



CHAMORRO LAND TRUST COMMISSION RESOLUTION NO. 2016-06

Declaration and Position on Guam Racing Federation License Agreement Provisions

WHEREAS, the Chamorro Land Trust Commission (*hereafter CLTC*), engaged in a License Agreement, dated June 1, 1998, with the Guam Racing Federation (*hereafter GRF*), for Lot Number 7161-R1, Yigo, Guam, consisting of approximately 1,019,844 square meters (252 acres) of undeveloped land as authorized by Public Law 24-141, and

WHEREAS, GRF has engaged in mineral extraction from the identified lot with the intent of the CLTC to receive fifty percent of the value of the extracted material, and

WHEREAS, Office of Public Accountability (*hereafter OPA*), in four successive audits of the CLTC (2012, 2013, 2014, 2015), identified as a Finding that revenues generated from mineral extraction were not evidenced by an underlying agreement or documentation of royalty rates, nor were revenue rates evidenced by a verification of actual coral materials extracted, and

WHEREAS, GRF has not provided to the CLTC any verification of insurance coverage as required by the License Agreement, and

WHEREAS, Public Law 30-204, Section 6, established an Event Admissions Assessment requiring ten percent of admission price be paid to the Government of Guam.

NOW THEREFORE BE IT RESOLVED,

1. The Chamorro Land Trust Commission Board of Commissioners, pending an affidavit from Guam Racing Federation identifying the companies receiving material extracted from the licensed lot, places a moratorium on all coral extraction from Lot Number 7161-R1, Yigo, Guam.
2. Guam Racing Federation must provide a validated and certified method of determining actual coral materials extracted and the information must be reported to the Chamorro Land Trust Commission at least quarterly.
3. Chamorro Land Trust Commission and the Guam Racing Federation engage in a Memorandum of Agreement regarding royalty rates.
4. Guam Racing Federation provide a validated and certified method of determining admissions assessment and provide a report for the last five years of admissions fees collected to the Chamorro Land Trust Commission.

5. Guam Racing Federation provide insurance certification to the Chamorro Land Trust within ten days and upon each renewal. Terms of the insurance coverage shall be no less than the requirement stated in the License Agreement.
6. The Chamorro Land Trust Commission Board of Commissioners transmits this Resolution to the Guam Racing Federation.

DULY AND REGULARLY ADOPTED BY THE CHAMORRO LAND TRUST COMMISSION THIS 16TH DAY OF JUNE 2016.



**PASCUAL A. SABLAN, Chairman
Chamorro Land Trust Commission**

Date: 6/21/16



**MICHAEL J.B. BORJA, Administrative Director
Chamorro Land Trust Commission**

Date: 6/20/16