



SAVING AMERICA'S MUSTANGS

A PROSPECTUS

1. Introduction.

Madeleine Pickens has purchased the Spruce Ranch in Elko County, NV; together with the associated rights to use public lands for grazing and is in the process of adding the Warm Creek Ranch; a property contiguous with the Spruce which will be the gateway to the project outlined in the following prospectus (collectively, the Ranch).

It is the intent of Saving America's Mustangs, a Nevada nonprofit corporation that has been determined to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (SAM) to build and establish an eco-sanctuary for wild horses on the properties listed above and as described in the subsequent filing.

At such time, the Secretary of the Interior presents SAM with a Definitive Agreement to create and establish the wild horse sanctuary. Madeleine Pickens will deed the Ranch to SAM or another Nevada nonprofit corporation that has been determined to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, in perpetuity for the purposes of managing and carrying out the duties of creating the wild horse eco sanctuary.

2. The Plan.

Purpose: To provide for the custody of up to 10,000 wild horses currently held by the BLM in holding facilities in various locations across the United States, and for the handling of additional wild horses gathered during the term of the Definitive Agreement (as defined below) by the BLM from the various Horse Management Areas pursuant to the requirements of the Wild Horse and Burro Act of 1971, as amended (the "Act"). All of the animals delivered by the BLM to SAM from time to time under the terms of the Definitive Agreement and not either adopted by third parties under programs approved by the BLM or deceased are referred to as the "Animals".



Undertakings of SAM: SAM will identify, acquire, equip, manage, maintain and operate one or more facilities on land approved by the BLM, which may include a combination of public lands under management by the BLM and private lands, suitable for the custody of the Animals. The Ranch shall at a minimum provide sufficient water and forage for the Animals during normal weather conditions, and shall have the capacity to grow or acquire enough fodder to provide for the Animals during reasonably foreseeable winter or drought conditions.

Undertakings of the BLM: Beginning on _____, the BLM will deliver Animals to SAM on a schedule as outlined in the Definitive Agreement, though not less than 1000 in the 90 day period following the date of initial delivery of Animals. The BLM will pay to SAM each year an amount equal to the lesser of the average long term holding costs currently incurred by the BLM, and \$500 per year per horse indexed to inflation.

Short term holding: SAM is prepared to enter into an agreement with the BLM to do short-term holding at the sanctuary location. SAM represents that SAM is prepared to build a state of the art short term holding facility and to house short term wild horses for significantly less than the current average BLM cost of \$5.75 per day. The Secretary may wish to include a short term holding proposal in the Definitive Agreement and SAM is prepared to take wild horses under such circumstances. The enclosure for short term horses would include more than adequate space, shade shelters, technologically advanced hay feeder and water systems.

Amenities and public access: SAM intends to build a wild horse eco sanctuary that is open to the public and include a full range of amenities. This will include, but not be limited to; overnight accommodations, a cutting edge learning center for youth and adults, a state of the art horse receiving, training and clinical facility, trails and campgrounds. In the event that any of such facilities are located on public lands, the BLM will cooperate with SAM by consulting with SAM regarding the design of such improvements and by reviewing and approving the final designs for such improvements.

Existing HMAs: There are existing wild horse herds within the boundaries of the Spruce Ranch in identified HMAs. SAM would like to work with the BLM to find a way to create a pilot monitoring program for those wild horses and keep those herds intact if possible. SAM is willing to fence additional land boundaries and provide water sources when and where it may be necessary to



maintain the herds within that HMA. We look forward to the opportunity to discuss an approach to this issue with the BLM.

Further considerations: SAM fully understands that horses that arrive from other holding facilities must be slowly integrated back into a larger confinement area and will accomplish that task after a consensus regarding the best practice is established. SAM will consult with the BLM and other consultants in the equine field to determine the appropriate manner to assimilate wild horses back into The Ranch at such time that horses are delivered.

The Ranch will be totally fenced to preclude horses spilling over onto surrounding ranch properties. In addition, adequate controls will be put in place to immediately respond to instances of horses broaching existing fenced boundaries.

The wild horse population at The Ranch will be a zero reproduction based herd/s. All male horses processed into the sanctuary will be gelded and proper measures taken to ensure no male horses are allowed in that are not neutered.

SAM will continue to pursue opportunities to acquire adjoining properties and water rights to increase the capacity of the sanctuary and the potential for forage production. One of the key features of the sanctuary will be an extensive effort to establish a resource management plan that will include improvements over the entire property.

The Definitive Agreement will provide that the BLM will not initiate a request for proposals for new Animal holding facilities without first offering to SAM the right to accept the additional Animals under the Definitive Agreement.