

**September
2010**

For The Information Of
The Addressee Only

Hacienda de Caballo

**Near San Juan Capistrano
California, USA**

BUSINESS PLAN



Development Team

**USA Global Development
Company**





Objectives

Recognizing the present state of the U.S. economy and the instability of its capital markets, Hacienda de Caballo (a California Limited Partnership and herein referred to as the “Partnership”) has decided to abandon its previously announced Master Planned Development in order to provide its Immigrant Investors with a project that a.) will be immune to our current recession, b.) minimize Investor risk to his investment, c.) create jobs, and d.) generate an attractive return for each investor.

To accomplish these objectives, the Partnership proposes to acquire up to 225 acres which will be utilized exclusively to board older horses on the property. Other than land costs, the Partnership believes that this business will require nominal up-front expenditures, and will create sufficient jobs to satisfy USCIS requirements, and generate a positive cash flow to the Partnership. (See Budget and Financial Projections Attached) Buying real estate at discount prices near upscale communities in Southern California, within our approved Regional Center in Riverside, California will provide security of investment and easy approval of Green Cards for immigrant investors.



Location

The Property is located along the Ortega Highway (Hwy 74) on the boundary of Orange County and Riverside County. The Project is approximately 20 minutes from Interstate 5 (I-5) to the West and 15 minutes to Interstate 15 (I-15) to the East. A proposed Toll Road (241) extension entrance would lie approximately fifteen minutes from the Project entry gate. This extension will be under construction within one year. In addition, Rancho Mission Viejo, a 14,000 Planned Unit Development,

which is only 15 minutes from the Property, has announced that development will commence in late 2011.

The Project is surrounded by the *Cleveland* National Forest in a serene rural setting with magnificent oak trees and large landscape boulders. The national forest provides thousands of acres of riding and hiking trails which are expected to enhance the value of the entire Project.

The Project, even though located in a rural setting, is surrounded by almost twenty million people within a three hour circle of the Property. The very exclusive City of Newport Beach and Newport Coast, along with the John Wayne Airport is a mere 35 minutes away. In addition, Ontario International Airport, Los Angeles International Airport, and Long Beach Airport are all within an hour's drive of the Project.

Purchase Terms

The Partnership has options to acquire up to two hundred and twenty five acres of fee title land. There are two separate acquisitions on the two hundred and thirty six acre purchase. Approximately one hundred and twenty three acres (consisting of three (3) legal parcels) can be purchased from the Robert Sanchez Family for Two Million Dollars (\$2,000,000). The balance of the Property, One Hundred and Two (102) acres is being purchased from the Robert Trette Estate. The purchase price for this Parcel is One Million Dollars (\$1,000,000), reduced by \$1,000,000 from original purchase price. Closing costs, acquisition, commission and due diligence expenses (estimated at \$250,000) will be in addition to the purchase price.

Market Analysis

The Partnership believes there is a huge demand to pasture privately owned retired horses whether they are older jumper horses no longer able to compete or thoroughbred horses unable to race. Why? With respect to jumper horses, existing owners do not want to put horses that can no longer compete to "sleep", but would prefer to reduce their monthly boarding fees from \$650/ month to \$350 to \$450/ month. These owners are also faced with the dilemma that available stable space is shrinking (as a result of closures) and operators of existing facilities want space for horses they can continue to train for \$1,000/ month. With respect to thoroughbreds, horses that cannot continue to race still have value as breeders or jumpers. Their owners need space to board, rehab and train these horses. This type of facility does not exist in Southern California. As you can verify in our analysis regarding lack of available space for competitive horses, the Partnership believes our facility will create a monopoly in our area.

Job Creation

The Partnership's "comprehensive detailed business plan" and job creation model prepared by Economist Dr. Summer have been submitted to the USCIS and have been approved by the USCIS in a designated Regional Center in Riverside County, California within the Immigration Pilot Program. The Investor usually will get his EB-5 Visa approved in 3 months after his petition is submitted with qualified documentation of his lawful source of investment fund or income (contact us for details). To obtain his Green Card, the investor merely must show at the time of removal of conditions 12-24 months after he and his family enter the U.S.

that the Partnership has performed the activities described in the model and on which the approval methodology is based.

The Partnership has already started an Equestrian Center commercial enterprise and its General Partner has agreed to operate said enterprise until every Investor receives his Green Card and every Investor's "condition of approval" has been removed. The General Partner has advanced funds to purchase the first parcel and will fund the shortfall of the operation, if any, until the property is sold without requiring further capital contributions from investors.

Project Funding

Up to Three and One-Half Million Dollars (\$3,500,000) will be raised through a Regulation D Exempt Private Offering (Please refer to our Confidential Investment Memorandum) targeting accredited Investors seeking to obtain Green Cards pursuant to either the United States Citizen Immigration Services' ("USCIS") Direct Employment EB-5 Program or the Immigrant Investor Pilot Program. Although our Project qualifies under both programs, only one (1) Investor will be allowed to invest if seeking to apply under the Direct Employment Program. All additional Investors will be required to file an application with the USCIS under Immigrant Investor Pilot Program.

Letters supporting our Direct Employment EB-5 Program from California Governor Schwarzenegger and the State of California Business, Transportation and Housing Agency are attached. The approval letter from USCIS of our Riverside Area Regional Center dated June 23, 2009 is also attached.

The Partnership will consist of Immigrant Investors. Foreign Investors who wish to become U.S. Permanent Residents ("Green Card") holders are required to file an application with U.S. Citizenship and Immigration Services (USCIS) in which it must be shown that each investment of \$500,000 will create 10 new direct or indirect jobs. Our project has been designed to create sufficient new jobs for each Immigrant Investor. We can refer Investors to qualified immigration attorneys in Los Angeles to file their petition upon request. Each Investor is required to retain his or her own independent legal counsel. The Partnership will provide information and documents to each Investor's selected legal counsel to support the immigration applications at no cost to the Investor. Please see Subscription Agreement for the duties of the Partnership.

Investors in the Initial Offering will have 100% ownership in the Partnership (as Limited Partners) and a 50% Profit Interest on a pro rata basis, with a commitment from the General Partners that they will subordinate their Profit Interests until each investor receives his or her capital investment of \$500,000 plus a 5% annualized return on his or her investment.

Security of Investment

The Investors security for his or her investment will be the Property itself, which is being acquired for approximately 50% of prerecession prices and is being acquired for cash. Although title will be held in the name of the Partnership, the Limited Partners (Investors) are entitled to their money back plus a Five Percent (5%) return thereon before any profits are distributed to the General Partner. Therefore the investors, in effect, own the Land until they recover their Investment and a 5% annualized return.

The Partnership believes that since the real estate acquired, and proposed to be acquired, by the Partnership can be sold for substantially more than acquisition prices, the risk of being able to return Investors capital will be nominal. This opinion is supported by a current appraisal of the 107 acres already acquired by the Partnership, which is available upon request.

The Partnership also believes that this opportunity avoids the risks inherent in other EB-5 Programs.

Namely:

1. Investor dollars used to construct new buildings in this economy are dollars wasted since many buildings are now being acquired for 50% of replacement cost. This type of project may not be able to recover its cost, and therefore return Investor capital, in the near future.
2. Investor dollars expended to create a commercial enterprise alone could be lost if the business fails. Our EB-5 equestrian commercial business has already been created with funds provided by us. We have not, nor will not, use more than 10% of investor money to expand our existing business. Ninety Percent (90%) of Investor dollars will be used to acquire land in order to protect the Investor's security of each Investor's investment.
3. Investor dollars secured by debt instruments could be lost if the EB-5 Operator files a Bankruptcy Petition.
4. Promises made by banks or government entities to fund may never be honored. All commitments to fund at a later date contain conditions that must be met and are therefore illusionary.

In our case, the Investor's security is the land itself which has an inherent value due to its proximity to upscale communities and cities in Southern California.

Operational Status

In February of this year, the Partnership acquired 107 acres of the property for approximately \$935,000, or \$8,738 per acre. Based on a recent appraisal, the value of this parcel is \$4,000,000.

The Partnership has graded and cleared portions of this parcel and has:

1. Purchased and erected fencing to create pastures.
2. Purchased and erected a feed barn and tack shed.
3. Purchased a trailer to house Ground Supervisor.
4. Hired a Ground Supervisor.
5. Installed telephone, water and electrical lines,
6. Commenced marketing efforts and horse boarding operation.

Hacienda de Caballo is now fully operational and open for business (see brochure attached). Horses are now being boarded and the Partnership is expecting to arrive at break-even by June 1, 2011. Until break-even, the Partnership's General Partner will fund any requisite short-fall.

Exit Strategy & Profit Projection

After all Investors receive their permanent Green Cards, the Partnership will sell the Property in whole or by individual parcels. Proceeds would be distributed first to Investors until they recovered their principle back, then profit-based on their profit interest, but not less their 5% annual preference.

The Partnership believes that the Property will sell for not less than Seven Million Dollars (\$7,000,000) in four years, which would equate to a net profit of Three Million Five Hundred Thousand Dollars (\$3,500,000). Fifty percent (50%) of the profit would be distributed to the Investors, pro rata, which equates to an internal rate of return of 12.5%. This is in addition to all cash flow distributed to Investors from Operations.

If the Partnership is unable to sell the Property when all the investors have the conditions removed from their green cards, the General Partner will use its best effort to secure a loan, which will be secured by the Property, large enough to return all Investors capital.

In summary, proceeds from new Investors will be used to acquire the balance of the Property and expand a business that is already operational. Pro Forma cash flow projections are attached.

Appendix

1. Financial Projections
2. Management Team Resumes
 - ❖ James Stout – Team Leader
 - ❖ John Berney – Project Manager
3. Brochure
4. Approval Letter from USCIS regarding Regional Center
5. Letters from Governor Arnold Schwarzenegger and Business, Transportation and Housing Agency