The Truth Behind

WIND ZERO's

Training Facility

Published for the Ocotillo-Nomirage Community

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On June 23, 2007, Wind Zero Incorporated gave a presentation to the Ocotillo-Nomirage Community Council about the 960-acre training facility they have proposed in the immediate Ocotillo community.

Notes:

- Comments transcribed from the community council hearing are annotated with a time stamp for video point reference.

- All supporting documents within the Appendix are actual scans of Wind Zero's investment strategies.



Background of Wind Zero's CEO, Brandon Webb

<u>Brandon Webb</u>: [2:00] "Just a brief background on myself. I've been a resident of San Diego for a little over 13 years, most of that time I spent in the Navy. I was stationed at Coronado and the last four years of my service was spent in a training capacity. Before that, I have deployed overseas several times to all the places that no one wants to go – Afghanistan and Iraq." (Community Council Meeting, June 23, 2007)

- Outside of the military, Mr. Webb has also deployed overseas as an "independent security contractor" for a lucrative security contracting company, DynCorp – a competitor of Blackwater.
- Since 2002 Mr. Webb has run his own private training and security company known as 'Channel Islands Tactical' – the website is located at (www.channelislandstactical.com). The security services which he markets from his website are nearly identical to Blackwater:

From Blackwater's Security Consulting website

"Blackwater USA, has a proven track record of superior advisory support to government agencies and private organizations. We are in position across the globe ready to provide rapid planning consultation, rapid mobility/logistics, and security assistance support in areas devastated by war or natural disasters."

From Channel Islands Tactical's Security Consulting website

"In a volatile world of threats both from home and abroad security has become a major concern for government, corporate enterprise, and private citizens. Our highly trained combat proven operators are prepared to meet these threats head on – aviation, maritime, high-risk security, security assessment."

Community Council Attendee: [24:00] "Are you affiliated with Blackwater in any way?"

Brandon Webb: "No sir."

Follow-On Question: "Or any other organization similar?"

Brandon Webb: "No sir."

- Mr. Webb was employed as an overseas independent security contractor for a competitor of Blackwater.
- Mr. Webb owns and operates a company that markets security services identical to Blackwater.
- 3. According to Wind Zero's Investment Overview brief (see attachment):

"Channel Islands Tactical recently established a collaborative relationship with DynCorp International."

4. DynCorp is a direct competitor of Blackwater.

Intent of Wind Zero's Proposed Training Facility

Wind Zero is attempting to mask their real intentions for their facility by marketing it as a "sporting club and recreational facility open to the public" – thereby making it harder to classify it as a purely tactical training facility similar to what Blackwater is trying to develop. As a resident of San Diego, Mr. Webb has been around long enough to observe the problems Blackwater has encountered in their development process, and he has learned how to avoid them as best he can – e.g. don't let it be classified primarily as a tactical training facility, but as a recreational facility that could merely accommodate tactical training should the need arise.

Wind Zero's Open Letter to the Ocotillo Community

"Our proposed facility will provide public access to sporting enthusiasts, be capable of hosting world-class competitions, and provide training and educational facilities for the public, law enforcement, emergency services, and the military."

<u>Brandon Webb</u>: [3:10] "It became apparent to me a need for a facility that could provide training to the public, law enforcement, and the military – there was definite need in Southern California for that."

 Obviously there is a need for training facilities. Otherwise companies like Blackwater, Covert Canyon, and Procinctu would not already be developing facilities around Southern California for the past several years.

<u>Brandon Webb</u>: [6:08] "We have a driving or road track that would be well-suited for...it's a driver's education...emergency vehicle track; a city track that's well-suited for the law enforcement training right now."

 It's a tactical training track, and it seems unlikely that its primary purpose is for driver's education, the BMW Driving Club, or public use.

<u>Brandon Webb</u>: [6:20] "The archery range, which we specifically took input from the Boy Scouts – they mentioned an interest in having an archery range – so we put that into the plan."

 The ½-acre required for the Boy Scout archery range won't impact much of the other 959 acres.

<u>Brandon Webb</u>: [46:55] "This facility is modeled, if you look to the Ben Avery Shooting Facility in Arizona and the Clark County Nevada Recreational Shooting Facility that they're building out there...this is around the community involvement, being open to the public, and also providing a place for the law enforcement and other public agencies to train...which is in high demand. That's our business model."

- The Ben Avery Shooting Facility is <u>owned by the citizens of Arizona</u> and operated entirely by the Arizona Department of Fish & Game.
- The Clark County Recreational Shooting Park is <u>owned by the county</u> and is operated entirely by the County Department of Parks & Recreation.

They are truly public facilities - not private facilities with limited public access.

The following are "internal" comments from Wind Zero's Investment Documents (copies of documents can be found in the appendix)

Wind Zero's Strength of Concept

"Focus on underserved market in the Southern California region for a <u>tactical training</u> <u>facility</u> (no facilities with an estimated 500k users in San Diego/ Imperial Counties). Significant and untapped government and law enforcement training markets with minimal facilities capable of handling necessary firearms training." (Vital Statistics)

Wind Zero's Introduction

"Wind Zero, Inc. was founded as a California C corporation in 2006 by former Navy SEAL snipers Randy Kelley and Brandon Webb to fulfill the need for a high quality tactical training facility in southern California." (Investment Brief, page 1)

Wind Zero's Revenue

"Wind Zero will generate revenue from a variety of different revenue streams. <u>A major</u> source of revenue will be from government contracts." (Investment Brief, page 2)

Wind Zero's Competition

"Blackwater Inc. is the most serious competitor to Wind Zero and is a well-known government contract company based in North Carolina. The reputation of Blackwater has been tarnished in government circles due to low pay of its employees, inadequate support of its personnel, and lack of business focus. The demand for these specialized training services, however, leaves no feasible alternatives for government buyers other than to contract with Blackwater." (Investment Brief, page 2)

 Wind Zero's financial model projects that 71% (\$15 million) of its income will come from 'government contracts.'

Issue #3 Financial Goals of Wind Zero

<u>Community Council Attendee</u> [24:10] "I have a friend that does this work [mercenary contracting] and I just wanted to know if they're going to come out and practice at your facility?"

Brandon Webb: "No sir, that's not our plan."

Community Council Attendee: "Well it's not your 'plan,' but what's to change that?"

Brandon Webb: "We are setup to run our own facility ... "

<u>Community Council Attendee</u>: "Unless you sell out to somebody – possibly the government or anybody else."

Brandon Webb: "That's definitely ... that's not our plan."

<u>Community Council Attendee</u> [1:19:00] "In terms of selling out, you could sell to Blackwater right?"

Brandon Webb Associate: "Conceivably."

Wind Zero's Financial 'Exit Strategy'

"Soon after funding, Wind Zero will initiate the filing processes enabling its stock to be sold on the over-the-counter market. As the company grows and launches new products and services, management will also focus on preparations for taking the company public, or making Wind Zero a viable merger or acquisition candidate within 36-48 months."



Photograph of Blackwater's Vice President, Brian Bonfiglio, showing Wind Zero contractors the site plan for Blackwater West in San Diego County [Ocotillo Park Lot, June 23, 2007 – courtesy of Citizen's Oversight]

Wind Zero's Concerns for the Ocotillo Environment

<u>Brandon Webb</u>: [6:30] "We are truly sensitive to the environment. I've personally been a member of the Sierra Club for a while now and we joined as a company. Believe me when you spend time in the military, having that membership comes with problems. So, as far as the environment goes, we plan to power the facility with renewable energy – solar being the primary choice for us and also wind. So that's what we're looking out for that."

<u>Community Council Attendee</u>: [29:00] "I chair the Land Use Committee of the Sierra Club. Mr. Webb, first of all, you were a member of the Sierra Club briefly from 2004 to 2005...you are not a member now and you haven't been a member for a long time as you portrayed...you lie so much. You lie continuously."

<u>Brandon Webb</u>: [4:01] "We really found out real quick that this type of facility was not going to be built by us in San Diego – we just didn't have the money to do it. You know, the money, and when we started looking at land in San Diego, there were a lot of concerns around environment. We really took that into consideration to the point where we said, 'Maybe we should start looking in Imperial Valley' or other places outside of San Diego that would be less affected by this type of facility."

 Because San Diego was too expensive and too environmentally stringent, Wind Zero decided to locate in Ocotillo to avoid environmental problems.

<u>Community Council Attendee</u>: [16:39] "The other thing I want to say is on your statement on environment. You say you're from San Diego, I'm from San Diego too. And you say the 'concerns' for the environment in San Diego. Well, there are concerns here in Ocotillo too."

<u>Brandon Webb</u>: "Yeah, there are definitely concerns, but there is a lot less concerns in this environment compared to San Diego."

Community Council Attendee: "That's like saying we're not as important."

Brandon Webb: "No ... "

Multiple Attendee Responses: "Yeah it is!"

 Wind Zero wants to develop its training facility on a location where (a) there is no fire department, (b) there is no sheriff's department, (c) there is very limited water supply, (d) there are over 100 archaeological sites, (e) it is adjacent to a BLM Area of Critical Environmental Concern, and (f) it sits in a major floodplain.

Free Medical Care for the Ocotillo Community

<u>Community Council Attendee</u>: [43:20] "What kind of medical facility are you going to provide for people that come on site here? I know from personal experience that if there's a medical emergency here it takes them a half hour to 45 minutes to get here...if you're lucky. I had to get the Border Patrol to call because we don't have anyone here. I almost died!"

<u>Brandon Webb</u>: "That's a great point because one of the courses that we're looking at offering is like a...desert...medical...I don't know what to call it. We'll have a qualified medic on hand virtually every day that would be able to handle any – of course, any emergency on the facility – or anybody that had a problem in the community could come there and get treatment as well."

 "Anybody that has a medical problem in the community can come to Wind Zero's facility and get treatment" by the "qualified medic which is on hand virtually every day?" Free medical treatment for the town of Ocotillo is not an achievable or realistic goal for a <u>recreational</u> shooting and archery range center.

CONCLUSION

- Wind Zero's goal is to develop a tactical training facility very similar to Blackwater, but are marketing it as a "public" recreational sporting venue.
- Wind Zero intends to maximize its profits primarily through government contracts to position itself to either go public or to be acquired within 36 to 48 months – either way, they will be positioned to outside control of another entity.

Additional Quotes of Interest from Brandon Webb

Saying Anything To Please

"We're here to work with you on the view because the last thing we want to do is put in a big noisy facility that's going to block the view." [10:54]

"The plan is to eliminate virtually all the noise [from the facility] altogether." [11:08]

"When I talked to the local law enforcement agencies, their concern was that a lot of the shooting was being done out at Imperial Valley Rifle Club and there was no airconditioned classrooms. So they couldn't sit down in an air-conditioned environment much like we're in and go over a safety class and then go right out to the range." [21:40]

"With this facility, the last thing I can tell you that we want is any automatic weapons fire, alright." [46:55]

Miscellaneous Comments from Council Meeting Attendees

- 1. **[9:30]** It seems very strange to me that [the County Planning Director] would allow this kind of facility given that he has stopped so many other projects in the area even small trailer parks. And, knowing what the water situation is over there...
- [11:35] With all the desert property that's out here, where you don't have any
 residential homes, why would you pick this spot where there are people living? Why
 don't you go somewhere else where there are no people living? I mean, that's my
 retirement home.
- 3. [17:30] I'm from Ocotillo. I'm wondering about your credibility with what I'm even hearing from you right here. I'm looking at your Open Letter to the Ocotillo community and it says "Current Land Use." I see exaggerations and misconceptions here. It says, "The current land is strewn with litter, used cartridges, and shell-casings." Well, it's not *strewn* with litter. There is *some* litter out there. And it says, "Due to annual grading..." now there has been some grading but there is *no* annual grading. So, when I'm seeing what you have put out in your writing and you have already put misconceptions here you already basically lied here as to what the current land use is...and then I listen to you here, and your credibility has already been a little bit eroded or quite a bit eroded when you put it in writing, and then I'm hearing you say something that you can't back up until after the fact.
- 4. [23:23] The other thing I'd like to express concern about is that in your letter to the people of Ocotillo, you mentioned the Desert Protective Council working with you to ensure efforts for native plant gardening, and we had a conversation doing some brainstorming where I said putting some native plants in open space was a good idea. I just want everybody to know that this is in no way an endorsement by the Desert Protective Council.

- [27:25] But you say a rifle won't fire one high-velocity .22 will travel one mile and be deadly. One mile! That's not one mile. It would be deadly if someone slipped and fell. Not a .38...not a .45...a .22.
- 6. [28:15] This is going to end up bothering many people. There is much military background in this facility. We live here year round. We're not just here on the weekends. We don't come here once or twice to train. We live here year round. We don't want to see an influx of people that we don't really approve of. Maybe some are okay, but some bring their attitudes to the town, and I've seen what mercenaries do. Personally I've seen it. I'm worried that you'll bring the mercenaries here if we approve.
- 7. [33:26] I think the saddest part of all this is that it's going to divide this community.
- [34:15] Do you folks realize this is not intended within our Ocotillo 10-year plan? None. None! You just violated every 10-year community plan that *this* community put together and voted on.
- 9. [39:50] First of all, the water where you're building this is no good. It's undrinkable. It's awful water. It's so salty. You can't drink it, AND, we have no fire department. We have no sheriff's department. So, what's helping Ocotillo? Are we going to bring a sheriff's department and a fire department here?
- 10. [47:50] I have a number of issues. I am concerned about some of the misconceptions on the letter that you put out. This project is completely inconsistent with the Ocotillo-Nonmirage Community Area Plan that was adopted in 1994. Agriculture is not a permitted use on any lands in the basin and has not been other than what people had at that time, so, when you're saying that you're going to use less water than agriculture would have required ... that's a non-issue because agriculture would never be permitted. The land is zoned for desert residential, one dwelling unit per 40 acres. As currently zoned, the most homes you could have on that thousand acres would be 25. They would not use the amount of water that you require. If you've taken a look at any of the groundwater studies and the groundwater quality data and water level data that the U.S. Geological Survey has been collecting in this groundwater basin since 1972, you should probably have some very serious concerns about sticking in a well and thinking you're going to pump 25 acre-feet of water from that. The water in that area has high mineral content, a lot of the wells have high fluoride. It would not pass the state requirements, the county requirements for drinking water without considerable treatment. The water in the area is likely saline enough that you could not even use it to irrigate native vegetation. There are (mesquite name of plant inaudible) there that have been destroyed. That's an unusual plant to (inaudible). It's not likely to come back because they're there from different times when there was greater water. When there's heavy rains in the Jacumba Mountains, that section of Highway 98 is frequently underwater. There are times when it's been closed because there is so much water in that section of Highway 98. It's a low-level...it's a sink and it sits there and can take a long period of time. If law enforcement wants a facility where they can do the practice and the shooting the Imperial County Rifle and Pistol

Range is on 640 acres that is leased from BLM. It's in the Superstition Mountain open area in the southeast corner. It's off Huff and Wheeler Road. There's a backdrop of high mud hills where you don't have to worry about the stray bullets. If there's really a desire for an indoor facility, it could go near there. There's private land that would be adjacent to that area and I'm looking at the BLM maps. I got the information from BLM township ranges section. If the military truly does need additional training facilities, we have Camp Pendleton in San Diego County. We've got 29 Palms, the Marine Corps facility that has thousands and thousands of acres. You've got Fort Irwin, the National Army Training Facility. You have so many military training facilities in the California desert ... and you can get maps from BLM...and I'm sure that if there are problems with training, I can't imagine why the military would not seek to use the facilities that they have where they have everything in place there. I also have concerns from some of the things I've read. What sort of long-term medical care or liability you would have ... insurance ... to cover anything that happens to anyone at that site. Because, as people mentioned before, that without a volunteer fire department, it's very difficult to get any kind of insurance in this area. It would be hard to imagine that your proposals would be viewed any differently than the applications or inquiries from other private property owners. There's real serious considerations about water and the inappropriateness of the site. I think it would be very difficult to get the area re-vegetated. And I know ... I routinely call Border Patrol when I hear weapons fire as much as two miles away. I feel that it's of grave concern when I hear shooting after dark when I know there's law enforcement people on the ground or in vehicles that are out doing their job and I don't know where those stray bullets are going, but I know that people can't see where they are shooting if they're shooting illegitimate weapons. I don't know. It just doesn't seem like the right place, next to an existing residential community that has some real serious limitations to provide water, and if you read through the Ocotillo-Nomirage Community Area Plan...repeatedly you will see that this is inconsistent and that it would require - well, first it would require a General Plan amendment - it would require a zoning change and everything. That kind of use is not consistent with residential zoning. I don't think it's consistent with residential zoning anywhere in the United States. I can't imagine that that's a compatible use. If the area is for low-density residential with one unit for five acres and smaller, and you're surrounded by desert residential, it just seems like an incompatible use. There are plenty of places where, if there are going to be facilities, where you're not up to where people are living and where it's a much safer environment. And given the range those bullets can go, it just doesn't seem prudent to do this.

11. [1:04:55] I'm Charlie Bennett. I'm a member of the Imperial Valley Rifle and Pistol <u>Club. Most of the agencies that they're talking about already use our facility</u>. They [Wind Zero] have plans for a thousand-yard range, we're in the process of trying to develop one right now also. The deal about NRA competition events that they're talking about is that they are with semi-automatic rifles. So it's hard to compete in their kind of sanctioned events and not be allowed to use [automatic weapons] it if you put it in writing about not having semi-automatic rifles. But our facility – Pendleton comes down to use our facility on "special assignment" deals that they probably can't get at 29 Palms for whatever reason, and we have security groups that come out of San Diego that rent our facility also. We're pretty covered. Brandon might be able to tell you when, but they approached us sometime last year I believe about either buying our facility or leasing it or whatever. Our club turned it down, we weren't interested. But we know from areas around here about the need for other shooting facilities, so we are accommodating a tremendous amount.

- 12. [1:13:10] Over here [the residential area], I think bullets would ricochet. Another thing I'm very glad to hear is that Ocotillo is looking out for Ocotillo. They have certain plans with what they're doing to try and save their homes. I think it's very commendable. We left this place about 10,000 years ago to live at the river and people came and took care of this place, and they're taking care of it. The water is precious. Who put the water there? These people [motioning to Mr. Webb] didn't put it there. Somebody else put it there for people to survive and live on. And we've got to think of the environment...what you're destroying out there. We talked about archaeological sites. Well those are reminders of a past of people who took care of this area. This is not a battle ground. It was never meant for a battle ground. We don't teach battle. I've been through these things and that's over. The Army...that's their job. The police force...that's their job. The sheriff...that's their job. It's not up to a bunch of civilians to come up with some ideas and put Boy Scouts in the middle of it.
- 13. [1:18:00] I know how it is with corporations. When I work with people in business, I always trust the people I'm working with...that's not the problem. It's the next people that you haven't had any agreement with that are the problem. A new Board of Directors comes in and they decide, "Gee, we want to have automatic weapons and maybe sell out to Blackwater because this is a great way to take the money out of it." Blackwater is sitting here with money bags and the investors say they would like to have their money out in two to three years typically when you go to private offerings like this.









WIND ZERO

The Facility

- · State of the art
- 1000-yard range with 40 lanes
- · 300-yard range with 30 covered positions
- · 50-yard pistol range with 40 lanes
- · Tactical area for law enforcement and military use
- · Shotgun range for clay, skeet and trap shooting
- Retail center selling guns, accessories and ammunition with dining and lounge area
- · Sleeping facilities for up to 40 people
- · RV and camping facilities



NOTE:

FINAL FOUR PAGES NOT SCANNED

CONSIDERED TO BE INFORMATION REGARDED AS

"COMPANY PRIVATE" TO WIND ZERO

PLEASE CONTACT WIND ZERO, INC. DIRECTLY

TO ACCESS THAT INFORMATION

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