



Galt's Gulch Chile Organic Working Farm Ownership Program

Galt's Gulch Chile (GGC) is located in an area with a predictable and moderate Mediterranean climate, conducive to the growth of a wide array of fruits, vegetables, nuts and other crops. GGC is now offering for sale interests in the GGC organic working farm located within the private gates of the GGC community.

The GGC organic farm has been operating for the last three years without the use of chemicals. The environmental and agricultural teams at GGC are in the process of obtaining organic certification in Chile for the GGC farm.

One of the Chilean corporations involved with the Galt's Gulch Chile master planned project, Agricola y Comercial Galt's Gulch SpA (GGSpA) is acquiring the 50-hectare (124 acres) Galt's Gulch Chile (GGC) organic working farm from Inmobiliaria Galt's Gulch S.A. (GGSA), the land-holding corporation of the GGC project. GGSpA intends to market and brand the Galt's Gulch Organics™ product line of non-GMO organic foods via a variety of marketing avenues, including television, the Internet, GGC Partners and affiliates, and direct marketing to niche markets globally.

The GGC organic working farm is, and will remain, non-GMO and organic, ensuring only the highest quality and purity in its product line. The GGC farm will use the best organic micronutrient formulas available to boost the immunity, nutrient levels, flavor and longevity of the crops on the farm.

The farm's current crops consist of Eureka lemon trees and avocado varieties. The lemon trees cover approximately 45 acres, or 35%, of the farm, and 3,600 avocado trees cover approximately seven acres. The remaining 70+ acres of the farm, is meadow, terraced and row-crop farmland, where GGC is introducing new non-GMO organic fruit and nut trees, vegetables, herbs and spices for harvest beginning in 2014. It is projected that 5.5 million lemons will be sold from the farm in 2014, with forecasts doubling yields within two to three years to over 11 million lemons, based on farm improvements. Presently, conventionally (non-organic) grown lemons are

sold on a wholesale level at \$.05 per lemon from the farm. The GGC farm management team expects to obtain much higher pricing for the Galt's Gulch Organics™ brand. Many of the new organic crops planted at the GGC farm will produce sizable revenues in 2014, with others taking between two to three years to start producing considerable revenues. The management team of the GGC farm expect to see consistent and sizable increases in revenues for years to come, with a focus on building a strong brand under the Galt's Gulch Organics™ label, while earning the trust of those around the world who understand the critical importance of non-GMO organic food as part of a healthy diet for their families. The awareness to the importance of non-GMO organic foods is growing at an extremely fast pace, outstripping quality supplies. The GGC organic farm team intends to fill this void in the marketplace and to maximize profits for all owners of the farm.

Farm Improvements Underway

The irrigation system is presently under renovation and expansion. Investment is also underway for organic soil enhancement, organic certification processing, building renovations, and equipment purchase and repair.

Expected improvements to the irrigation system include the repair and/or replacement of the farm's drip system, where required, and the installation of additional valves to more efficiently and cost-effectively divert water. Six to eight new water wells, of 30 to 50 meters in depth, are planned. Eventually, photovoltaic (PV) energy will be used to power the pumps for these wells. At this stage, the water supply of the GGC farm and community will become independent from the power grid, eliminating power outages and minimizing the cost of electricity. Once installed, the PV water-pumping system will allow for a cost-effective means to transport water from the underground aquifers to higher elevations at Galt's Gulch.

Cisterns and reservoirs will be excavated and lined to hold fresh water for future use. While promoting additional biodiversity throughout GGC, these cisterns and reservoirs will help to ensure that a significant portion of the irrigation system will be gravity-fed, opening up the possibility of generating a small amount of hydro-electric power during the rainy winter season.

The GGC organic farm plans to incorporate an organic greenhouse for the cultivation and nurturing of a variety of crop seedlings. The farm management team will implement a focused and concerted effort to brand and market Galt's Gulch Organics™ globally to a growing number of markets demanding high quality non-GMO organic foods. Branding will strengthen the revenue stream from crops grown at the GGC organic farm.

Much of the farming equipment at the farm is due to be replaced, which will be done in the next 30-60 days. Such equipment purchases include tractors, trucks, trailers and small to medium tools and equipment necessary for everyday operations. The

farm buildings in the farm export area will also undergo some renovations, though these are not expected to be a large expense, as the structures are in good structural condition, with more a matter of some cosmetic improvements being carried out.

Financial Stability

GGC has substantial equity built up in the GGC master-planned project, of which the GGC organic farm is a part. The GGC project has one of the largest registered water rights resources in Central Chile, totaling nearly 800 liters per second of registered underground and surface water rights. This equates to unfettered access to many billions of liters of water annually, allowing for a long-term abundance of fresh clean drinking and irrigation water for lease, sale and use. The management of the GGC project intends to exploit these opportunities, without sacrificing or selling its water rights. These registered water rights opportunities lend substantial financial stability to all aspects of the GGC project, including farming operations.

The commercial value of registered water rights is obvious by looking at the volume of water created in one year from just one liter per second of registered water rights. One liter per second for one year equals more than 31,500,000 liters of fresh water that GGC can sell, lease, or commercialize in multiple ways. Based on a net profit of \$.01 per liter, one liter per second of water would produce an annual net profit of over \$315,000 USD. Based on GGC's nearly 800 liters per second of registered water rights, it is in a position to raise significant capital for expansion and operations, etc., by commercializing these rights.

There is also a large amount of land assets held by the land holding corporation of GGC, Inmobiliaria Galt's Gulch S.A., a privately held Chilean corporation, which Agricola y Comercial Galt's Gulch SpA is purchasing the GGC organic farm from. The GGC land surrounding the GGC organic farm, totaling over 6,600 acres, is currently being mapped for several hundred residential building lots, ranging in size from 1.25 acres to more than 25 acres. Several dozen lots are already sold, with land sales expected to remain brisk as roads are completed and the infrastructure of the project is expanded during 2014. The project is gaining in notoriety, and substantial revenues will be used to market and advertise the GGC organic farming operations worldwide, in addition to the marketing of the complete GGC project.

Another aspect of predictability and stability for the GGC farm, is that GGC can control with a large degree of certainty the output levels and product quality of the organic produce of the farm. Given GGC's location in a mild and fertile area, where moderate year-round climate and predictable rainfall amounts offer ideal year-round growing conditions, with very little risk of adverse weather conditions affecting crop yields.

Predictable weather conditions allow for equally predictable yields and a high level of quality. When other areas of the world that grow the same crops as GGC

experience adverse weather conditions that damage or destroy crops, the GGC farm can, and will, capitalize on the resulting increased demand created by the sudden shortage in supply.

Brand Marketing and Channel Distribution

Marketing includes a documentary television series on the building of GGC, possibly to air in North America in the summer of 2014. One aspect of the show would be to, in part, brand the Galt's Gulch Organics™ product line. Initial taping of the series is complete and will be presented to networks in the near term. The documentary series, among other creative marketing and branding strategies, will build worldwide demand for the GGC line of non-GMO organic produce and whole food products. Several high-profile libertarian speakers, entertainers and authors are joining the GGC Partners program, working directly with GGC to market the community and the GGC organic farm to clients, fans and followers. Beyond this, there is a long list of companies awaiting the completion of the GGC Partners program, so that they can promote GGC and the GGC farm to their clients, colleagues, fans and followers, boosting the market reach, demand and branding of the GGC farm considerably.

GGC was recently featured on several national and international news outlets in the United States, including Bloomberg, Fox Business and Russia Today (RT).

Organic, biodynamic and natural labels are rapidly growing in popularity worldwide. From popular retailers such as Whole Foods, and many other examples of boutique outlets, the market for organic products has tripled within the past decade.

As Chile and other worldwide emerging markets attain higher standards of living, the greater purchasing power of residents of such countries is being directed to higher-quality products, including food.

Galt's Gulch Organics™ is poised to supply this new exploding worldwide demand for non-GMO organic foods and byproducts.

Three primary sales channels are:

- International Export and Distribution
- Local/Regional Chilean restaurants and grocery store chains
- Galt's Gulch Chile community residents

Local prices in the central regions of Chile for conventionally grown lemons range

from 550 Chilean Pesos (CLP) up to 1,500 CLP per kilogram (\$1.20 - \$3.00 USD/kg. \$.20 - \$.50 USD/lemon), depending on the time of year and on international market demand for Chilean crops. Local pricing is affected, when exports command top dollar for Chilean organic crops. The GGC farm will be supplying organic, rather than conventionally grown, produce, which our team expects to draw substantially higher prices than is illustrated here. These higher prices will more than likely be achieved in the short term via international exportation of GGC organic crops, as demand for organic produce within the borders of Chile continues to levels of demand consistent with levels in the U.S., Canada, Asia and Europe.

Farms supplying direct to grocery stores can expect to earn 35-50% of retail price for produce supplied directly to stores. Beyond lemons, two examples existing crops on the GGC farm and citrus orchards include:

Key limes retail at grocery stores in Chile at pricing ranging from 3,000 to 4,000 CLP per kilogram (\$6.00-8.00 USD/kg), while avocados are typically priced at 2,250 to 3,000 CLP per kilogram (\$4.50 to \$6.00 USD/kg), allowing for considerable profit margins on these crops for the owners of the GGC farm.

As one example of organic produce wholesale pricing, organic lemons are being purchased in port in the United States for a price of \$.35-.40 each, which is considerably higher than conventional produce wholesale pricing in Chile. This is one market that GGC intends to pursue, along with the Asian markets and European markets.

Summary of current crops in production:

Lemons comprise the largest portion of the farm, totaling approximately 45 acres:

The Eureka lemon variety yields range up to 120 tons per hectare annually, which GGC farm management expects to realize within the next 1-2 years.

Avocados comprise the other crop currently in production, with approximately 3,600 avocado trees covering 7-8 acres, made up of Haas, Fuerte, La Cruz and Bacon varieties.

New Crops will soon cover over 70 acres of the farm. These new crops will all be non-GMO organic crops. Preparations for these new crops include new planting, fertilization and irrigation modifications and repair. There will be approximately two-dozen new species of non-GMO organic fruits, vegetables, nuts, herbs and spices in this section of the GGC farm.

Some of these new crops will be rotated seasonally throughout the year with various annuals. For example, corn planted on the farm in October will be harvested in March and replanted with squash varieties in May. Crop rotations allow for maximizing profits for investors, but in a manner that is conscious of maintaining

crop and soil health and longevity.

The GGC primary farm product categories currently include:

- Organic citrus: lemons, oranges, grapefruit, nectarines, pears, avocado, green apples, plums, raspberries
- Organic grapes and wine
- Organic nuts: almonds, walnuts
- Organic vegetables: green peas, zucchini, pumpkin squash, peas, cauliflower, corn, broccoli, spinach, cabbage, kale, lettuce, tomatoes, swiss chard
- Organic beans: fava beans, garbanzo beans, lentils
- Organic herbs and spices: basil, oregano, fennel, mint, sage, lavender, arugula, rosemary

Value-added products will also include a wide range of offerings such as:

- Organic lemon oils for cleaning products
- Organic lemon juice, lemonades and concentrates
- Preserved organic lemons, a Middle-Eastern staple
- Organic seed banks and seed sales
- Organic honey production throughout the GGC farm
- Organic essential oils, natural vegetable oils and fruit oils
- Prepared, preserved and sun-dried varieties of tomatoes, olives, raisins, currants, artichokes, chutneys, jams, jellies
- Organic compost

The existing organic lemon trees were planted with the lower trunk and the roots of the trees being of varieties best suited for the soil conditions of the GGC farm. The

upper trunk, branches, flowers and fruit are predominately comprised of the Eureka variety, known for strong and consistent fruit, and a high demand in the marketplace.

These hybrid varieties make for optimal production year round and yield a very high quality of fruit. Many varieties of fruit trees, including lemons, were brought to Chile years ago from Central America. In central Chile, lemon trees are known to remain productive over fifty years, thanks to the Mediterranean climate, characterized by moderate rainfall and moderate year-round temperatures. The majority of lemon trees were planted between 2000 and 2007, with the remainder being planted during the 1990s, allowing for most all of the trees to be of the proper age for full production, with decades of future production remaining. Should diminishing returns occur on any trees, new trees will be rotated into the farm to ensure consistent production. The Eureka variety is one of the most popular varieties of lemon around the world, with yields ranging up to 120 tons per hectare annually.

The farming team is implementing best practices to realize the best sustainable yields possible, including state-of-the-art water filtration and treatment, organic composting, optimal crop placement and rotation, and use of thriving bee colonies for pollination. GGC has created unique adobe bee colonies for use throughout the GGC farm. These unique colonies protect the honey from being removed, allowing for the bee population to develop greatly improved immunity and genetics over time and subsequently a thriving bee population throughout the GGC organic farm to increase crop yields year round.

Based on past crop performance and the known yields of the lemon varieties in use, the GGC farm is expected to be a profitable and stable operation in the short term, with significant increases in returns in the mid- to long-term.

In the past two years, pre-GGC acquisition, the farm has sold approximately 51 tons of lemons per hectare annually to local pickers and wholesalers. This production level is approximately 50% of what the output production should be. The GGC farm team projects that with renewed investments in fertility, irrigation, pruning and improved harvesting processes, production will double in the next two to three years, to a level competitive with, and exceeding, output levels for Eureka lemon crops elsewhere in Chile.

The current production levels of 51 tons annually per hectare have been calculated from the number of truckloads of lemons sold over the past year by the farm's previous owners. Class A lemons represent 60% of the lemons sold, with Class B lemons comprising 30% and Class C, the remaining 10%. Lemons that have typically been cast aside due to unusual shapes or size will be used in organic lemon juice, lemon oil and lemon rinds, to maximize the profits in products where visual appeal is not necessary.

Guest Hacienda and Hotel Rental Program:

Within the GGC farm, there are six residential structures in the process of renovation and subsequent use as nightly guest rental units for visiting GGC residents, clients and guests. A five-unit residential structure will become the Inn at Galt's Gulch, with the sixth residential structure to be leased out as a freestanding Guest Hacienda. The Inn and Guest Hacienda have a rustic flair, yet include all of the amenities one would expect at an upscale hotel or resort.

The rooms in the Inn at Galt's Gulch and the freestanding Guest Hacienda are projected to rent for \$150-200 USD per night, with occupancy levels at 50% in 2014, increasing to an average of 75% occupancy thereafter. These units are projected to be in very high demand. They will have road access, 220-volt power, hot and cold running water, Internet access, television, full maid service, room service and amenities typical for upscale hotels, while allowing those staying there to experience all of the beauty of living at GGC.

For investors in the organic farm offering, the Inn at Galt's Gulch and the Guest Hacienda represent steady additional passive income that will be distributed to the owners of the GGC organic farm as part of their monthly revenues.

Considering the combination of potential farm and guest-rental revenues, the GGC organic farm program represents an attractive investment for those interested in appreciating hard assets. The investment addresses an ever-increasing market demand for non-GMO organic food, as well as farmland to grow it, while also benefiting considerably from the marketing and demand for the GGC real estate project that is already in place, via the on-site rental programs for clients and guests of GGC.

Organization and Management

Agricola y Comercial Galt's Gulch SpA is formed as a Chilean shareholder corporation under Chilean law, soon to be inscribed and published in the proper channels, allowing for the corporation to take title to the GGC organic working farm.

Galt's Gulch Chile was founded by entrepreneurs who envision living in a thriving and safe environment. Members of the GGC team in Chile include:

Ken Johnson, GGC managing partner, has an extensive background in the fields of real estate, alternative medicine, and the environmental and renewable energy industries. Mr. Johnson has worked with numerous high-profile Hollywood celebrities, such as Jay Leno, Ed Begley Jr, Larry Hagman and others on television and Internet projects to educate the public and brand product lines in the

environmental industry. He has worked as a consultant in real estate, renewable energies, asset diversification, investing and relocation around the globe.

Renzo Rezzio, farm manager, is a local Chilean whom has years of experience in the permacultural, agricultural and horticultural industries in Chile, running teams ranging in size up to 600 workers. Renzo has a deep understanding of crops in Chile and is committed to making the GGC farm the absolute best in Central Chile.

Adolfo Aguirre, environmental planner, is a local Chilean, with over 30 years of environmental planning experience in Boston and Southern California, as well as Chile. Upon returning to Chile six years ago, Mr. Aguirre has been working closely with numerous universities and governmental agencies to further environmental projects and causes in Chile. Mr. Aguirre is a technical and environmental expert and advisor with the University of Chile and plans to incorporate college educational courses and work programs into the growth and expansion of the GGC farming operations and the GGC project as a whole.

Manuel Hermosilla, environmental planner, is a local Chilean, with decades of experience working with all of the governmental agencies in Chile, such as CONAF, DGA, DOH, SAG and others. Mr. Hermosilla is a highly sought after consultant in the mining industry and real estate industry, where his services are typically utilized to ensure that mining and real estate projects stay in accordance with all Chilean laws, helping such projects to become a reality in as efficient a manner as possible. Mr. Hermosilla now works with GGC on a full-time basis, running a sizable portion of the GGC teams on-site at the farm and the real estate project as a whole.

Planned Capital Expenditures, Equipment, Buildings:

Planting of new crops - \$250,000 – acquisition of certified organic seed and seedlings, labor and maintenance of planting process

Irrigation system improvements* - \$500,000 – repair or replacement of drip lines, diverter valves, pumps, additional canals

Guest Hacienda improvements - \$300,000 - renovate and expand existing buildings for use as income-generating nightly rentals for GGC guests.

General GGC improvements* - \$100,000 - general upgrade of existing buildings, office space

Farm Equipment* – purchase of produce sorting equipment, delivery trucks and tractors - \$500,000

*Costs are shared by the owners of the five organic lemon orchards within the GGC farming complex, as such items are shared with these orchards and all on-going

maintenance of such items will be shared in direct proportion to acreage and usage.

Projections

GGC farm management has compiled information based on the known quantities of lemons and avocados currently grown on, and sold from, the GGC farm. Below, are several scenarios, reflecting potential annual returns from the GGC farm from the first year (2014) through the seventh year, when all of the new trees on the farm will be at full production, with years of branding in place as well, to help ensure maximum profits on all crops and byproducts of the GGC farm.

The first chart below indicates what the GGC farm would experience with revenues in a scenario with no focus put into marketing or branding of the Galt's Gulch Organics™ product line, or creating niche markets and focused demand. It illustrates earnings in year one based on government averages of wholesale prices for conventional (non-organic) produce, along with government data compiled about on-going farm labor, maintenance and repair costs of various Chilean crops.

The acreage of each crop in the charts is represented in a manner quite close to what GGC expects to be planted soon on the farm. The pricing displayed in the 'Conventional Wholesale – Year 1' chart was obtained from www.odepa.cl, which is a government site that tracks wholesale pricing of crops sold to wholesale distribution outlets such as the large farmer's markets, Lo Valledor and La Vega, in Santiago. Prices used in the chart are Grade B pricing, which is an approximate average price between Grade A, Grade B and Grade C produce. Farm management at GGC anticipates that a majority of the crops grown at the GGC farm will be of Grade A quality, and considers figures used in the chart to be quite a bit below what is expected on the GGC farm.

As mentioned, these produce prices reflect the average (Grade B) wholesale price of conventionally grown crops and involve little post-harvest effort on the part of the GGC farm, other than trucking the produce to wholesalers for sale. GGC farm management has no intention to pursue this path to bring the GGC crops to market. This chart (Conventional Wholesale – Year 1) is a point of reference for what is a very safe assumption for a starting point as far as projected revenues, without any focus on the aspects of the farming business that the GGC team intends to implement, such as sorting, organic crop byproducts, organic food products, channel partners, marketing, branding and the like that will significantly increase GGC farming revenues. GGC management believes that the numbers presented in this first chart are quite a bit below what is projected for the GGC organic farm in 2014, and beyond.

The estimated figures for projected income to the farm with aggressive marketing, branding and product development are displayed in the organic wholesale pricing charts that follow the conventional pricing chart.