is down in Agana.

Commissioner Pascual Sablan – Watch out GHURA might come and take it for police headquarters.

Acting Chairman David Matanane – You know the Girl Scout area in Tumon that was proposed for the main headquarters for Agana.

Administrative Director Michael Borja – They want something according to the newspaper something on Route 4 or Route 8. We're looking but you know there's not much. Chamorro Land Trust properties in the central area are really, really tight. That is why on this thing I'll put it on my pros and cons I don't have very many lands that are available for commercial. I can tell you the sentiment of the Senators right now if I went to them and said hey we want to do a land transfer for this they're going to say Mike how much money you think you are going to make out of this commercial property? You say you need commercial lands so that you can make the money for your agriculture why would you give it away to some other property that is totally undeveloped?

Acting Chairman David Matanane – Which is ours.

Administrative Director Michael Borja – No the one in Windward Hills that I can't hook up to the sewer. You know I just did the quick math on here the assessed value of that lot is this is the tax assessed value it's \$813,000. I think that the actual appraised value you'll come to find will be over 1 million dollars.

Acting Chairman David Matanane – What about the one that we have up there?

Administrative Director Michael Borja – No I'm just saying this lot right here that he's interested in.

Acting Chairman David Matanane – In Yona.

Administrative Director Michael Borja – No in Tamuning the one in upper Tumon.

Acting Chairman David Matanane – That's why I asked is it a commercial.

Administrative Director Michael Borja – No it's not commercial it's an R2. It's \$813,000 and if you take 9% of that that's \$73,000 a year that they pay in rent if they use that piece of property and that's just for almost two acres. Shoot that could be the police department. But if it was 1 million dollars I could be making \$90,000 a year. I think that's how we worked it out right it's 9% of the assessed value for the year. So we divide it out by 12 and that's the monthly payment.

Commissioner Pascual Sablan – But are we at liberty to discuss that because my concern is that it's already a grading of 25 feet you know how (interrupted).

Acting Chairman David Matanane – That's the reason why I swayed away from that from making a commitment or anything we were just going to discuss it and we need to discuss it.

Administrative Director Michael Borja – You know what that hole in the ground is not a liability it's a benefit. You can have a basement, underground parking. It's all coral rock it's not like you're in the mud. You start building above that you've already excavated, it's pre-excavated you have a basement. This building has a basement. You can't even tell from the outside but the basement goes from street to end you know. It's a big basement.

Commissioner Pascual Sablan – I know that we have to go through EPA and all those things for grading you know but I guess we have to really take a deep look into it.

Administrative Director Michael Borja – But see if somebody rents this thing out it has to be a long term lease. I mean if someone is going to use this and build something he's not going to want 5 years he's going to want at least 30 to 50. Look at this, this man has already been encroaching for the number of years into it and he hasn't been paying for it.

Acting Chairman David Matanane – Yona if we do acquire that and we piece it out at 99 years, \$99 for 99 years what money are we going to make we're in the (inaudible).

Administrative Director Michael Borja – Plus it's on the hill okay so if you're going to hook up to the sewer I don't know where you hook it up to because you can't push the sewer up the hill. And I tell you the Land Use Commission has already written out, given out zone changes in the Windward Hills area for commercial zoning with restrictions on their sewer. They cannot hook to the sewer. Waterworks won't allow you. That Baza Gardens septic wastewater is really bad. It's in bad condition but it's overused. It was only designed for that subdivision and then all of a sudden it got tapped into by everybody else.

Acting Chairman David Matanane – Oh that top soil.

Administrative Director Michael Borja – We're trying to finalize that. We're trying to finalize that right now to determine who received the money. We know who took the soil, we know what company took it and we're just trying to get the soil sample so we can validate it but we want to know where the money went. Who authorized this? Hopefully by next month he'll be the person that has to come before you to explain why he shouldn't have his lease terminated.

VIII. EXECUTIVE SESSION - None.

IX. ADJOURNMENT

Commissioner Amanda Santos moved to adjourn the meeting. Commissioner Pascual Sablan seconded the motion. Meeting adjourned at 3:05pm.

Transcribed by: Teresa Topasna, WPSII: *Teresa Topasna*

Approved by Board motion in meeting of: *July 16, 2015*

Michael J.B. Borja, Administrative Director: *Wilfredo Borja*

David Matanane, Acting Chairman: *[Signature]*

Date: *7/16/15*

Date: *7/16/15*