

March 2, 2011

Over the past few weeks we have fielded a number of emails and phone calls asking for updates on the status of our funding efforts. Here are the answers to these most recent Frequently Asked Questions.

1) Is UHA Still Around After February 1<sup>st</sup>?

As part of the plan to clear up our debt issues we traded land that we had previously owned against outstanding debt with the company that has built the mall in Balzac. They then gave us an option to buy back the 82 acres we need to build the track. This option gave us an exclusive right to buy that land at a fixed price until February 1. So all that ended on Feb 1 was this option. The mall developer now has the right to sell the land to whomever they want at whatever price they want. The land is still for sale and UHA can still buy the land. The mall developer is starting the process to change the land use to something different (ie a business park or warehouses etc). However, this takes time to do as they need to decide on a new plan, have the design drawn up and then submit it to County council. While we still have at least 2 or 3 months to write them a cheque the reality is that our window of opportunity is drawing to a close. We cannot build a track on the land that we still own as the barns and a major road are in the way.

2) What Is The Current Funding Status?

In the February 2011 Letter from the President we stated that we were in final negotiations with a potential joint venture partner. This is still the case. We continue to talk several times a week. Two weeks ago they had asked for ways to cut some construction costs out of the budget. We worked together to do this and they took this information back to their potential investors. Last week this group wrote an update letter to HRA advising them of the status. So it is proceeding and it is real.

3) When Will You Have An Answer From These Guys?

We had honestly thought that we would know by the end of February but it is taking longer than we had imagined. In today's economy investors are a lot more sensitive to risk and ask a lot more questions than they have been in the past. Given the amount of time and money that the potential partner has spent (and continues to spend) they are on board. Now we have to discuss the merits of the project with their lenders and investors. It is very time consuming as the same questions are asked and need to be answered by each finance group. There are lots of moving parts as we also have to keep in mind how any potential deal affects AGLC, our license application and the land situation with the mall developer. We really have no way of knowing when we will get an answer from our partner. It could happen as early as next week or even into early April. We realize how frustrating that is for the industry. It is very frustrating for us well.

4) Why Has It Been So Hard For UHA To Raise Money?

We don't want to sound like we are making excuses but it has simply been very hard to raise money over the past 3 years. From 2008 to mid 2010 NOBODY was investing money. Everybody was sitting on their wallets. This has started to change over the past few months. If you look at it, objectively, we need to raise between \$60m to \$100m in equity and debt. How many individuals or companies have that kind of money? Of those that do, in today's economy, most are looking for immediate returns. They want to buy something that starts paying them back right away and are not

**interested in developing something over the long term. That is what makes our potential joint venture partner so unique. They have a long term strategy.**