



**Summer 2008**

Dear Investor Partner:

Thank you for showing interest in joining the Hallmark Homes, Inc. EB-5 Alien Entrepreneur Investor Program. As you may know, Hallmark's EB-5 Investor Program is for a new Manufacturing Facility expansion into the State of Georgia, which expands your opportunity to comply with immigration requirements. The Hallmark EB-5 Investor Program (Facility) is strategically located in a rural area of Georgia but with direct highway access between Atlanta and the State of Florida. As such, Hallmark can offer qualified investors the opportunity to gain a green card for themselves and their families by participating and investing in Hallmark's Manufacturing Facility project at a nominal cost and no day-to-day business involvement is necessary.

**How does the Alien Entrepreneur (EB-5) Program work?**

An Alien Entrepreneur can gain a green card through the EB-5 Program by investing \$1,000,000.00 U.S. in a qualified project that meets the Federal immigration requirements.

Hallmark's EB-5 Investor Program will create many new jobs in and around the Georgia community. As such, this project which will meet a significant requirement (jobs) needed to qualify the Hallmark EB-5 Project for approval under the Alien Entrepreneur Program. Furthermore because of the "export potential" the project will gain even more in favor.

**What must the investor do to participate?**

Broadly speaking, the investor must meet certain criteria:

- a. Be in good health (no communicable diseases or serious mental disorder).
- b. Must not have a criminal record or negative background of any kind.
- c. Must have evidence of a qualifying financial background for at least the last five years.
- d. Must have the financial capacity to participate.
- e. Must not have any disqualifying U.S. immigration background.

If investors can meet these criteria, which are discussed more fully in the Confidential Offering Memorandum, they can then qualify for the Hallmark EB-5 Project and qualify for a green card for themselves, their spouses and their children who are under 21 years of age.

### **What is the Hallmark Modular Homes EB-5 Project?**

Since 1975 Hallmark has focused on modular home construction and production. They understand that over the years more builders and developers have grown to prefer employment of factory produced (modular units) over on site construction, for their projects. Hallmark builds homes in every size and price point offering many plans and elevations in their standard portfolio as well as the ability to design and build custom homes to meet virtually any on site requirements or price points. Hallmark also builds multifamily and commercial buildings. Every structure is built to the same quality standards and affordable pricing yet offering a large menu of options.

Being a successful and established company for over 33 years, Hallmark is one of the largest total service companies offering Sales, Costing, Engineering, Manufacturing and Service for modular homes, in the United States. We are a well established company with a proven track record of success and have provided Quality, Affordable, Upper Scale and Commercial Homes to many families and for many projects.

In recent years, cooperating directly with Developers, Builders and Realtors, Hallmark has been working toward establishing itself as leader in the local real estate development industry further strengthening its overall market standing and potential growth.

### **What is a Modular Home?**

It is a “Stick built” home, constructed in a factory under “ideal” conditions, structurally engineered to be built in sections (Modules) which can be transported to an owner’s site. The modular concept is to FACTORY produce a product in order to minimize ON-SITE work. Since the modular cannot replace all of the on-site work 100%, we combine the best of both methods to achieve the best possible product structurally and esthetically, *for the lowest cost and in the least amount of time.*

### **The Future:**

As the company grows during the first year, it will become necessary to add additional personnel in the support departments, i.e. engineering, purchasing, sales, accounting, and customer service along with production personnel. Our material assets will continue to increase as we produce more “carriers” to deliver our product to our customer network along with associated tooling necessary to increase our production volume and office equipment (computers and furniture) to support the growth. While it has been customary in the past for manufacturers to concentrate on a specific housing line we elect to “follow the market” which currently is currently strongest in investment properties “duplexes, multi-family condominium project, senior housing and assisted living units and replacement homes in the Gulf areas hit by recent storms”. Although will offer all product lines, we will closely monitor the current demand of the market through our sales outlets, builders, promotional aids and web site resulting in an efficient use of our product design resources and advertising.

The GA Facility is strategically located to deliver the best results for the supply of housing units to the South East and Mid-Atlantic Region of the United States and has a direct rail line to the Savannah port for export. The Facility will also serve as a regional “destination” facility for showcasing the modular product and for training of builders and those otherwise engaged in the modular industry. Hallmark anticipates having its own set crews and on site set supervisors to assist on key projects and to train builders in the use of the modular product.

Only eighteen (18) investors worldwide will be invited to participate in the Hallmark’s current EB-5 Investor Program offering.

Each investor will **invest \$1,000,000.00 U.S.** and apply for admission and is expected to be admitted into the United States as an Alien Entrepreneur. At first, lawful permanent residency will be conditional. After two years, the investor will apply to remove conditions, a process that enables U.S. immigration authorities an opportunity to determine that the project and the investor have remained compliant with the immigrations rules. During the conditional period, the investor enjoys all the benefits of a green card. Five years after becoming a conditional green card holder, the investor and the family may apply to become citizens of the United States if they wish.

### **Timeframe:**

Final modifications to and tooling of the Facility will be started in the summer of 2008, take 6-8 months to complete, and the Facility should in production by January of 2009. The income stream will build the first year and become steady because demand for this product is very strong, despite the recent “soft” market. We are already engaged in Plant design/engineering and the administrative, costing and marketing processes.

### **Return on Investment:**

The business plan calls for start of production in 1<sup>st</sup> Quarter 2009. Income will gradually build up during the year and an estimated return between 5-8% is anticipated by year 2 after full production. Federal EB-5 regulations however, prohibit guarantees and none are made. In addition to the return on investment, the following is what each **investor** can expect:

1. Entrance to the U.S. via the EB-5 program.
2. The right to live anywhere in the U.S. and work anywhere in the U.S. as well.
3. Partnership in a high market demand product with excellent business potential.
4. Very high probability of full return and growth on the investment.

### **The State of Georgia gets:**

1. Job creation.
2. Recreational development that compliments the well being of its residents and conforms to the State economic development plan.

### **What must be done to participate?**

1. The enclosed informational application must be completed.
2. \$1,000,000.00 U.S. must be placed in a secure escrow account at the time the investor's application is submitted to C.I.S. Once the application is accepted, said funds will be released to Hallmark for the purpose of funding Facility and operational needs.
3. Administrative fees are separate from the project investment and constitute an additional expense of \$50,000.00. This fee is to be paid by individual investors, one-half upon the signing of the Escrow Agreement and one-half at the time the applicant's 1-526 form is submitted. Hallmark can assist in directing applicants to qualified legal counsel and recommends this approach so application continuity is assured. All government filing fees and out-of-pocket expenses for applicants although relatively modest, are applicants' sole responsibility and are extra. Legal fees can range from approximately \$12-15,000 depending on the number of family members.

If the C.I.S. does not request additional evidence after submission of the petition, the review process for the investor's petition should be completed within 120-180 days of submission. Hallmark intends to submit the initial group of investor petitions in summer 2008. Once a petition is approved, the investor and the investor's family living outside the United States will be invited to seek a visa to enter the United States as a conditional lawful permanent resident (conditional green card holder). If the investor or any of the investor's family are living in the United States when the petition is approved, those people may elect to remain in the U.S. while their conditional green card application is being processed or they may seek a visa from a U.S. consulate abroad. During this time, the applicant is expected to remain in the U.S. unless the applicant applies for and receives permission to travel.

Competent immigration counsel, familiar with the EB-5 program, can provide more details about all aspects of the program and about processing times and procedures. The Hallmark EB-5 Investor Program is an excellent investment in a Facility with an excellent track record. We welcome you to join us, benefit from our success, and gain a permanent green card for you and your family. We look forward to meeting you.

Sincerely,

Hallmark Homes, Inc.