0000153894

RECEIVED

2014 MAY 29 P 12: 19

AZ CORP COMMISSION
DOCKET CONTROL

Transcript Exhibit(s)

Docket #(s): S-20867A-12-0459

Arizona Corporation Commission
DOCKETED
MAY 29 2014

| DOCKETED BY | |
|---|---|
| | nR |

Exhibit #: S146-S153

Part 14 of 19

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL

*PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.*

*PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.*

EXHIBIT
S-146
ADMITTED

Memo:Christina Chantell (Relaxante)

TRI-CORE
COMPANIES LLC

Memorandum#: C. Chantell  Referral: Brian Buckley

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

# Tri-Core Companies, LLC
## An Arizona Limited Liability Company

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

**Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14


CONFIDENTIAL



TRI_C005451

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

CONFIDENTIAL

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C005452

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C005453

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the



TRI_C005454

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,



CONFIDENTIAL

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

CONFIDENTIAL

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



TRI_C005457

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



TRI_C005458

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see ***"USE OF PROCEEDS"***).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized



TRI_C005459

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.



TRI_C005460

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | **Maximum Amount** | **Percent of Proceeds** |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*



TRI_C005461

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

CONFIDENTIAL

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C005463

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C005464

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

CONFIDENTIAL

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."

CONFIDENTIAL

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



TRI_C005467

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.



TRI_C005468

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C005469

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.



TRI_C005470

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Christina Chantell
Signature

7/7/08
Date

C. Chantell
Print Name

CONFIDENTIAL

CONFIDENTIAL

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



TRI_C005472

**Print Name of Subscriber:** Christina Chantell

**Amount Loaned:** $10,000

**Number of Notes:** One (1)

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

CONFIDENTIAL

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

CONFIDENTIAL

**Print Name of Subscriber:** **Christina Chantell**

**Amount Loaned: $10,000**

**Number of Notes: One (1)**

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **One (1)** Note of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$10,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the



TRI_C005475

Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.



TRI_C005476

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the



TRI_C005477

rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate



TRI_C005478

to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to



TRI_C005479

which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.



TRI_C005480

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.



TRI_C005481

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.



TRI_C005482

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this _____ day of _____, 2008, at _____ (City), _____ (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

| | |
|---|---|
| **Print Name of Individual** | **Print Name of Spouse / Co-Investor** ***(if Funds are to be invested in Joint Name or are Community Property)*** |
| **Print Social Security Number of Individual** | **Print Social Security Number of Spouse or Co-Investor** ***(if Funds are to be Invested in Joint Name or are Community Property)*** |
| **Signature of Individual** | **Signature of Spouse / Co-Investor** ***(if Funds are to be Invested in Joint Name or are Community Property)*** |
| **Print Residential Address:** | **Print Residential Telephone Number:** |

CONFIDENTIAL

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is]** **[is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined ~~in the~~ Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

| | |
|---|---|
| **Equity Trust Company Custodian FBO Christina Chantell IRA Account #[redacted]3569** | [redacted] |
| **Print Name of Partnership, Corporation, Trust, or Other Business Entity** | **Print Federal Tax Identification Number** |
| Christina Chantell | **Elyria, Ohio** |
| **Signature of Authorized Representative** | **Print Jurisdiction of Entity** |
| **Christina Chantell** | **Account Holder** |
| **Print Name of Authorized Representative** | **Print Title of Authorized Representative** |
| **Print Residential Address of Investor:** | **Print Residential Telephone Number:** |
| [redacted] | [redacted] |
| [redacted] AZ [redacted] | |

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this 7th day of July, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**

CONFIDENTIAL

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

✓CC
*initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

_____
*initials* B. **"Accredited Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);



TRI_C005485

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

CONFIDENTIAL

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

CONFIDENTIAL

**EXHIBIT B**

**PROMISSORY NOTE**



TRI_C005487

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Ten Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.



TRI_C005488

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,



CONFIDENTIAL

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices.** All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings.** The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability.** If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law.** This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**

Equity Trust Company Custodian FBO
Christina Chantell, IRA Account
#[redacted]3569
[redacted], OH [redacted]

Jason Todd Mogler - President
Print Name

Signature & Date

Christina Chantell
Print Name

Christina Chantell 7/7/08
Signature & Date

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: Christina Chantell
2. Address of Principal Residence: [redacted]
   [redacted], AZ [redacted]

   County: [redacted]
3. Residential Telephone Number : [redacted]
4. Where are you registered to vote (County & State)? [redacted], AZ
5. Your driver's license is issued by the following state: AZ
6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

   _____

   _____
7. Please send all correspondence to:

   (1) ✓ Residential Address *[as set forth in item A-2]*

   (2) ____ Business Address *[as set forth in item B-1(a)]*



TRI_C005491

8. Date of Birth: [redacted]

9. Country of Citizenship: U.S.A.

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: cachantell@[redacted]

**B. Occupations and Income**

1. Occupation: Marketing/Chemist

   (a) Business Address: [redacted] AZ [redacted]

   (b) Business Telephone Number: [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) ✓ $50,000

   (2) _____ $100,000 (4) _____ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) ✓ $50,000

   (2) _____ $100,000 (4) _____ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____$50,000-$100,000 (2) ✓ $100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) _____over $1,000,000

CONFIDENTIAL

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)_✓_Yes (2)_____No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)_____Yes (2)_✓_No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)_____Yes (2)_✓_No (3)_____Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)_✓_Yes (2)_____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

Christina Chantell Date: 7/7/08
Signature

Date: _____
Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

CONFIDENTIAL

**EXHIBIT D**

# TRI-CORE COMPANIES, LLC BUSINESS PLAN

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



TRI_C005494

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- *Pro-forma* cost estimates



TRI_C005495

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

CONFIDENTIAL

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.

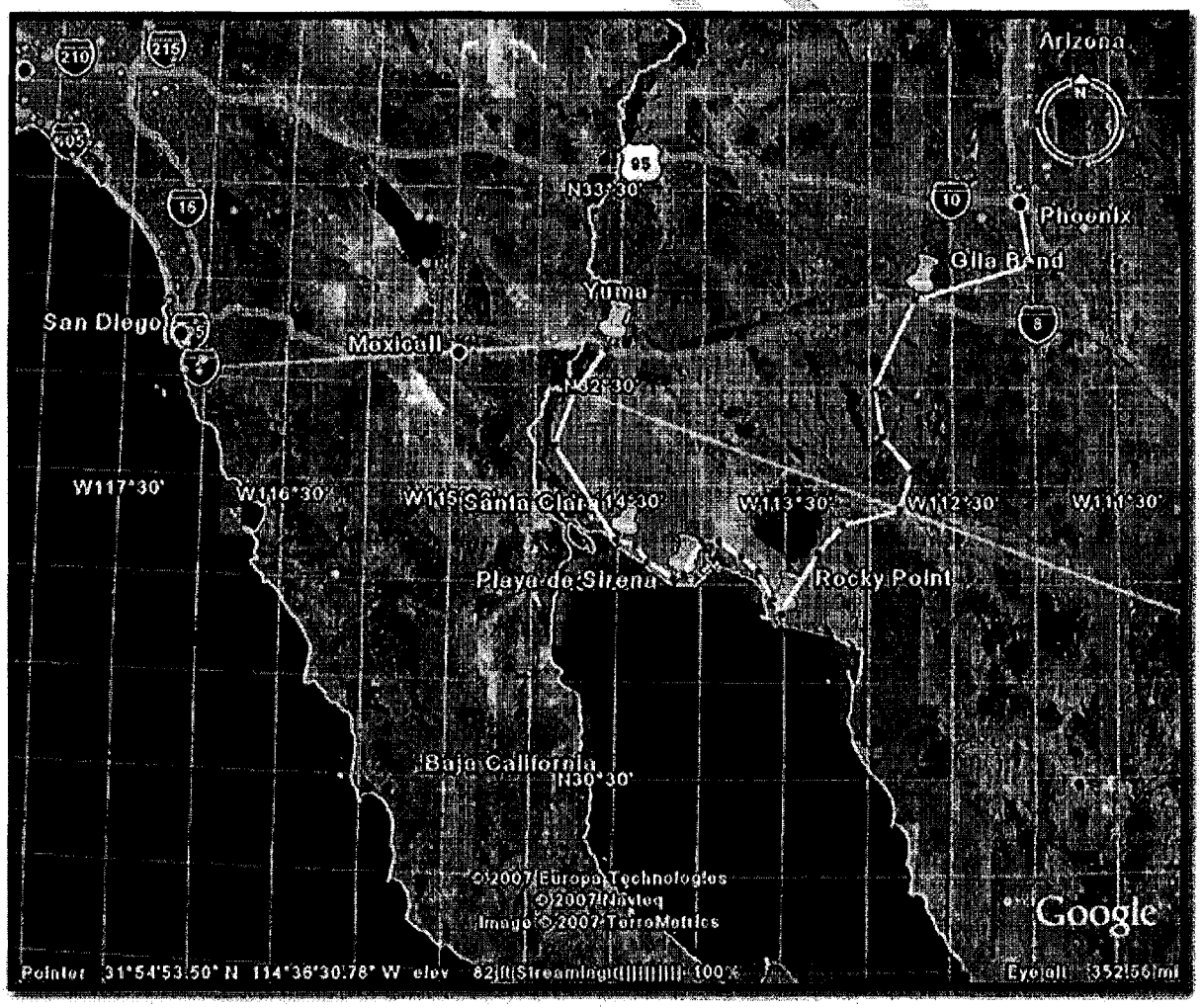
CONFIDENTIAL

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

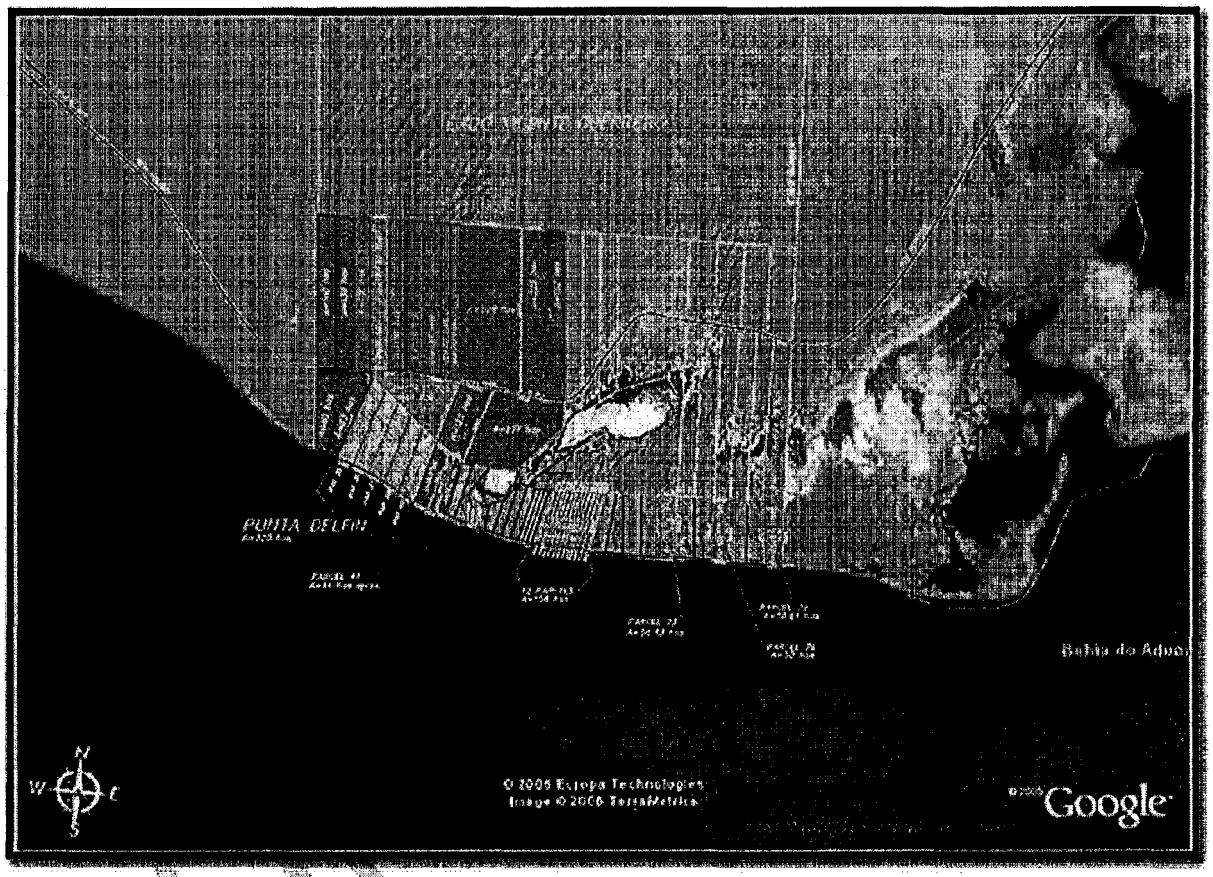
The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




**The Proposed Development for Lot 47:**

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.

CONFIDENTIAL

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.

CONFIDENTIAL

## Proforma

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Sale Project to a Developer<br>March 2008 | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | $568,000 |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |

CONFIDENTIAL

Parcel 47
Pro Forma - 26.75 acre (10.84 Ha.)
Vertical on Condos, Vertical on Villas
March 2008

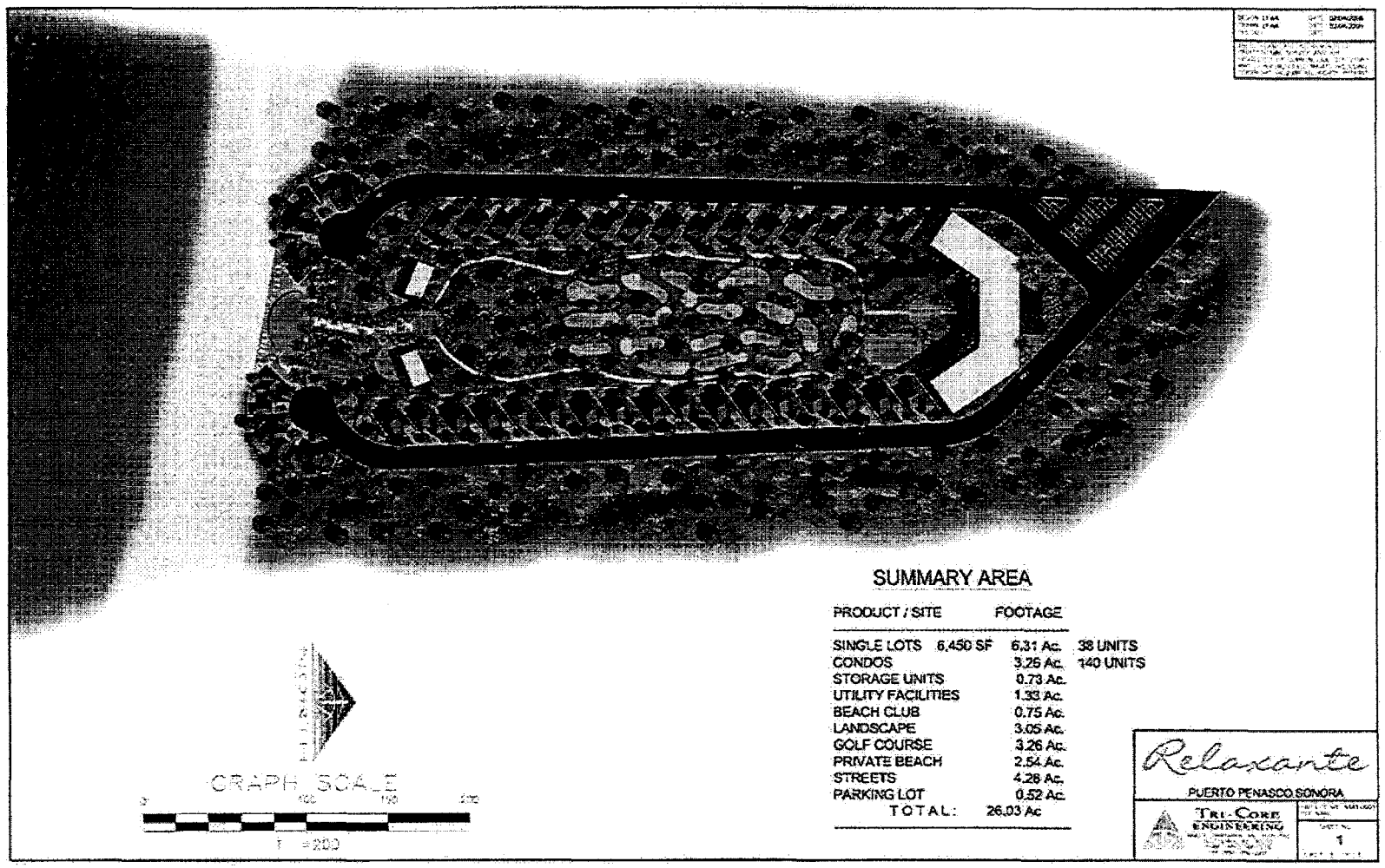
| | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |

CONFIDENTIAL

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |

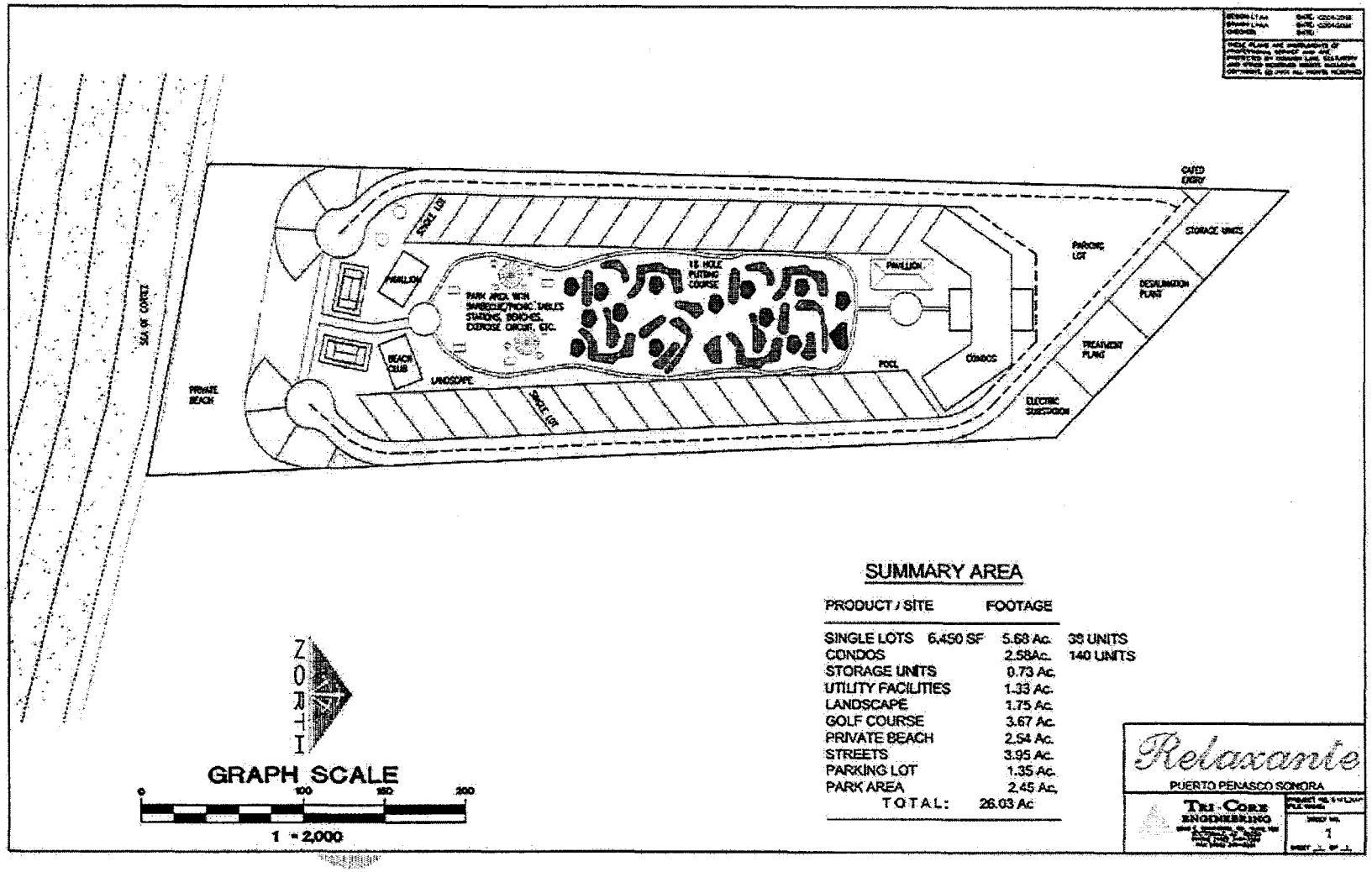
CONFIDENTIAL

## Site Plan






TRI_C005506




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| TOTAL: | | 26.03 Ac | |

Relaxante

PUERTO PENASCO SONORA

TRI-CORE ENGINEERING

1



TRI_C005507

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C005508

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.

CONFIDENTIAL



TRI_C005509

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C005510

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?

CONFIDENTIAL

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL

*PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.*

*PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.*

EXHIBIT
S-147
ADMITTED

**Memo: Rich Curry**

Memorandum#: Curry Referral: G. Garcia

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

# Tri-Core Companies, LLC
## An Arizona Limited Liability Company

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

**Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14




TRI_C007153

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

CONFIDENTIAL

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C007154

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C007155

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the



TRI_C007156

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,



CONFIDENTIAL

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

CONFIDENTIAL

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



TRI_C007159

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



TRI_C007160

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized



TRI_C007161

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.



TRI_C007162

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | **Maximum Amount** | **Percent of Proceeds** |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*



TRI_C007163

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

CONFIDENTIAL

### 10.2 *PRIVATE OFFERING OF NOTES*

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C007165

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C007166

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see "**TERMS OF THE OFFERING.**" Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

CONFIDENTIAL

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."

CONFIDENTIAL

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



TRI_C007169

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.



TRI_C007170

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C007171

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.

CONFIDENTIAL

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature _____ Date 7-23-08

Rich Curry, manager
Print Name Usery Pass, LLC

CONFIDENTIAL

CONFIDENTIAL

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**

**Print Name of Subscriber:** Rich Curry

**Amount Loaned:** $20,000.00

**Number of Notes:** Two (2)

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

CONFIDENTIAL

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

CONFIDENTIAL

**Print Name of Subscriber:** Rich Curry

**Amount Loaned:** $20,000.00

**Number of Notes:** Two (2)

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **Two (2)** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$20,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.



TRI_C007177

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:



TRI_C007178

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a



TRI_C007179

degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.



TRI_C007180

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.



TRI_C007181

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part



TRI_C007182

prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.



TRI_C007183

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

CONFIDENTIAL

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 23 day of July, 2008, at Mesa (City), Arizona (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)* **[is]** **[is not]** a citizen or resident of the United States.

Rich Curry

**Print Name of Individual**

**Print Name of Spouse / Co-Investor**
***(if Funds are to be Invested in Joint Name or are Community Property)***

**Tax ID** [redacted]

**Print Social Security Number of Individual**

**Print Social Security Number of Spouse or Co-Investor**
***(if Funds are to be Invested in Joint Name or are Community Property)***

**Signature of Individual**

**Signature of Spouse / Co-Investor**
***(if Funds are to be Invested in Joint Name or are Community Property)***

**Print Residential Address:**

[redacted] **AZ** [redacted]

**Print Residential Telephone Number:**

[redacted]

CONFIDENTIAL

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is]** **[is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

Usery Pass, LLC
**Print Name of Partnership, Corporation, Trust, or Other Business Entity**

[redacted]
**Print Federal Tax Identification Number**

**Signature of Authorized Representative**

Nevada
**Print Jurisdiction of Entity**

Richard J. Curry
**Print Name of Authorized Representative**

manager
**Print Title of Authorized Representative**

**Print Residential Address of Investor:**
[redacted], AZ [redacted]

**Print Residential Telephone Number:**
[redacted]

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this _____ day of July, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**

CONFIDENTIAL

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

_____ *initials* A. **"N[illegible]ccredited Investor".** The undersigned does not [illegible]e definition of an "Accredited Investor" as defined [illegible]elow;

*initials* B. **"[illegible]ted Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☑1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);



TRI_C007187

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☑8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

CONFIDENTIAL

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

CONFIDENTIAL

**EXHIBIT B**

**PROMISSORY NOTE**



TRI_C007189

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Twenty Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,



CONFIDENTIAL

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices.** All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings.** The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability.** If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law.** This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**
**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**
Usery Pass, LLC
Rich Curry
[redacted] AZ [redacted]

Jason Todd Mogler – President
Print Name

Signature & Date

Usery Pass, LLC
Rich Curry, manager
Print Name

, manager
Signature & Date

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: Richard John Curry
2. Address of Principal Residence: [redacted]
[redacted], AZ [redacted]

   County: Maricopa

3. Residential Telephone Number : [redacted]
4. Where are you registered to vote (County & State)? Maricopa, AZ
5. Your driver's license is issued by the following state: AZ
6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

   -na-

7. Please send all correspondence to:

   (1) ✓ Residential Address *[as set forth in item A-2]*

   (2) _____ Business Address *[as set forth in item B-1(a)]*



TRI_C007193

8. Date of Birth: [redacted]

9. Country of Citizenship: US

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: RJCURRY2@[redacted]

**B. Occupations and Income**

1. Occupation: IT manager

   (a) Business Address: _____

   (b) Business Telephone Number: [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) _____ $50,000

   (2) ✓ $100,000 (4) _____ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) _____ $50,000

   (2) ✓ $100,000 (4) _____ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____$50,000-$100,000 (2) _____$100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) ✓ over $1,000,000

CONFIDENTIAL

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)✓ Yes (2)_____ No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)_____ Yes (2)✓ No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)_____ Yes (2)_____ No (3)✓ Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)✓ Yes (2)_____ No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

[signature], MANAGER Date: 7-23-08

Signature

_____ Date: _____

Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

CONFIDENTIAL

## EXHIBIT D

## TRI-CORE COMPANIES, LLC BUSINESS PLAN

### Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

### Business Operations

**Ownership and Employees:**

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



TRI_C007196

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates



TRI_C007197

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

CONFIDENTIAL

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.

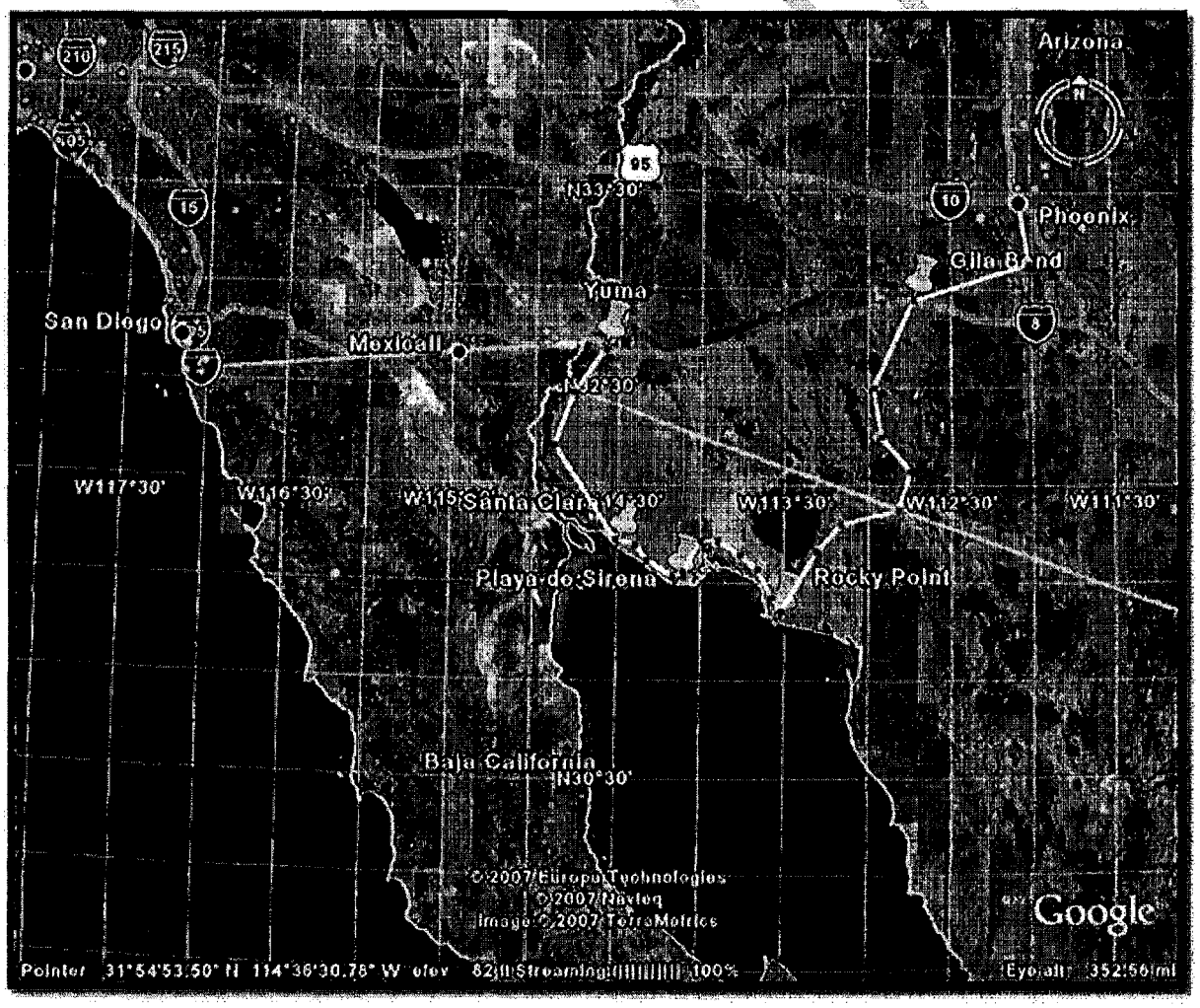
CONFIDENTIAL

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

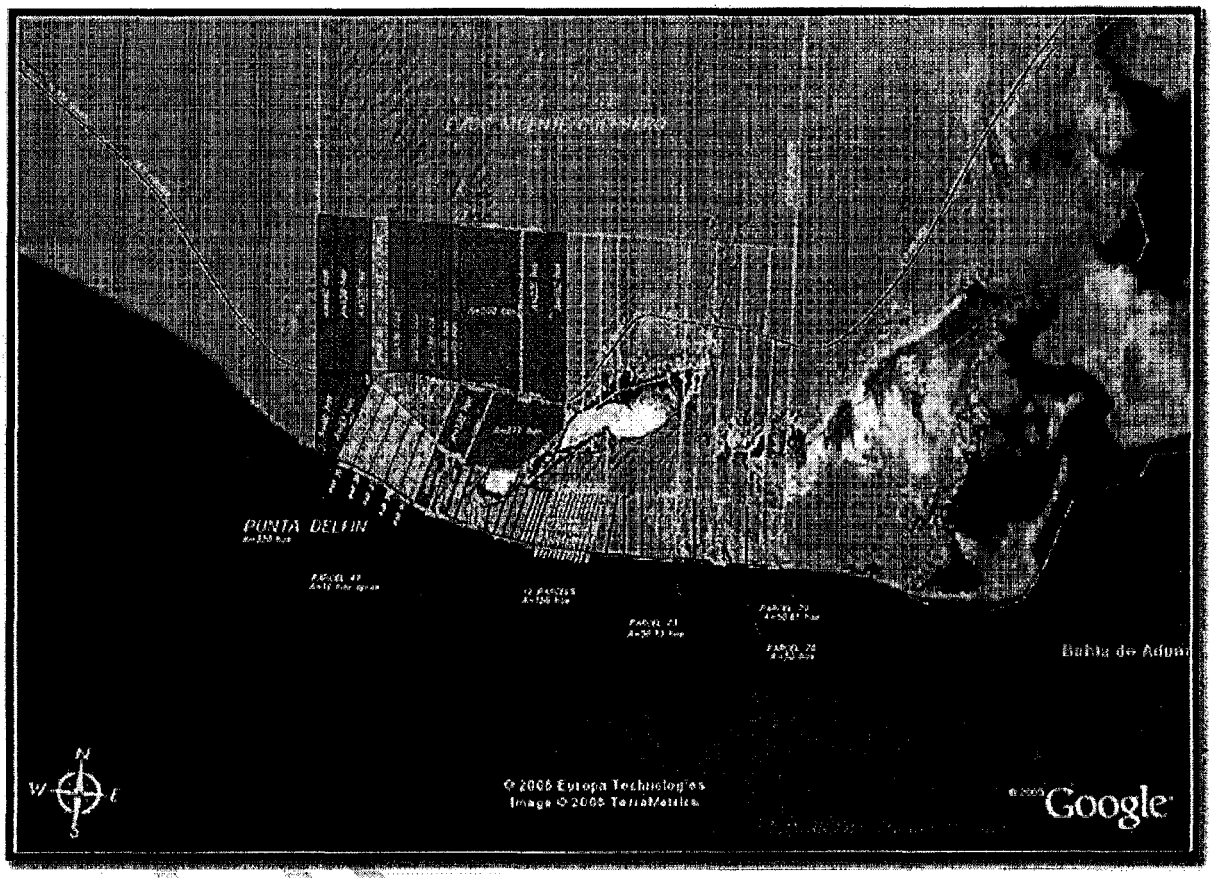
The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

*Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.*



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




**The Proposed Development for Lot 47:**

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.

CONFIDENTIAL

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.

CONFIDENTIAL



TRI_C007203

## Proforma

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Sale Project to a Developer<br>March 2008 | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | $568,000 |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |

CONFIDENTIAL

Parcel 47
Pro Forma - 26.75 acre (10.84 Ha.)
Vertical on Condos, Vertical on Villas
March 2008

| | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |

CONFIDENTIAL

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |

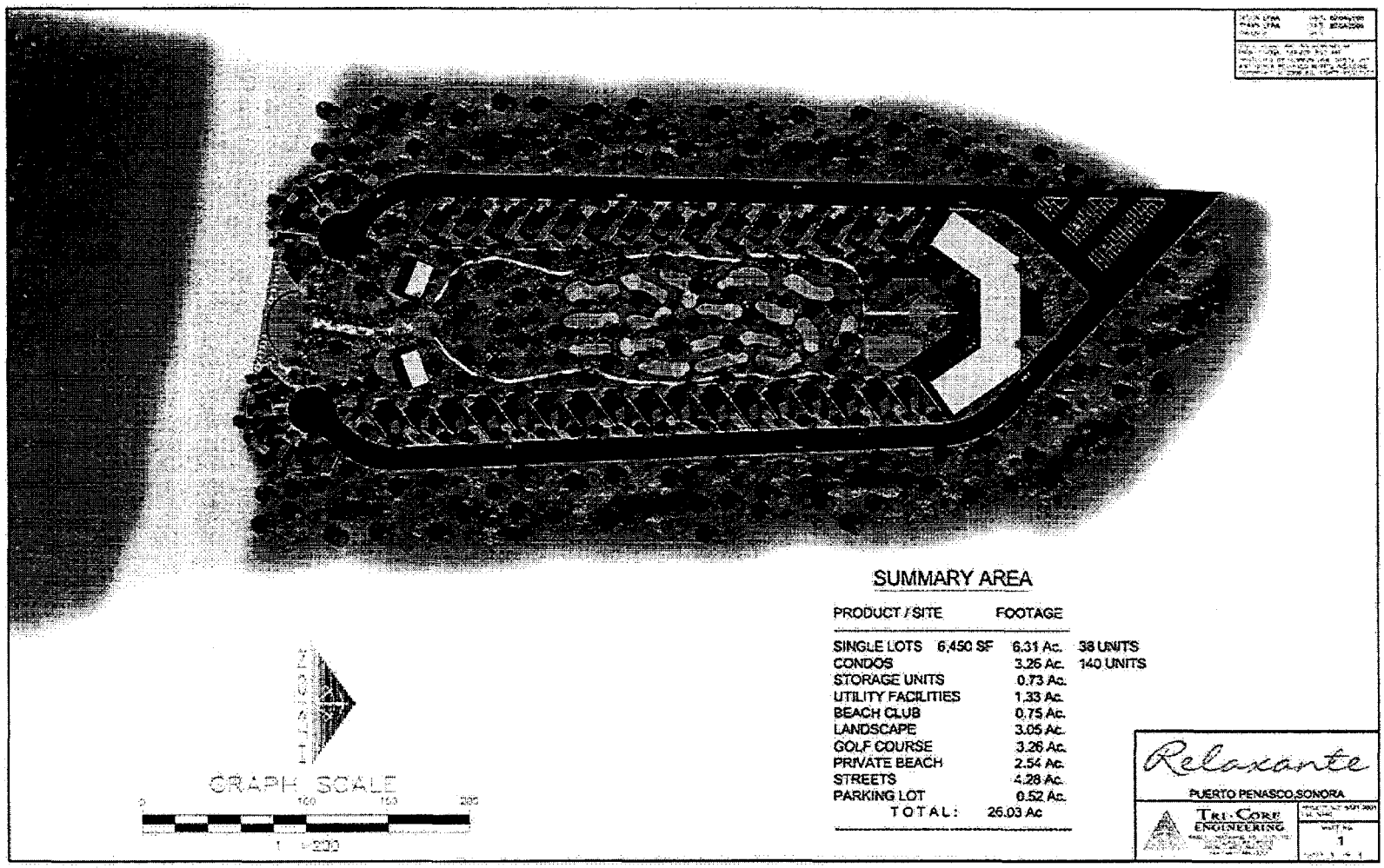
CONFIDENTIAL

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | **$66,300,495** |
| | | | | | |
| **Net Income** | | | | | **$14,275,505** |
| **Cumulative** | | | | | **15.6%** |

CONFIDENTIAL

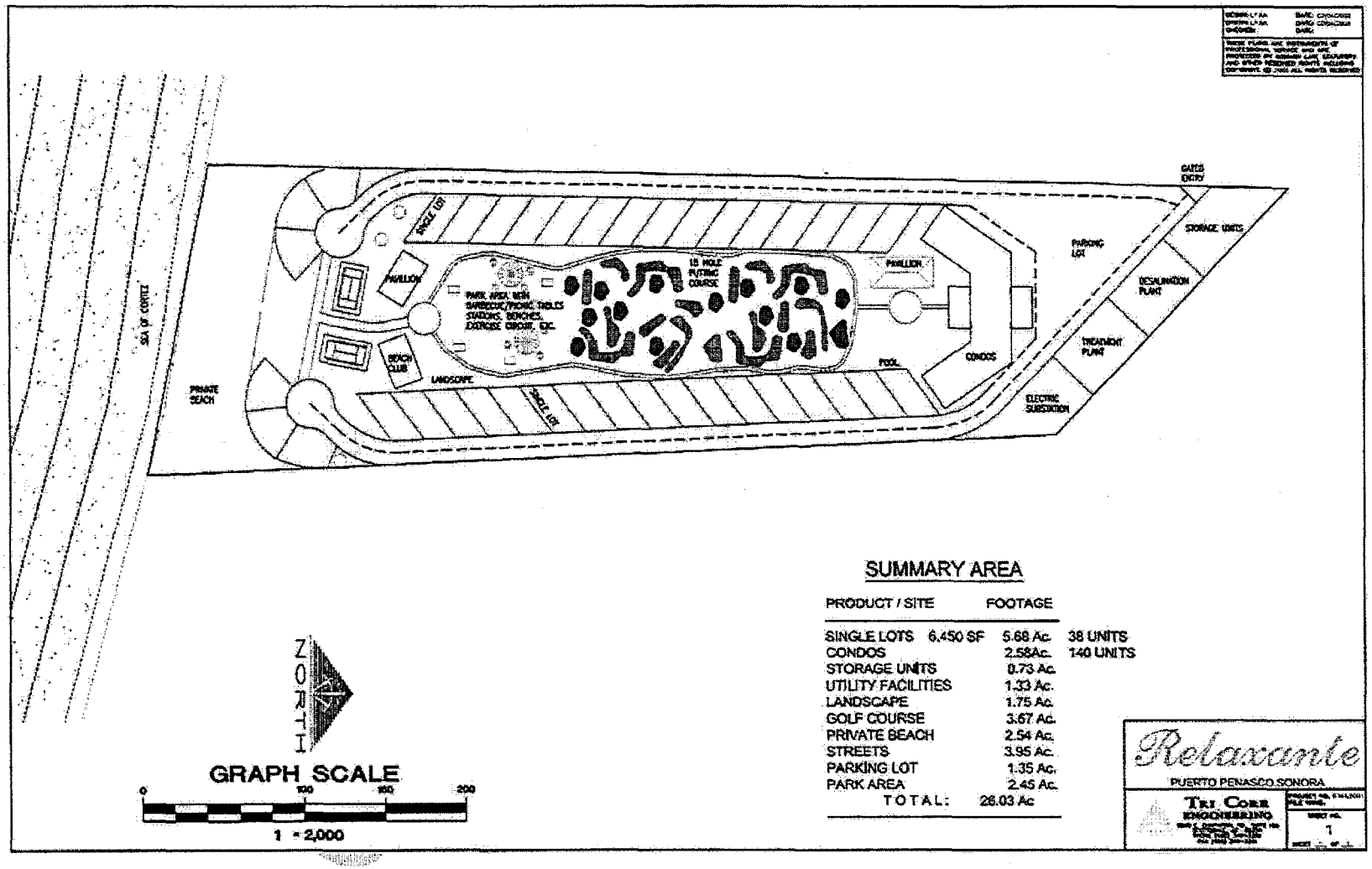
TRI-CORE
COMPANIES LLC

## Site Plan






TRI_C007208




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| TOTAL: | | 26.03 Ac | |



TRI_C007209

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C007210

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.

CONFIDENTIAL



TRI_C007211

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C007212

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your



TRI_C007213

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?

CONFIDENTIAL

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.

PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.

EXHIBIT
S-148
ADMITTED



$1,000 Due on 17th monthly

TRI-CORE
COMPANIES LLC

Memorandum#: James Courtois , Referral: C. Polanchek

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

# Tri-Core Companies, LLC
An Arizona Limited Liability Company

---

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

---

**Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified Investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each Investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14




TRI_C005707

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C005708

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C005709

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



TRI_C005714

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | **Maximum Amount** | **Percent of Proceeds** |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C005719

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C005720

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



TRI_C005723

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C005725

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature _____ Date 12/3/08

James Courtois
Print Name

Signature _____ Date 12/3/08

Nancy Courtois
Print Name

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



TRI_C005728

**Print Name of Subscriber:** James Courtois

**Amount Loaned: $** 10,000.00

**Number of Notes:** 1

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

**Print Name of Subscriber:** James Courtois

**Amount Loaned:** $ 10,000.00

**Number of Notes:** 1

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **1** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$10,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a

degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part



TRI_C005736

prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity**. The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 3rd day of December, 2008, at Scottsdale (City), Arizona (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

| | |
|---|---|
| **James Courtois**<br>**Print Name of Individual** | **Nancy Courtois**<br>**Print Name of Spouse / Co-Investor**<br>***(If Funds are to be invested in Joint Name or are Community Property)*** |
| [redacted]<br>**Print Social Security Number of Individual** | [redacted]<br>**Print Social Security Number of Spouse or Co-Investor**<br>***(If Funds are to be Invested in Joint Name or are Community Property)*** |
| **Signature of Individual** | **Signature of Spouse / Co-Investor**<br>***(If Funds are to be Invested in Joint Name or are Community Property)*** |
| **Print Residential Address:** | **Print Residential Telephone Number:** |
| [redacted]<br>[redacted] AZ. [redacted] | [redacted] |

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is] [is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

| | |
|---|---|
| **Print Name of Partnership, Corporation, Trust, or Other Business Entity** | **Print Federal Tax Identification Number** |
| **Signature of Authorized Representative** | **Print Jurisdiction of Entity** |
| **Print Name of Authorized Representative** | **Print Title of Authorized Representative** |
| **Print Residential Address of Investor:** | **Print Residential Telephone Number:** |

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this _____ day of _____, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

_____ *initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

_____ *initials* B. "**Accredited Investor**". The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

**EXHIBIT B**

**PROMISSORY NOTE**



TRI_C005743

**EXHIBIT B**

**PROMISSORY NOTE**

***THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.***

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **$10,000.00 Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices.** All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings.** The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability.** If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law.** This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**

**James Courtois**
[redacted]
[redacted], AZ [redacted]

Jason T. Mogler- President
Print Name

Dec 3, 2008
Signature & Date

James Courtois / Nancy Courtois
Print Name

12/3/08
Signature & Date

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: James & Nancy Cautois

2. Address of Principal Residence: [redacted]
[redacted], AZ [redacted]

County: Maricopa

3. Residential Telephone Number : [redacted]

4. Where are you registered to vote (County & State)? Yes

5. Your driver's license is issued by the following state: Arizona

6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

None

7. Please send all correspondence to:

(1) ✓ Residential Address *[as set forth in item A-2]*

(2) _____ Business Address *[as set forth in item B-1(a)]*

8. Date of Birth: James [redacted] / Nancy [redacted]

9. Country of Citizenship: USA

10. Social Security Number or Tax I.D. Number: James [redacted] / [redacted]

11. E-Mail Address: jimsmcservice@[redacted]

**B. Occupations and Income**

1. Occupation: Machine + motorcycle Technition

   (a) Business Address: [redacted] AZ [redacted]

   (b) Business Telephone Number [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) ✓ $50,000

   (2) _____ $100,000 (4) _____ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) ✓ $50,000

   (2) _____ $100,000 (4) _____ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) ✓ $50,000-$100,000 (2) _____$100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) _____over $1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)_____Yes (2)_✓_No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)_____Yes (2)_✓_No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)_____Yes (2)_____No (3)_✓_Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)_✓_Yes (2)_____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

_____ Date: 12/3/08
Signature

_____ Date: 12/3/08
Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

**EXHIBIT D**

# TRI-CORE COMPANIES, LLC BUSINESS PLAN

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.



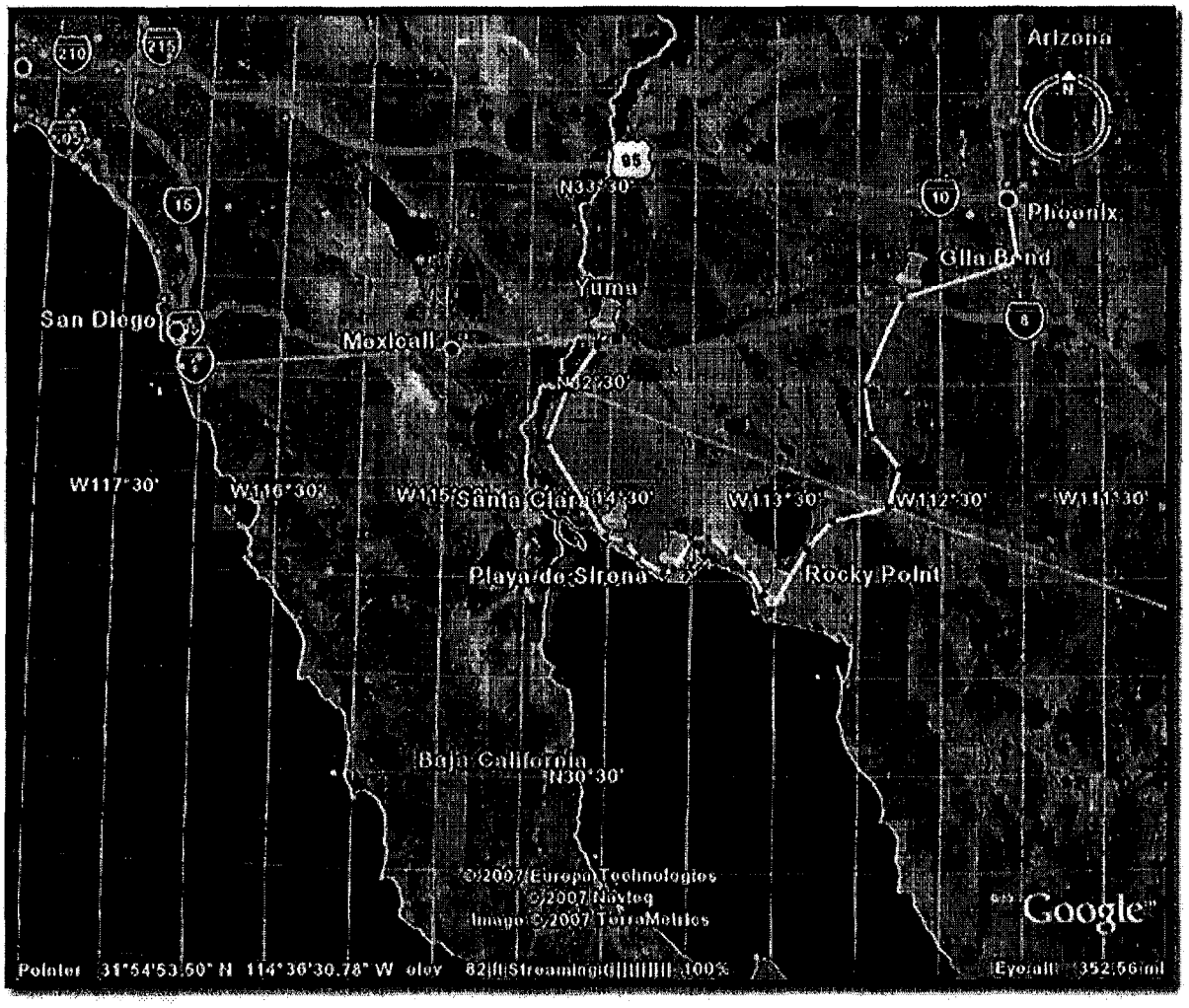
TRI_C005753

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

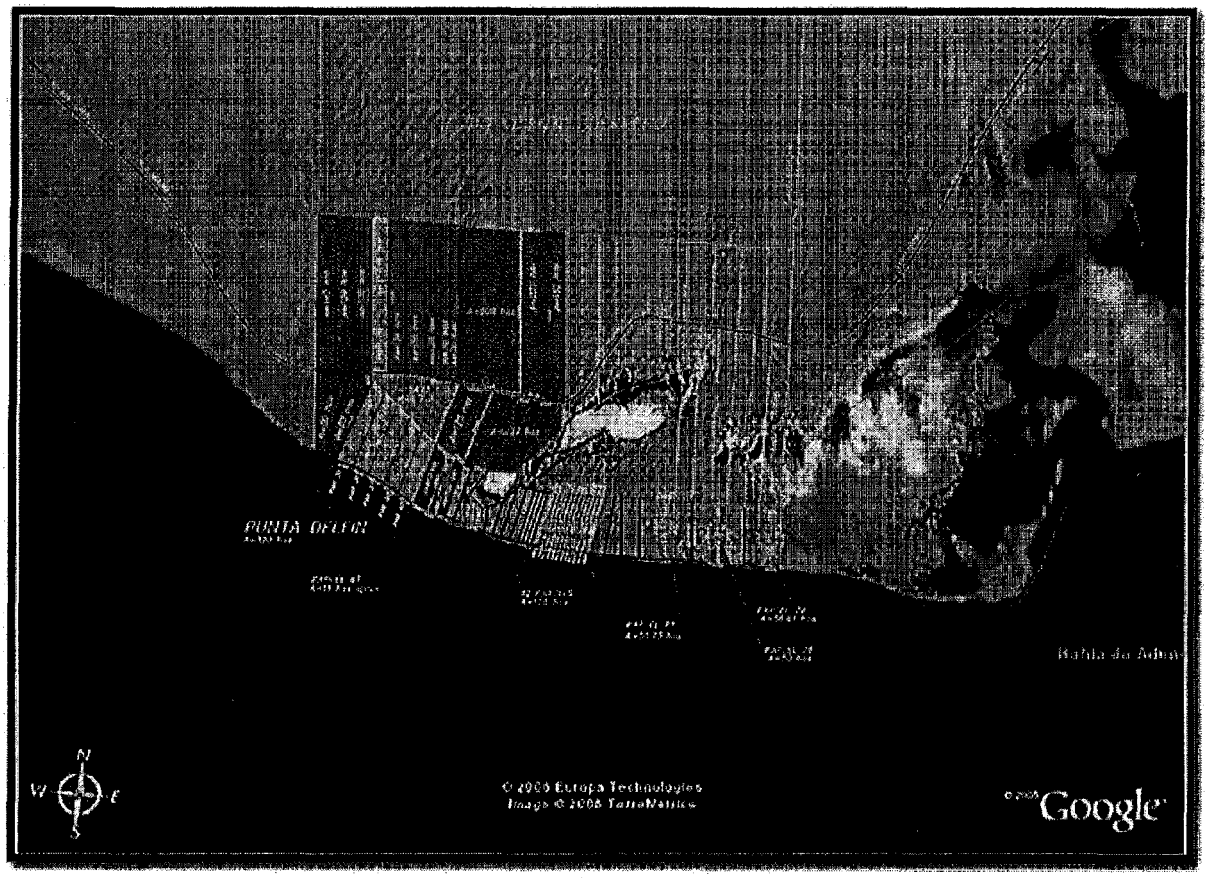
The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




## The Proposed Development for Lot 47:

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.



TRI_C005756

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.



TRI_C005757

## Proforma

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Sale Project to a Developer<br>March 2008 | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | **$568,000** |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |



TRI_C005758

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Vertical on Condos , Vertical on Villas<br>March 2008 | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |



TRI_C005759

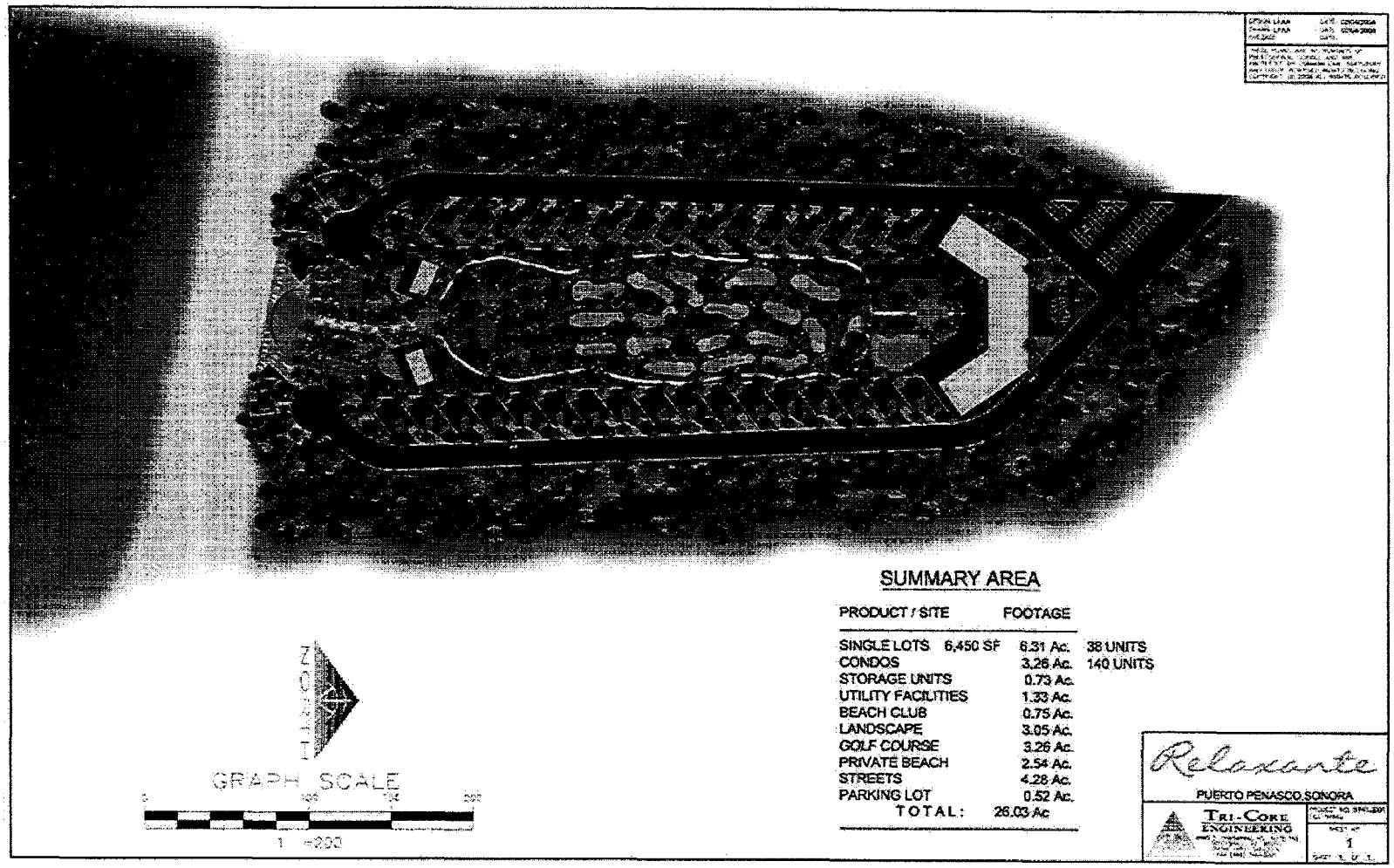
| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |



TRI_C005760

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | **$66,300,495** |
| | | | | | |
| **Net Income** | | | | | **$14,275,505** |
| **Cumulative** | | | | | **15.6%** |

## Site Plan

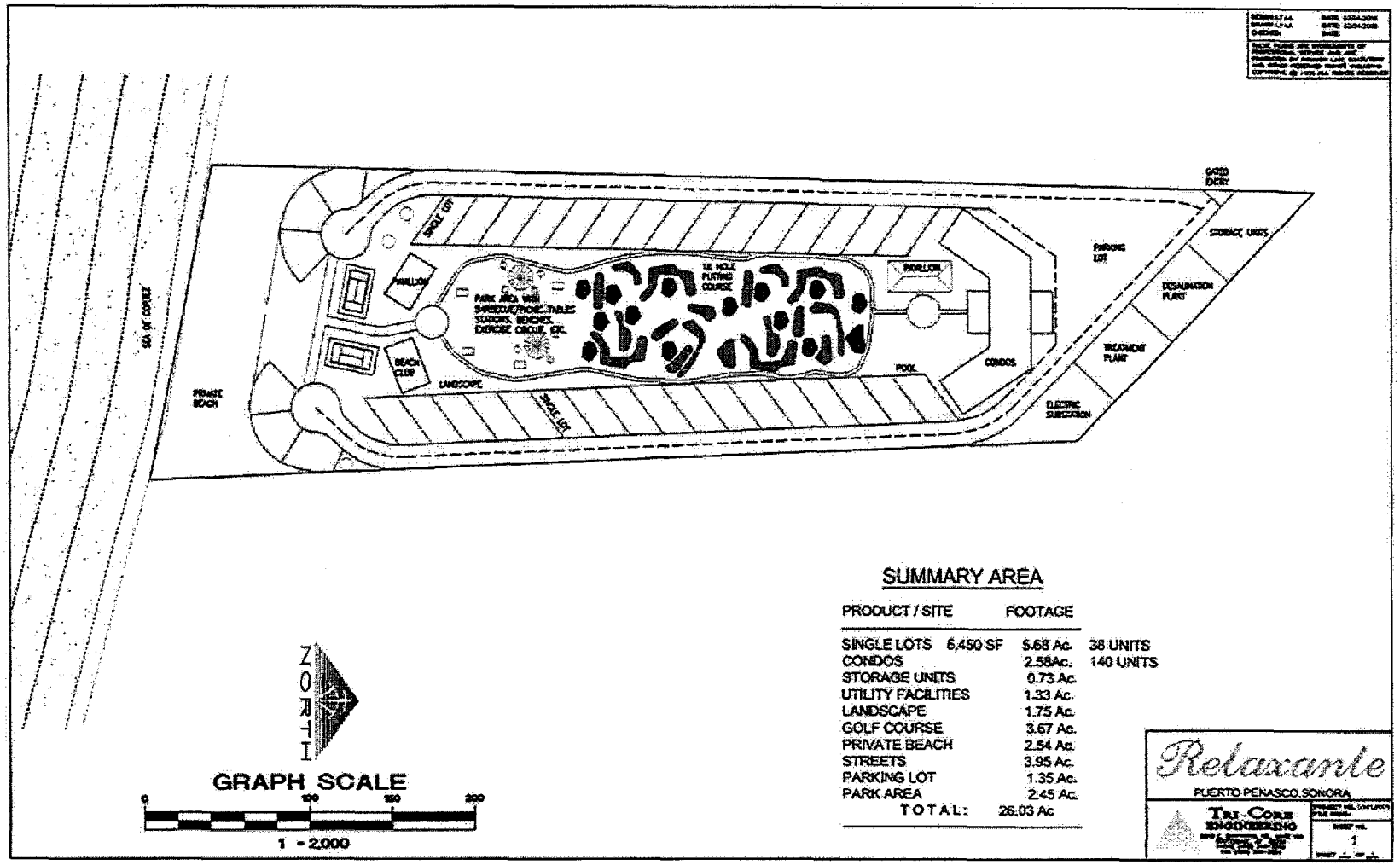



### SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 6.31 Ac. | 38 UNITS |
| CONDOS | | 3.26 Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| BEACH CLUB | | 0.75 Ac. | |
| LANDSCAPE | | 3.05 Ac. | |
| GOLF COURSE | | 3.26 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 4.28 Ac. | |
| PARKING LOT | | 0.52 Ac. | |
| TOTAL: | | 26.03 Ac | |



TRI_C005762




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| TOTAL: | | 26.03 Ac | |

Relaxante

PUERTO PENASCO, SONORA

TRI-CORE ENGINEERING

1



TRI_C005763

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C005764

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.



TRI_C005765

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C005766

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?



TRI_C005768

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL

*PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.*

*PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.*

EXHIBIT
S-149
ADMITTED

TRI-CORE
COMPANIES LLC

Memorandum#: **Entrust Arizona**
**FBO Kimberly G. Entrekin**
**Account # 13894**

Referral: **Brian Buckley**

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

# Tri-Core Companies, LLC
## An Arizona Limited Liability Company

---

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

---

**Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each Investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8800 E. Chaparral Road, Suite 270
Scottsdale, AZ 85250
Telephone: (480) 278-7031
Facsimile: (480) 278-8979

The date of this Private Placement Memorandum is March 1, 2008

# Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14




TRI_C005962

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

CONFIDENTIAL

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C005963

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C005964

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than June 30, 2010, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the



TRI_C005965

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,



TRI_C005966

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

CONFIDENTIAL

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



TRI_C005968

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



TRI_C005969

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see ***"USE OF PROCEEDS"***).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized



TRI_C005970

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.



TRI_C005971

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | Maximum Amount | Percent of Proceeds |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*



TRI_C005972

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and *outstanding* | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

CONFIDENTIAL

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C005974

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C005975

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

CONFIDENTIAL

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8800 E. Chaparral Road, Suite 270, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."

CONFIDENTIAL

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



TRI_C005978

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.



TRI_C005979

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C005980

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or June 30, 2010.



TRI_C005981

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

KimberlyG. Entrekin
Signature

4/16/10
Date

Kimberly G Entrekin
Print Name

CONFIDENTIAL

CONFIDENTIAL

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



TRI_C005983

**Print Name of Subscriber:** Entrust Arizona
FBO Kimberly G. Entrekin
Account #[redacted]3894

**Amount Loaned:** $15,000.00

**Number of Notes:** 1.5 (one and a half)

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

CONFIDENTIAL

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8800 E. Chaparral Road, Suite 270, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

CONFIDENTIAL

**Print Name of Subscriber:** Entrust Arizona
FBO Kimberly G. Entrekin
Account # [redacted]3894

**Amount Loaned:** $15,000.00

**Number of Notes:** 1.5 (one and a half)

**Subscription Agreement**

To: Tri-Core Companies, LLC
8800 E. Chaparral Road – Suite 270
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **1.5 (One and a half)** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$15,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8800 E Chaparral Road, Suite #270, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the



TRI_C005986

Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.



TRI_C005987

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the



TRI_C005988

rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate



TRI_C005989

to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to



TRI_C005990

which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.



TRI_C005991

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8800 E. Chaparral Road, Suite 270, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.



TRI_C005992

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

CONFIDENTIAL

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 16th day of April, 2010, at Livingston (City), Tennessee (State). Bridget Thompson
Exp: 01/23/13

BRIDGET THOMPSON STATE OF TENNESSEE NOTARY PUBLIC OVERTON COUNTY

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

Entrust Arizona FBO

| | |
|---|---|
| Kimberly G. Entrekin | N/A |
| **Print Name of Individual** | **Print Name of Spouse / Co-Investor** *(If Funds are to be invested in Joint Name or are Community Property)* |
| [redacted] | N/A |
| **Print Social Security Number of Individual** | **Print Social Security Number of Spouse or Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |
| Kimberly G Entrekin | N/A |
| **Signature of Individual** | **Signature of Spouse / Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |

**ENTRUST ARIZONA, LLC**
**BY:Edison J. Cardenas**
**It's: Authorized Signer**

| | |
|---|---|
| **Print Residential Address:** | **Print Residential Telephone Number:** |
| [redacted] TN [redacted] | [redacted] |

CONFIDENTIAL

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is] [is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

**Entrust Arizona**
**FBO Kimberly G. Entrekin**
**Account # [redacted]3894**

**ENTRUST ARIZONA, LLC**
**BY:Edison J. Cardenas**
**It's: Authorized Signer** [redacted]

**Print Name of Partnership, Corporation, Trust, or Other Business Entity**

**Print Federal Tax Identification Number**

Kimberly G Entrekin

**Signature of Authorized Representative**

**Maricopa AZ**

**Print Jurisdiction of Entity**

**Kimberly G. Entrekin**

**Print Name of Authorized Representative**

**Account Holder**

**Print Title of Authorized Representative**

**Print Residential Address of Investor:**

[redacted]

[redacted], TN [redacted]

**Print Residential Telephone Number:**

[redacted]

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this _____ day of _____, 2010.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**



CONFIDENTIAL

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

KGE
*initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

_____
*initials* B. **"Accredited Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership,



TRI_C005996

not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

CONFIDENTIAL

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

CONFIDENTIAL

**EXHIBIT B**

**PROMISSORY NOTE**



TRI_C005998

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8800 E. Chaparral Road, Suite 270, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Fifteen Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.



TRI_C005999

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,



TRI_C006000

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices**. All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8800 E. Chaparral Road, Suite 270, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings**. The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability**. If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law**. This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

CONFIDENTIAL

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8800 E. Chaparral Road - Suite 270
Scottsdale, AZ 85250

Jason Todd Mobley
Print Name

Signature & Date

**Holder:**

**Entrust Arizona Account # [redacted]3894**
**FBO Kimberly G. Entrekin**
[redacted] TN [redacted]

Kimberly G Entrekin
Print Name

Kimberly G Entrekin 4/16/10
Signature & Date

4/20/10
**ENTRUST ARIZONA, LLC**
**BY:Edison J. Cardenas**
**It's: Authorized Signer**

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: Kimberly Gay Entrekin
2. Address of Principal Residence: [redacted] TN [redacted]

   County: [redacted]
3. Residential Telephone Number [redacted]
4. Where are you registered to vote (County & State) [redacted] TN
5. Your driver's license is issued by the following state: Tennessee
6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

   NONE
7. Please send all correspondence to:

   (1) X Residential Address *[as set forth in item A-2]*

   (2) _____ Business Address *[as set forth in item B-1(a)]*



TRI_C006002

8. Date of Birth: [redacted]

9. Country of Citizenship: United States

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: KentreKiN1 e[redacted]

**B. Occupations and Income**

1. Occupation: Registered Nurse

   (a) Business Address: [redacted]

   [redacted] TN [redacted]

   (b) Business Telephone Number: [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) X $50,000

   (2) _____ $100,000 (4) _____ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____ Yes (2) X No (3) ~~X~~ error KGE Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) X $50,000

   (2) _____ $100,000 (4) _____ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____ Yes (2) _____ No (3) X Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) X $50,000-$100,000 (2) _____ $100,000-$250,000 (3) _____ $250,000-$500,000

(4) _____ $500,000-$750,000 (5) _____ $750,000-$1,000,000 (6) _____ over $1,000,000

CONFIDENTIAL

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)_X_Yes (2)_____No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)_____Yes (2)_X_No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)_____Yes (2)_____No (3)_X_Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)_X_Yes (2)_____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

Kimberly G Fontrelin Date: 4/16/10
Signature

N/A Date: —
Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

CONFIDENTIAL

**EXHIBIT D**

# TRI-CORE COMPANIES, LLC BUSINESS PLAN

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Fall 2009.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



TRI_C006005

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates



TRI_C006006

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

CONFIDENTIAL

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by early 2010.

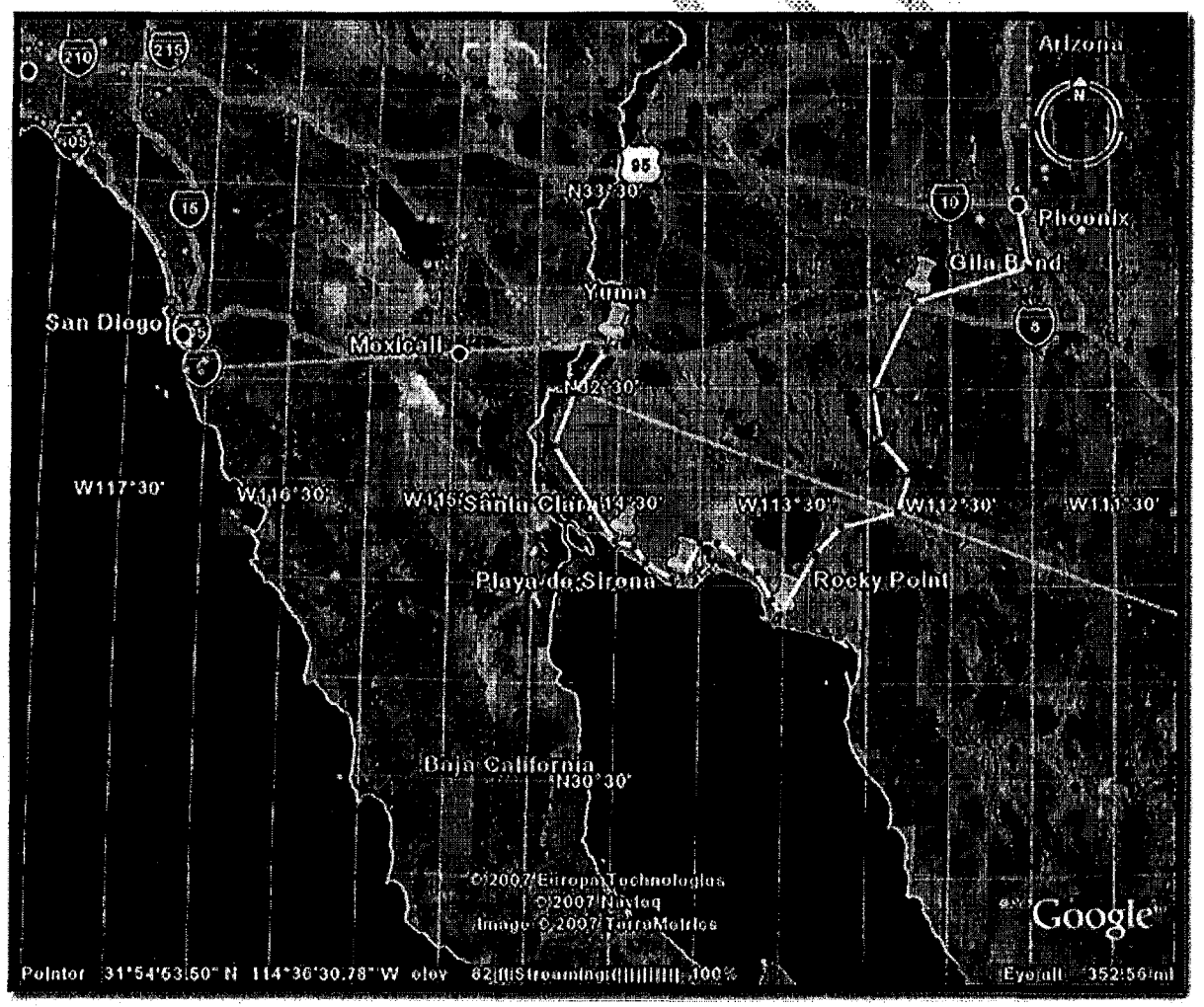
CONFIDENTIAL

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.

## The Proposed Development for Lot 47:

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.



TRI_C006011

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.

ORIGINAL

## Proforma

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Sale Project to a Developer<br>March 2008 | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | $568,000 |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |

CONFIDENTIAL

Parcel 47
Pro Forma - 26.75 acre (10.84 Ha.)
Vertical on Condos, Vertical on Villas
March 2008

| | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |

CONFIDENTIAL

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer, Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |

CONFIDENTIAL

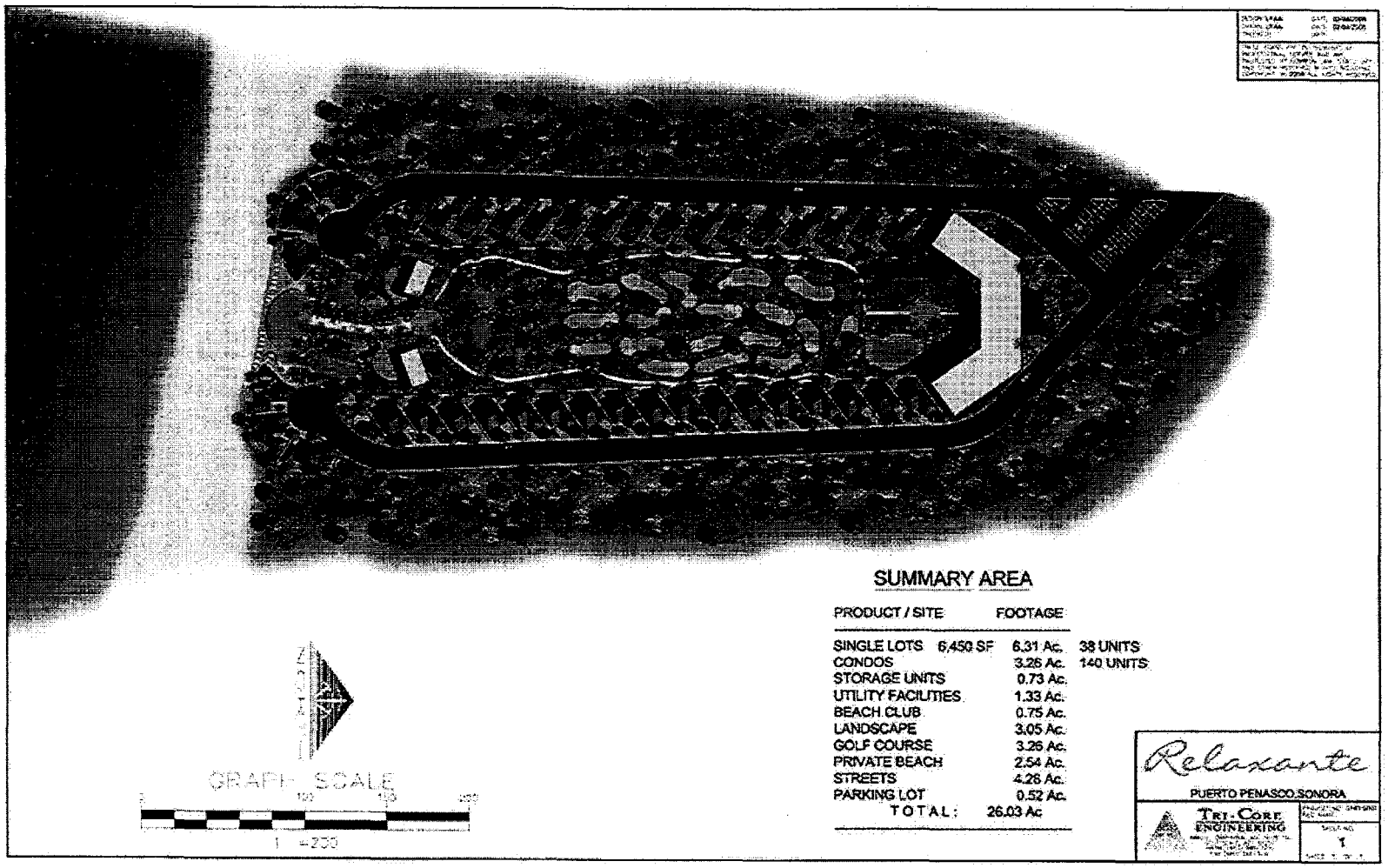
| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | **$66,300,495** |
| | | | | | |
| **Net Income** | | | | | **$14,275,505** |
| **Cumulative** | | | | | **15.6%** |

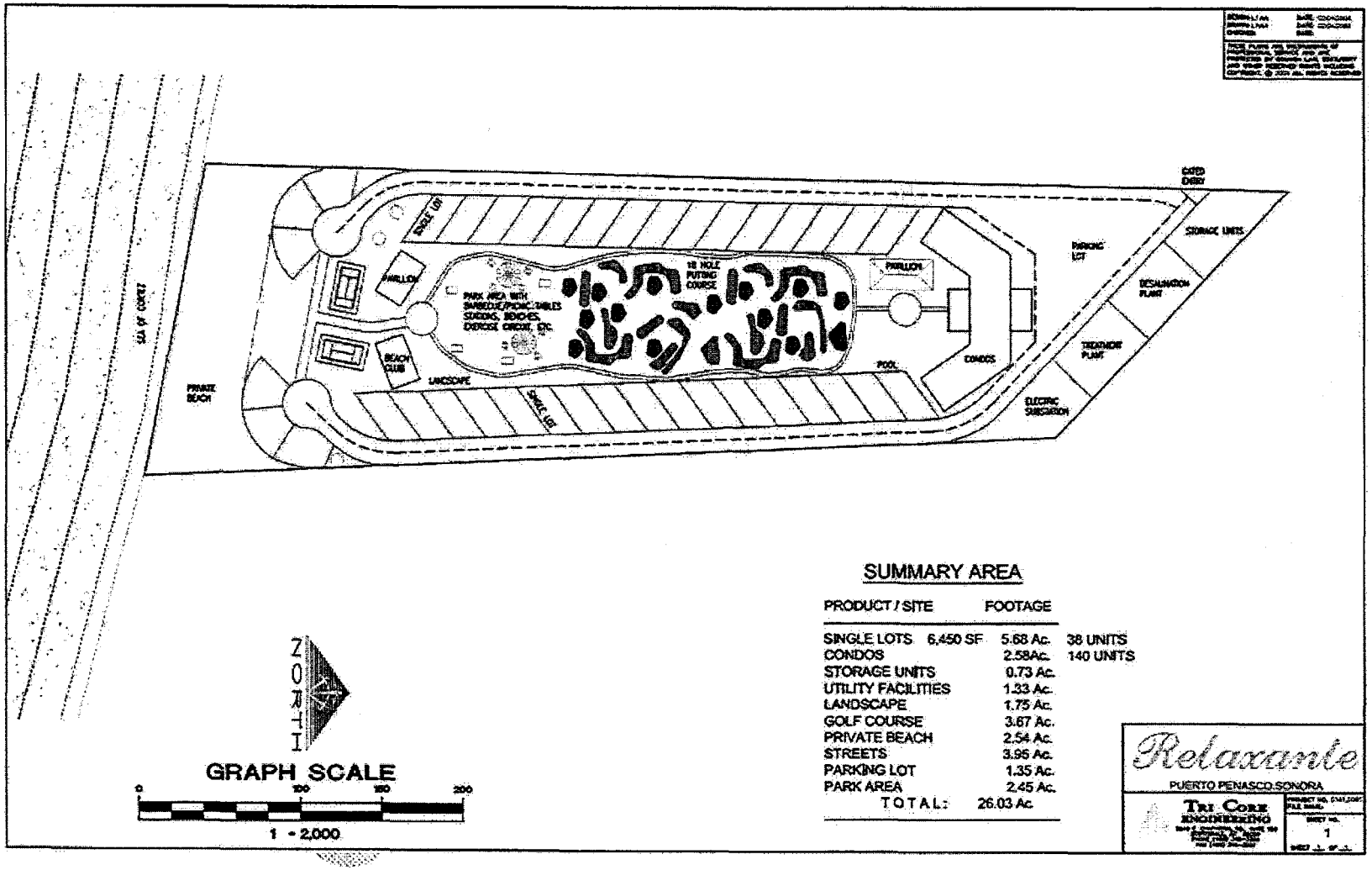
CONFIDENTIAL

TRI-CORE
COMPANIES LLC

TRI_C006017

## Site Plan






## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| T O T A L: | | 26.03 Ac. | |

Relaxante

PUERTO PENASCO,SONORA

TRI CORE ENGINEERING

1



TRI_C006018

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

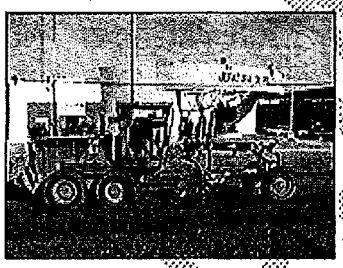
Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).



At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C006019

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.

CONFIDENTIAL



TRI_C006020

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C006021

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your



TRI_C006022

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?

CONFIDENTIAL

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.

PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.

EXHIBIT
S-150
ADMITTED

TRI-CORE
COMPANIES LLC

Memorandum#: Paula A. Glasser  Referral: Linda Curry

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

# Tri-Core Companies, LLC
An Arizona Limited Liability Company

---

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

---

Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each Investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A15

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C006606

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C006607

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



TRI_C006612

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see "**TERMS OF THE OFFERING**").

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | **Maximum Amount** | **Percent of Proceeds** |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C006617

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C006618

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



TRI_C006621

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C006623

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature

12/7/08
Date

Paula A. Glasser
Print Name

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



TRI_C006626

**Print Name of Subscriber:** Paula A.Glasser

**Amount Loaned: $** 10,000.00

**Number of Notes:** 1

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.



TRI_C006628

**Print Name of Subscriber:** **Paula A. Glasser**

**Amount Loaned: $** 10,000.00

**Number of Notes:** 1

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

1. **Subscription.** The undersigned hereby subscribes for **1** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$10,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

2. **Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

3. **Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

4. **Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a

degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part

prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity**. The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.



TRI_C006636

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this _____ day of _____, 2008, at _____ (City), _____ (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

| | |
|---|---|
| **Print Name of Individual** | **Print Name of Spouse / Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |
| **Print Social Security Number of Individual** | **Print Social Security Number of Spouse or Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |
| **Signature of Individual** | **Signature of Spouse / Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |
| **Print Residential Address:** | **Print Residential Telephone Number:** |

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is]** ~~**[is not]**~~ a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

IRA Services Trust Company, Custodian
FBO Paula A. Glasser
IRA [redacted]8985

**Print Name of Partnership, Corporation, Trust, or Other Business Entity**

**Signature of Authorized Representative**

[redacted]

**Print Federal Tax Identification Number**

IRA Services Trust Company
Cust. FBO: Glasser, Paula
IRA [redacted]8985
PO Box [redacted] CA[redacted]
(TIN: [redacted]

**Print Jurisdiction of Entity**

Paula A. Glasser

**Print Name of Authorized Representative**

Account Holder

**Print Title of Authorized Representative**

**Print Residential Address of Investor:**

[redacted]
[redacted] AZ [redacted]

**Print Residential Telephone Number:**

[redacted]

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this 7th day of December, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**

TRI_C006639

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

*initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

_____ *initials* B. "**Accredited Investor**". The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

**EXHIBIT B**

**PROMISSORY NOTE**



TRI_C006642

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **10,000.00 Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns**. The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices**. All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings**. The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability**. If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law**. This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

Jason T. Mogler- President
Print Name

Signature & Date

**Holder:**

**IRA Services Trust Company, Custodian**
FBO Paula A. Glasser
Account # IRA [redacted]8985

**Michael McNair, Trust Officer**
**IRA Services Trust Company**

Paula A. Glasser
Print Name

12/7/08
Signature & Date

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: PAULA A. GLASSER
2. Address of Principal Residence: [redacted]
[redacted] AZ [redacted]

County: MARICOPA

3. Residential Telephone Number : [redacted]
4. Where are you registered to vote (County & State)? MARICOPA AZ
5. Your driver's license is issued by the following state: ARIZONA
6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

N/A

7. Please send all correspondence to:

(1) X Residential Address *[as set forth in item A-2]*

(2) _____ Business Address *[as set forth in item B-1(a)]*

8. Date of Birth: [redacted]

9. Country of Citizenship: U.S.

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: pglauer1@[redacted]

**B. Occupations and Income**

1. Occupation: TEACHER

   (a) Business Address: [redacted] AZ [redacted]

   (b) Business Telephone Number: (_____) _____

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) X $50,000

   (2) _____ $100,000 (4) _____ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) _____No (3) X Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) X $50,000

   (2) _____ $100,000 (4) _____ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) _____No (3) X Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) X $50,000-$100,000 (2) _____$100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) _____over $1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1) X Yes (2)_____No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)_____Yes (2) X No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)_____Yes (2)_____No (3) X Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1) X Yes (2)_____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

Signature Date: 12/7/08

Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)* Date: 12/17/08

**EXHIBIT D**

# TRI-CORE COMPANIES, LLC BUSINESS PLAN

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

***Jason Todd Mogler – President and Principal***

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



TRI_C006649

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.



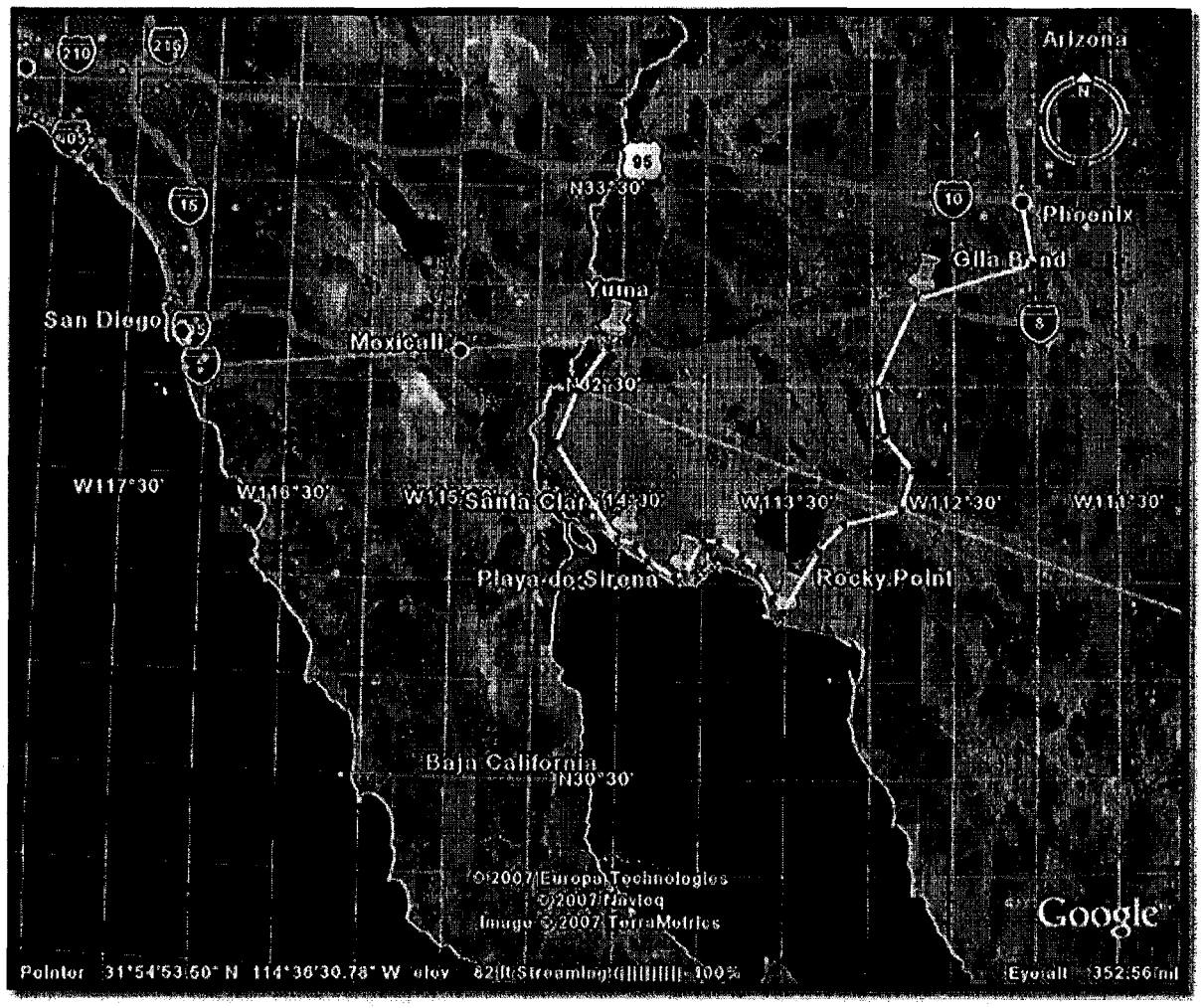
TRI_C006652

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.

## The Proposed Development for Lot 47:

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.



TRI_C006655

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.



TRI_C006656

## Proforma

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Sale Project to a Developer<br>March 2008 | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | $568,000 |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |



TRI_C006657

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Vertical on Condos, Vertical on Villas<br>March 2008 | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | **$91,400,000** |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | **$5,340,000** |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | **$5,484,000** |
| **Total Net Revenue** | | | | | **$80,576,000** |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | **$14,200,000** |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | **$1,890,000** |



TRI_C006658

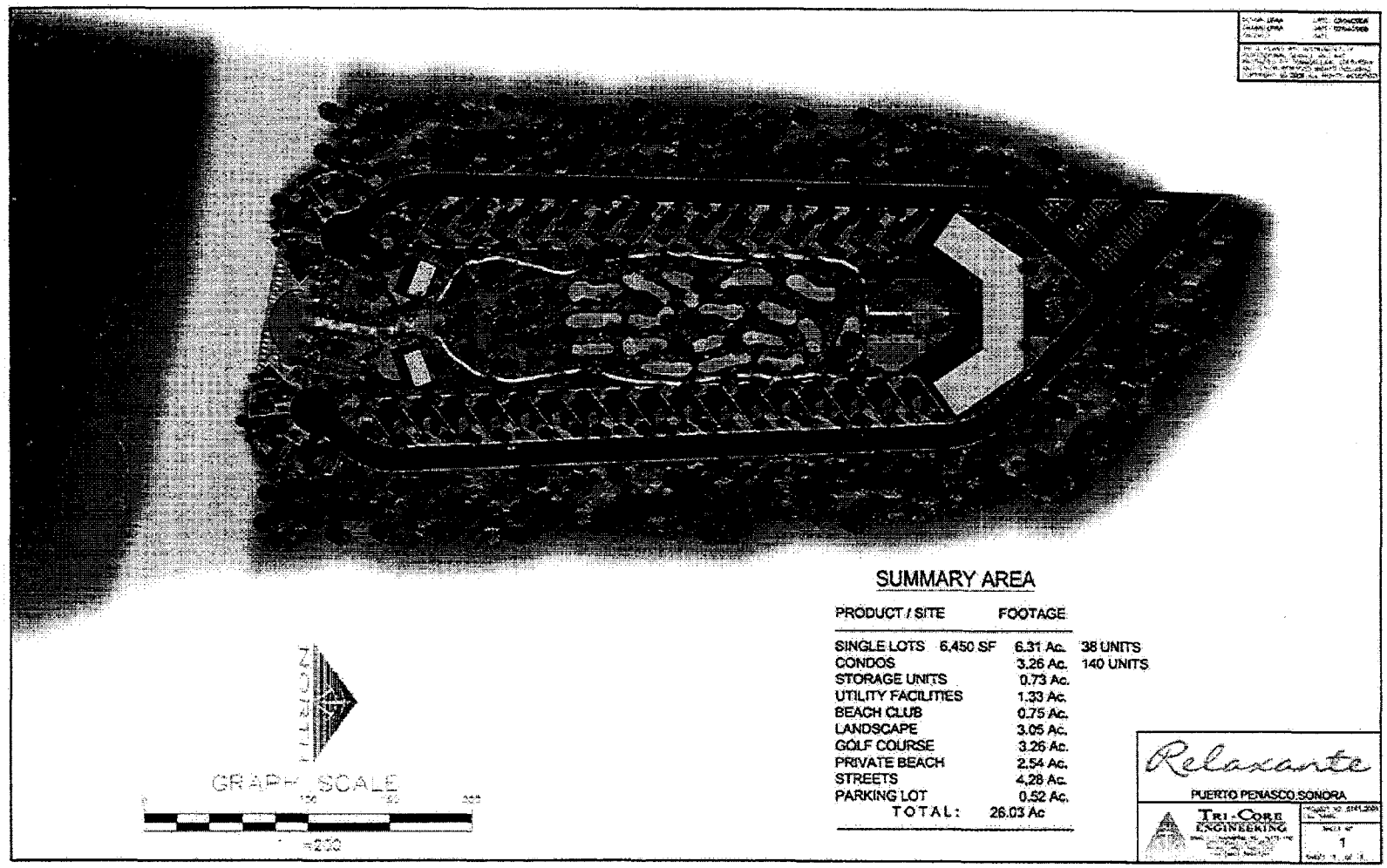
| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |



TRI_C006659

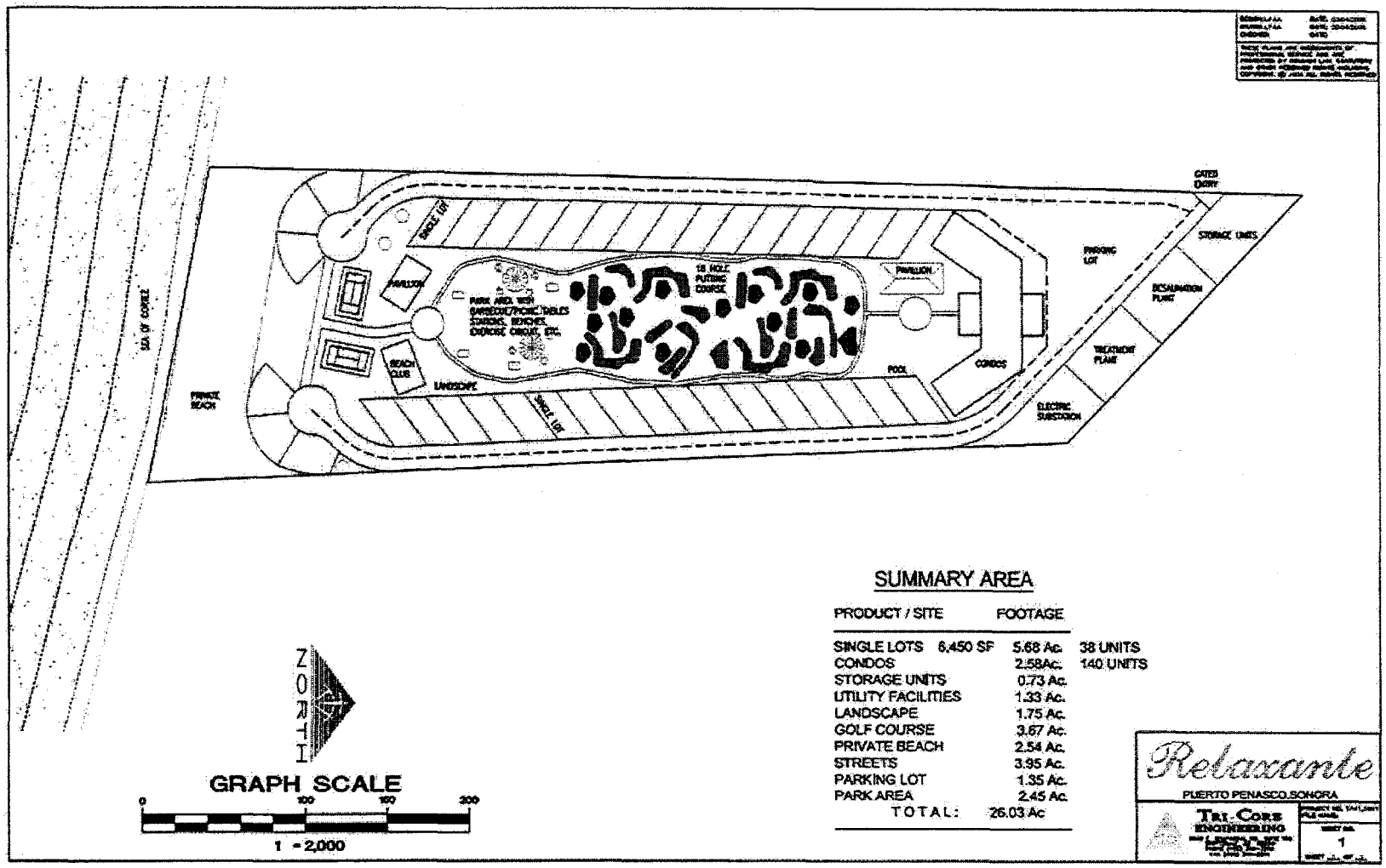
| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | **$66,300,495** |
| | | | | | |
| **Net Income** | | | | | **$14,275,505** |
| **Cumulative** | | | | | **15.6%** |

## Site Plan






TRI_C006661




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| TOTAL: | | 26.03 Ac | |



TRI_C006662

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C006663

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.



TRI_C006664

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C006665

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?



TRI_C006667

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

*PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.*

*PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.*

**Memo: Jerome D. Gussiaas**

EXHIBIT
S-151
ADMITTED



ACC002804
FILE #8337

TRI-CORE
COMPANIES LLC

Memorandum#: Gussiaas Referral: A. Bridges

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

# Tri-Core Companies, LLC
An Arizona Limited Liability Company

## $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| Per Unit | $10,000 | $1,000 | $9,000 |
| Maximum Units | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008



ACC002805
FILE #8337

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14


CONFIDENTIAL



ACC002806
FILE #8337

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

CONFIDENTIAL

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



ACC002807
FILE #8337

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



ACC002808
FILE #8337

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the



ACC002809
FILE #8337

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,



ACC002810
FILE #8337

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

CONFIDENTIAL



ACC002811
FILE #8337

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



ACC002812
FILE #8337

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



ACC002813
FILE #8337

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized



ACC002814
FILE #8337

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.



ACC002815
FILE #8337

### 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | Maximum Amount | Percent of Proceeds |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*



ACC002816
FILE #8337

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

CONFIDENTIAL



ACC002817
FILE #8337

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



ACC002818
FILE #8337

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



ACC002819
FILE #8337

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see "**TERMS OF THE OFFERING.**" Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND



ACC002820
FILE #8337

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."



ACC002821
FILE #8337

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



ACC002822
FILE #8337

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. *All Subscription* Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.



ACC002823
FILE #8337

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



ACC002824
FILE #8337

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.

CONFIDENTIAL



ACC002825
FILE #8337

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature

Date

Jerome D. Gussiaas
Print Name

CONFIDENTIAL



ACC002826
FILE #8337

CONFIDENTIAL

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



ACC002827
FILE #8337

**Print Name of Subscriber:** Jerome D. Gussiaas

**Amount Loaned:** $50,000.00

**Number of Notes:** Five (5)

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

CONFIDENTIAL



ACC002828
FILE #8337

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

CONFIDENTIAL



ACC002829
FILE #8337

**Print Name of Subscriber:** Jerome D. Gussiaas

**Amount Loaned:** $50,000.00

**Number of Notes:** Five (5)

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **Five (5)** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$50,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.



ACC002830
FILE #8337

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. *Offering Period.*** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:



ACC002831
FILE #8337

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a



ACC002832
FILE #8337

degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.



ACC002833
FILE #8337

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.



ACC002834
FILE #8337

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part



ACC002835
FILE #8337

prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.



ACC002836
FILE #8337

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

CONFIDENTIAL



ACC002837
FILE #8337

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 6 day of August, 2008, at Scottsdale (City), AZ (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

**Jerome D. Gussiaas**

**Print Name of Individual**

**Print Name of Spouse / Co-Investor**
***(if Funds are to be invested in Joint Name or are Community Property)***

[redacted]

**Print Social Security Number of Individual**

**Print Social Security Number of Spouse or Co-Investor**
***(if Funds are to be Invested in Joint Name or are Community Property)***

**Signature of Individual**

**Signature of Spouse / Co-Investor**
***(if Funds are to be Invested in Joint Name or are Community Property)***

**Print Residential Address:**

[redacted]
[redacted], AZ [redacted]

**Print Residential Telephone Number:**

[redacted]

CONFIDENTIAL

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is] [is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

| | |
|---|---|
| **Print Name of Partnership, Corporation, Trust, or Other Business Entity** | **Print Federal Tax Identification Number** |
| **Signature of Authorized Representative** | **Print Jurisdiction of Entity** |
| **Print Name of Authorized Representative** | **Print Title of Authorized Representative** |
| **Print Residential Address of Investor:** | **Print Residential Telephone Number:** |

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this 6th day of August, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**



ACC002839
FILE #8337

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

_____ *initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

JRB *initials* B. **"Accredited Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☑2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);



ACC002840
FILE #8337

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

CONFIDENTIAL

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.



ACC002841
FILE #8337

CONFIDENTIAL

**EXHIBIT B**

**PROMISSORY NOTE**



ACC002842
FILE #8337

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Fifty Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.



ACC002843
FILE #8337

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,



ACC002844
FILE #8337

CONFIDENTIAL

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices.** All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings.** The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability.** If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law.** This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**
**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**
Jerome D. Gussiaas
[redacted]
[redacted], AZ [redacted]

Jason Todd Mogler – President
Print Name

Signature & Date

Jerome D. Gussiaas
Print Name

Gussiaas 08/04/08
Signature & Date



ACC002845
FILE #8337

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: Jerome D. Gussiaas

2. Address of Principal Residence: [redacted]

[redacted] AZ [redacted]

County: Maricopa

3. Residential Telephone Number : [redacted]

4. Where are you registered to vote (County & State)? Maricopa, AZ

5. Your driver's license is issued by the following state: Arizona

6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

7. Please send all correspondence to:

(1) _X_ Residential Address *[as set forth in item A-2]*

(2) ____ Business Address *[as set forth in item B-1(a)]*



ACC002846
FILE #8337

8. Date of Birth: [redacted]

9. Country of Citizenship: USA

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: jerome.gussiaas@hotmail.com

**B. Occupations and Income**

1. Occupation: Regional Manager, GE Capital

   (a) Business Address: [redacted]

   [redacted] NY [redacted]

   (b) Business Telephone Number: [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) _____ $50,000

   (2) _____ $100,000 (4) ✓ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) _____No (3) ✓ Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) _____ $50,000

   (2) _____ $100,000 (4) ✓ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) _____No (3) ✓ Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____$50,000-$100,000 (2) ✓ $100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) _____over $1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)__✓__Yes (2)____No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)____Yes (2)__✓__No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)____Yes (2)____No (3)__✓__Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)__✓__Yes (2)____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

_____ Date: 08/06/08
Signature

_____ Date: _____
Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

CONFIDENTIAL



ACC002848
FILE #8337

**EXHIBIT D**

**TRI-CORE COMPANIES, LLC BUSINESS PLAN**

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



ACC002849
FILE #8337

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates



ACC002850
FILE #8337

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

CONFIDENTIAL



ACC002851
FILE #8337

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.



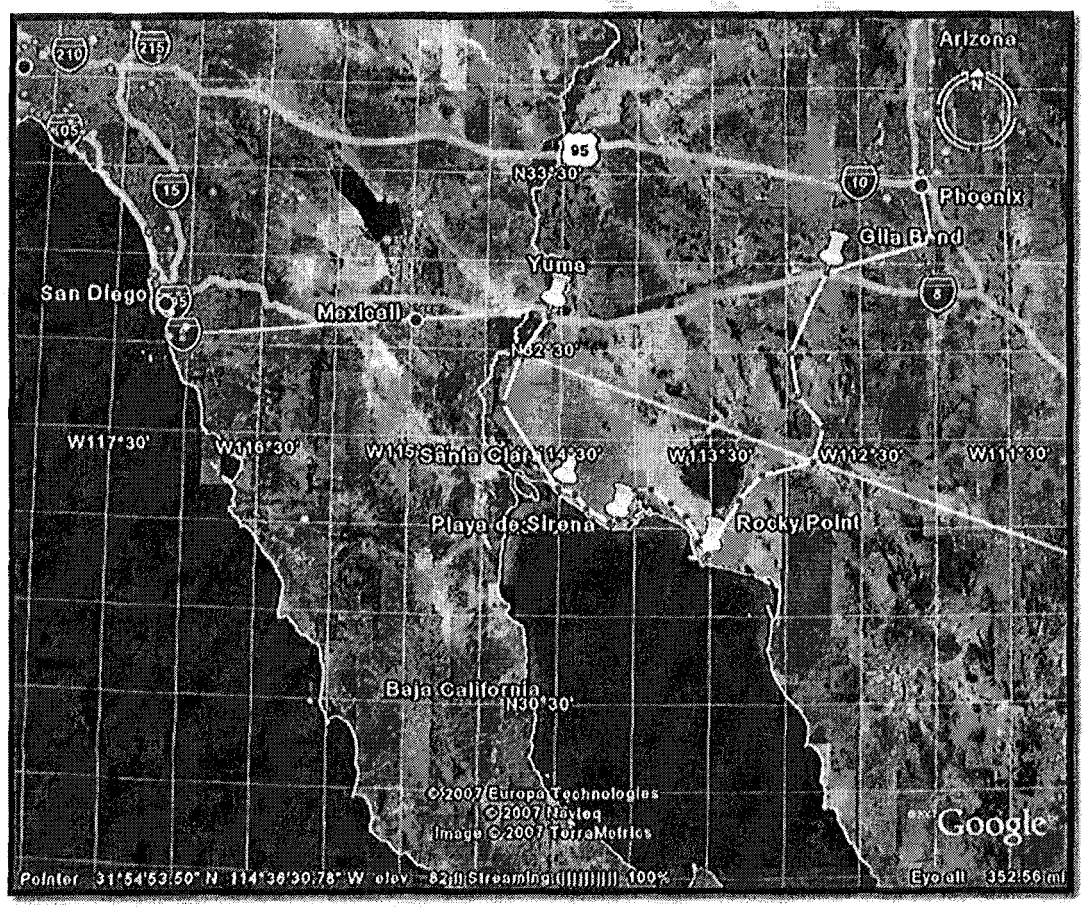
ACC002852
FILE #8337

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

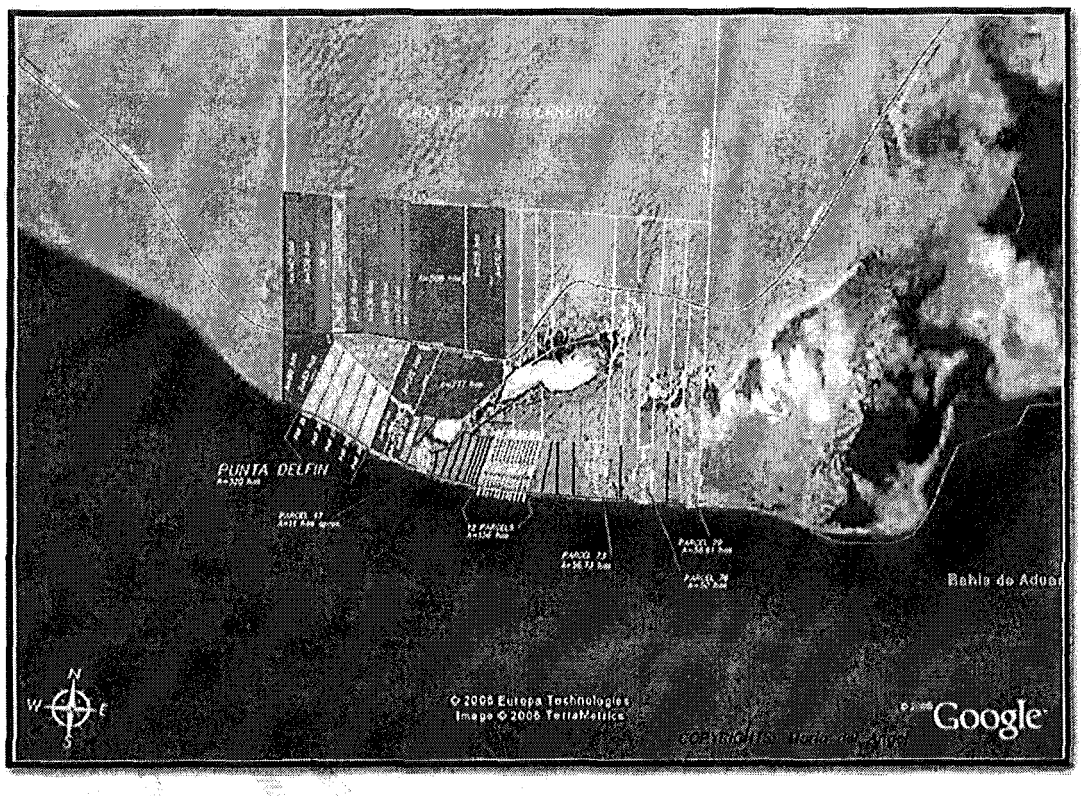
Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.






ACC002853
FILE #8337

This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




## The Proposed Development for Lot 47:

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.



ACC002854
FILE #8337

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.

CONFIDENTIAL



ACC002855
FILE #8337

**El Golfo / Rocky Point – General Economic and Area Information:**
The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.

CONFIDENTIAL



ACC002856
FILE #8337

## Proforma

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Sale Project to a Developer<br>March 2008 | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | $568,000 |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |

CONFIDENTIAL



ACC002857
FILE #8337

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Vertical on Condos, Vertical on Villas<br>March 2008 | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |

CONFIDENTIAL



ACC002858
FILE #8337

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |

CONFIDENTIAL



ACC002859
FILE #8337

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | **$66,300,495** |
| | | | | | |
| **Net Income** | | | | | **$14,275,505** |
| **Cumulative** | | | | | **15.6%** |

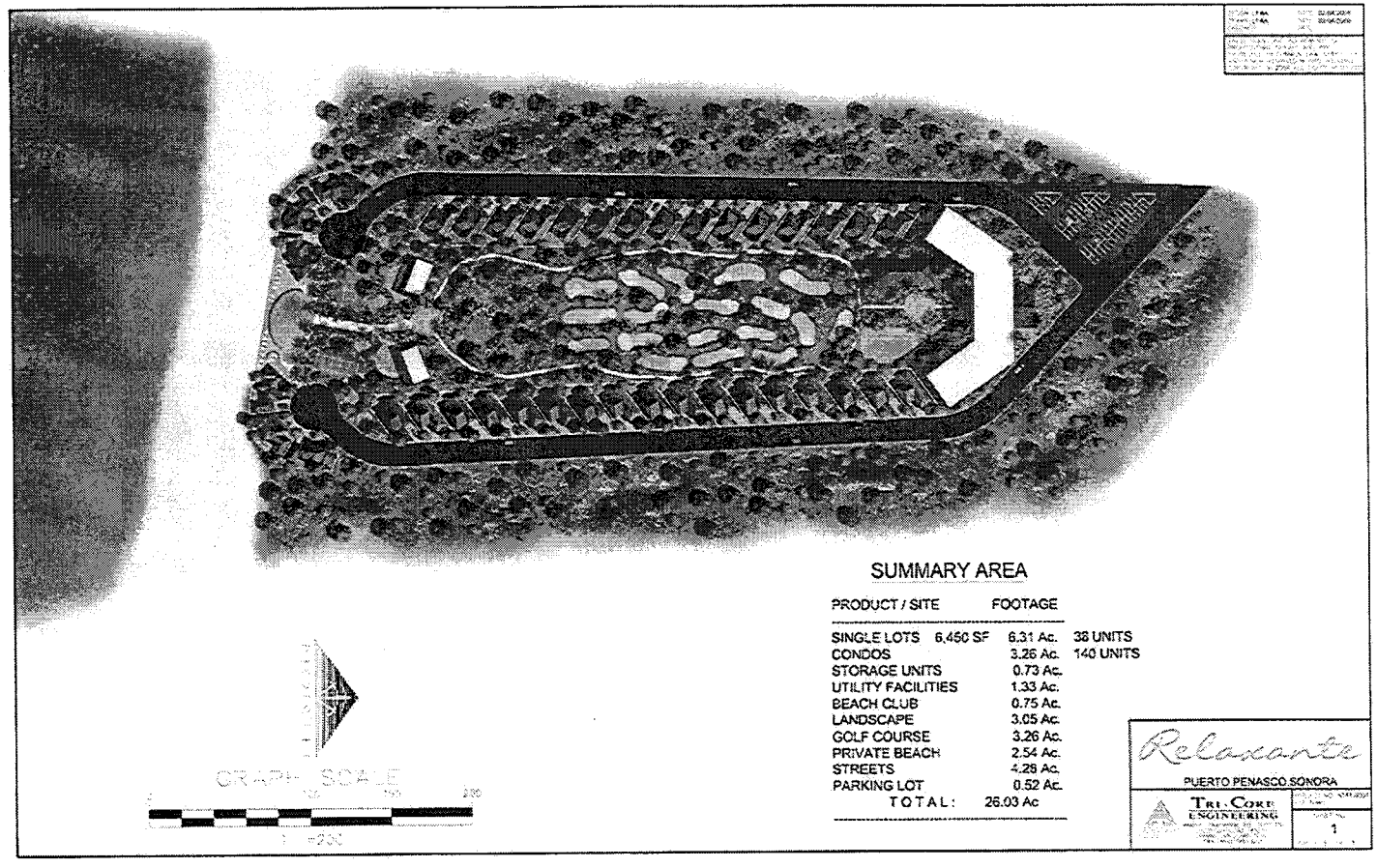
CONFIDENTIAL

TRI-CORE
COMPANIES LLC

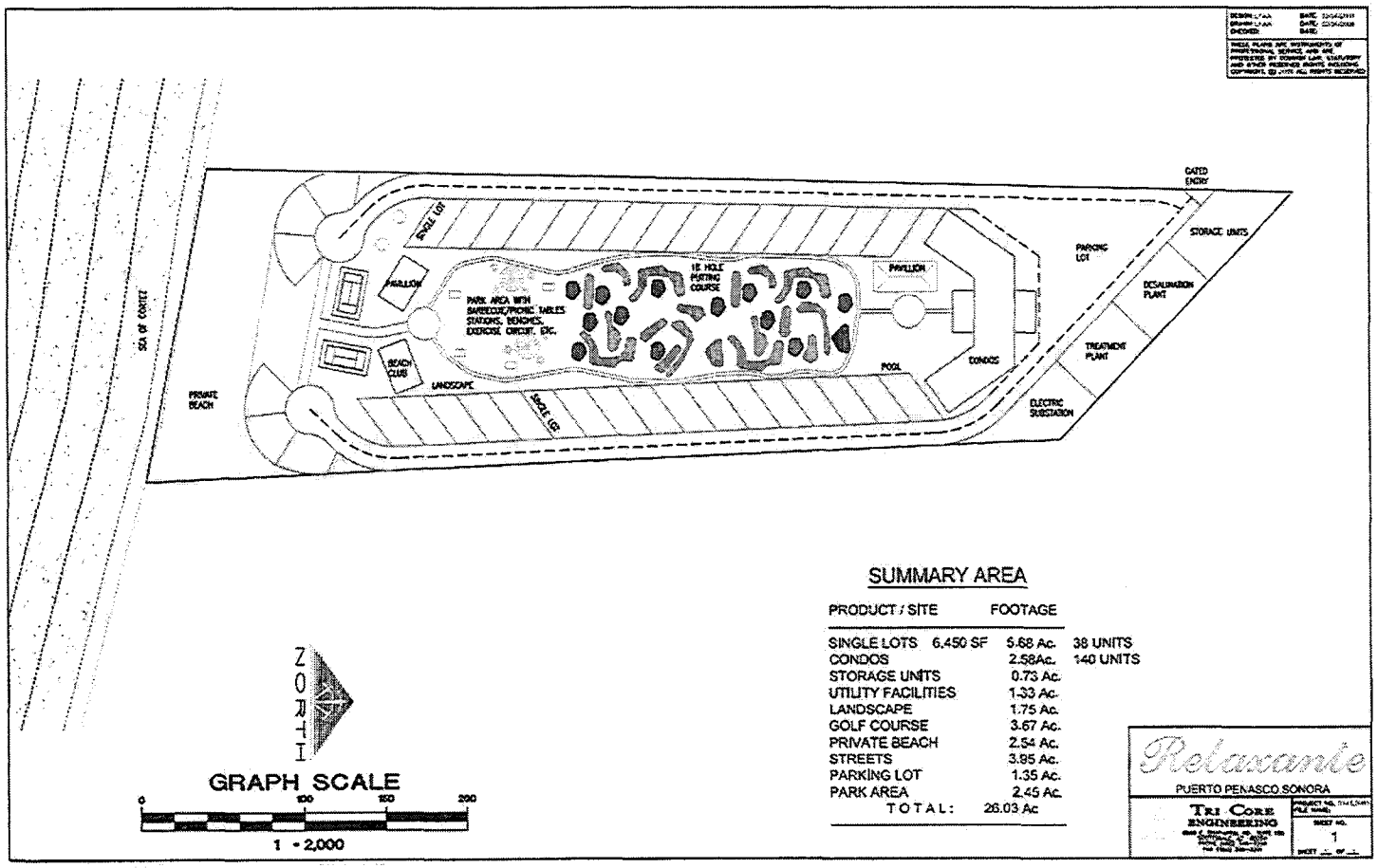


ACC002860
FILE #8337

**Site Plan**




ACC002861
FILE #8337




## SUMMARY AREA

| PRODUCT / SITE | FOOTAGE | |
|---|---|---|
| SINGLE LOTS 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | 0.73 Ac. | |
| UTILITY FACILITIES | 1.33 Ac. | |
| LANDSCAPE | 1.75 Ac. | |
| GOLF COURSE | 3.67 Ac. | |
| PRIVATE BEACH | 2.54 Ac. | |
| STREETS | 3.95 Ac. | |
| PARKING LOT | 1.35 Ac. | |
| PARK AREA | 2.45 Ac. | |
| TOTAL: | 26.03 Ac | |

Relaxante

PUERTO PENASCO,SONORA

TRI CORE ENGINEERING

SHEET NO. 1

ACC002862
FILE #8337

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



ACC002863
FILE #8337

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.

CONFIDENTIAL



ACC002864
FILE #8337

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



ACC002865
FILE #8337

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your



ACC002866
FILE #8337

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?

CONFIDENTIAL



ACC002867
FILE #8337

Entrust Arizona

October 9, 2008

Tri-Core Companies, LLC
8840 E. Chaparral Rd. Ste. 150
Scottsdale, AZ 85250

RE: Jerome D. Gussiaas Acct#[redacted]2482

To Whom It May Concern:

Please find attached the documents required to invest with Tri-Core Companies, LLC. Please register all interest for this purchase as follows:

**Entrust Arizona**
**FBO: Jerome D. Gussiaas IRA#[redacted]2482**
[redacted]
[redacted], **AZ** [redacted]
**Tax ID#** [redacted]

**Please send acknowledgment of this registration to the address of record.**
Thank you for your attention to this request, if you have any questions please contact me immediately at 480-306-8404.

Sincerely

ENTRUST ARIZONA, LLC
BY: Timothy A. Schubert
Its: Authorized Signer

Timothy A. Schubert CISP
Entrust Arizona

20860 North Tatum Blvd. #240
Phoenix, AZ 85050
(480) 306-8404
Fax (480)-306-8408

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Thirty Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.



ACC002870
FILE #8337

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns**. The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,



CONFIDENTIAL

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices**. All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings**. The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability**. If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law**. This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**
**Entrust Arizona, FBO, Acct.#[redacted]2482**
Jerome D. Gussiaas
[redacted]
[redacted], AZ [redacted]

Jason Todd Mogler – President
Print Name

Signature & Date

Jerome D. Gussiaas
Print Name

10/01/08
Signature & Date



ACC002872
FILE #8337

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL

PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.

PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.

**Memo: Jerome D. Gussiaas**



ACC002873
FILE #8337

*Memorandum#:* Gussinas  Referral: A. Bridges

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**Tri-Core Companies, LLC**
An Arizona Limited Liability Company

---

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

---

*Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the* **"COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008



ACC002874
FILE #8337

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14


PRELIMINARY



ACC002875
FILE #8337

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

CONFIDENTIAL

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



ACC002876
FILE #8337

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

*THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS,* AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



ACC002877
FILE #8337

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the



ACC002878
FILE #8337

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,



ACC002879
FILE #8337

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. *Tri-Core Engineering* currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

CONFIDENTIAL



ACC002880
FILE #8337

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



ACC002881
FILE #8337

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



ACC002882
FILE #8337

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized



ACC002883
FILE #8337

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.



ACC002884
FILE #8337

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | Maximum Amount | Percent of Proceeds |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*



ACC002885
FILE #8337

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

CONFIDENTIAL



ACC002886
FILE #8337

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



ACC002887
FILE #8337

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors, and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



ACC002888
FILE #8337

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND



ACC002889
FILE #8337

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."



ACC002890
FILE #8337

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



ACC002891
FILE #8337

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.



ACC002892
FILE #8337

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



ACC002893
FILE #8337

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.



ACC002894
FILE #8337

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature

10/07/08
Date

Jerome D. Gussiaas
Print Name

CONFIDENTIAL



ACC002895
FILE #8337

CONFIDENTIAL

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



ACC002896
FILE #8337

**Print Name of Subscriber:** Jerome D. Gussiaas

**Amount Loaned:** $30,000.00

**Number of Notes:** Three (3)

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

CONFIDENTIAL



ACC002897
FILE #8337

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

CONFIDENTIAL



ACC002898
FILE #8337

**Print Name of Subscriber:** Jerome D. Gussiaas

**Amount Loaned:** $30,000.00

**Number of Notes:** Three (3)

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **Three (3)** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$30,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.



ACC002899
FILE #8337

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:



ACC002900
FILE #8337

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a



ACC002901
FILE #8337

degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.



ACC002902
FILE #8337

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.



ACC002903
FILE #8337

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part



ACC002904
FILE #8337

prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.



ACC002905
FILE #8337

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

CONFIDENTIAL



ACC002906
FILE #8337

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 07th day of October, 2008, at Gilbert (City), AZ (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

**Jerome D. Gussiaas**

**Print Name of Individual**

**Print Name of Spouse / Co-Investor**
***(If Funds are to be invested in Joint Name or are Community Property)***

[redacted]

**Print Social Security Number of Individual**

**Print Social Security Number of Spouse or Co-Investor**
***(If Funds are to be Invested in Joint Name or are Community Property)***

**Signature of Individual**

**Signature of Spouse / Co-Investor**
***(If Funds are to be Invested in Joint Name or are Community Property)***

**Print Residential Address:**

[redacted]
[redacted] AZ [redacted]

**Print Residential Telephone Number:**

[redacted]

CONFIDENTIAL

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is] [is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

| | |
|---|---|
| **Entrust Arizona FBO, Jerome D. Gussiaas** | [redacted] |
| **Print Name of Partnership, Corporation, Trust, or Other Business Entity** | **Print Federal Tax Identification Number** |
| **Signature of Authorized Representative** | **Arizona, Maricopa** |
| | **Print Jurisdiction of Entity** |
| **Jerome D. Gussiaas** | **Account Holder, Account #[redacted]2482** |
| **Print Name of Authorized Representative** | **Print Title of Authorized Representative** |
| **Print Residential Address of Investor:** | **Print Residential Telephone Number:** |
| [redacted] | [redacted] |
| [redacted] **AZ** [redacted] | |

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this 29th day of October, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**

CONFIDENTIAL

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

_____ *initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

JLC *initials* B. **"Accredited Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);



ACC002909
FILE #8337

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

CONFIDENTIAL

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.



ACC002910
FILE #8337

CONFIDENTIAL

**EXHIBIT B**

**PROMISSORY NOTE**



ACC002911
FILE #8337

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Thirty Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.



ACC002912
FILE #8337

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,



CONFIDENTIAL

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices**. All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings**. The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability**. If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law**. This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**
**Entrust Arizona, FBO, Acct.#** [redacted]2482
Jerome D. Gussiaas
[redacted]
[redacted] AZ [redacted]

Sign Here

Jason Todd Mogler – President
Print Name

Signature & Date

Jerome D. Gussiaas
Print Name

Signature & Date 10/07/08



ACC002914
FILE #8337

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: Jerome D. Gussiaas

2. Address of Principal Residence: [redacted]

[redacted] AZ [redacted]

County: Maricopa

3. Residential Telephone Number : [redacted]

4. Where are you registered to vote (County & State)? Maricopa, AZ

5. Your driver's license is issued by the following state: AZ

6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

7. Please send all correspondence to:

(1) __X___ Residential Address *[as set forth in item A-2]*

(2) _____ Business Address *[as set forth in item B-1(a)]*



ACC002915
FILE #8337

8. Date of Birth: [redacted]

9. Country of Citizenship: USA

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: jerome.gussiaas@hotmail.com

**B. Occupations and Income**

1. Occupation: Regional Mgr

   (a) Business Address: [redacted] AZ [redacted]

   (b) Business Telephone Number [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) _____ $50,000

   (2) _____ $100,000 (4) ✓ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) _____No (3) ✓ Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) _____ $50,000

   (2) _____ $100,000 (4) ✓ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) _____No (3) ✓ Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____$50,000-$100,000 (2) ✓ $100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) _____over $1,000,000

CONFIDENTIAL

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)✓ Yes (2)____ No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)____ Yes (2)✓ No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)____ Yes (2)✓ No (3)____ Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)✓ Yes (2)____ No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

Signature Date: 10/07/08

Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)* Date: _____

CONFIDENTIAL

**EXHIBIT D**

**TRI-CORE COMPANIES, LLC BUSINESS PLAN**

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



ACC002918
FILE #8337

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates



ACC002919
FILE #8337

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

CONFIDENTIAL



ACC002920
FILE #8337

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.

CONFIDENTIAL



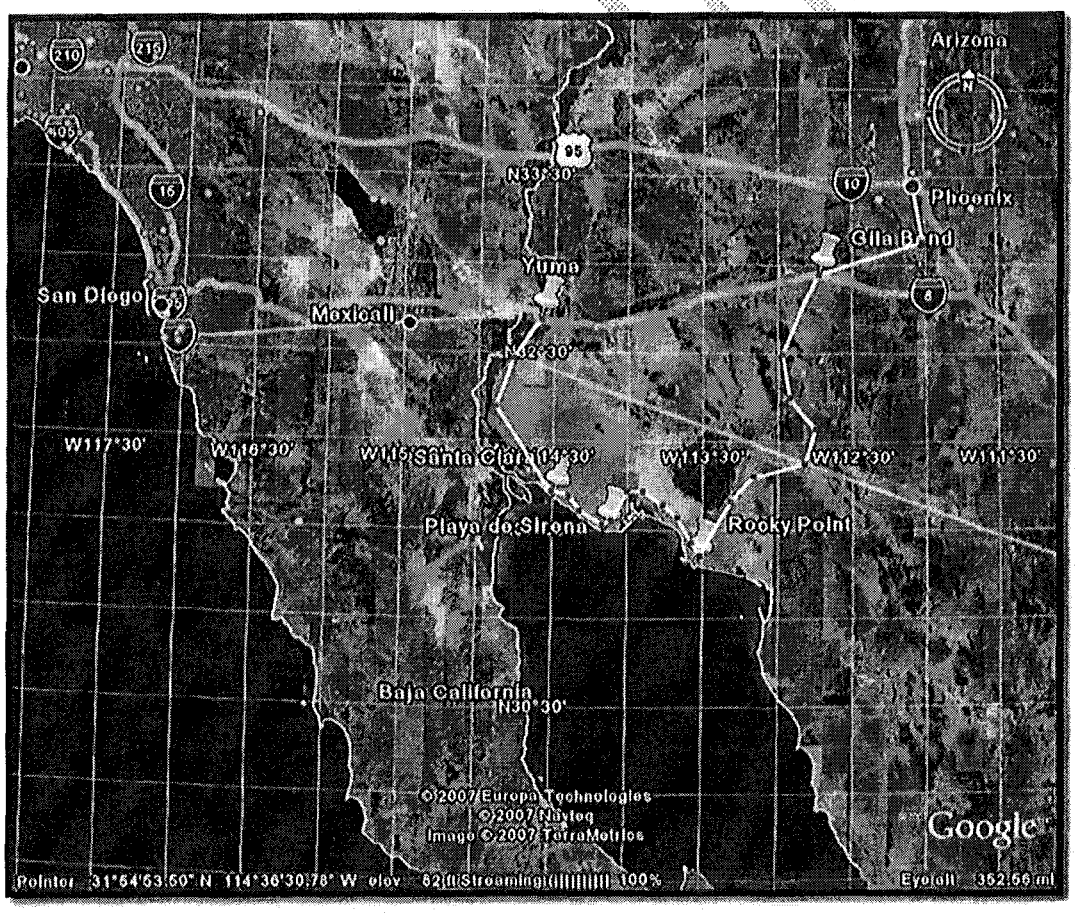
ACC002921
FILE #8337

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

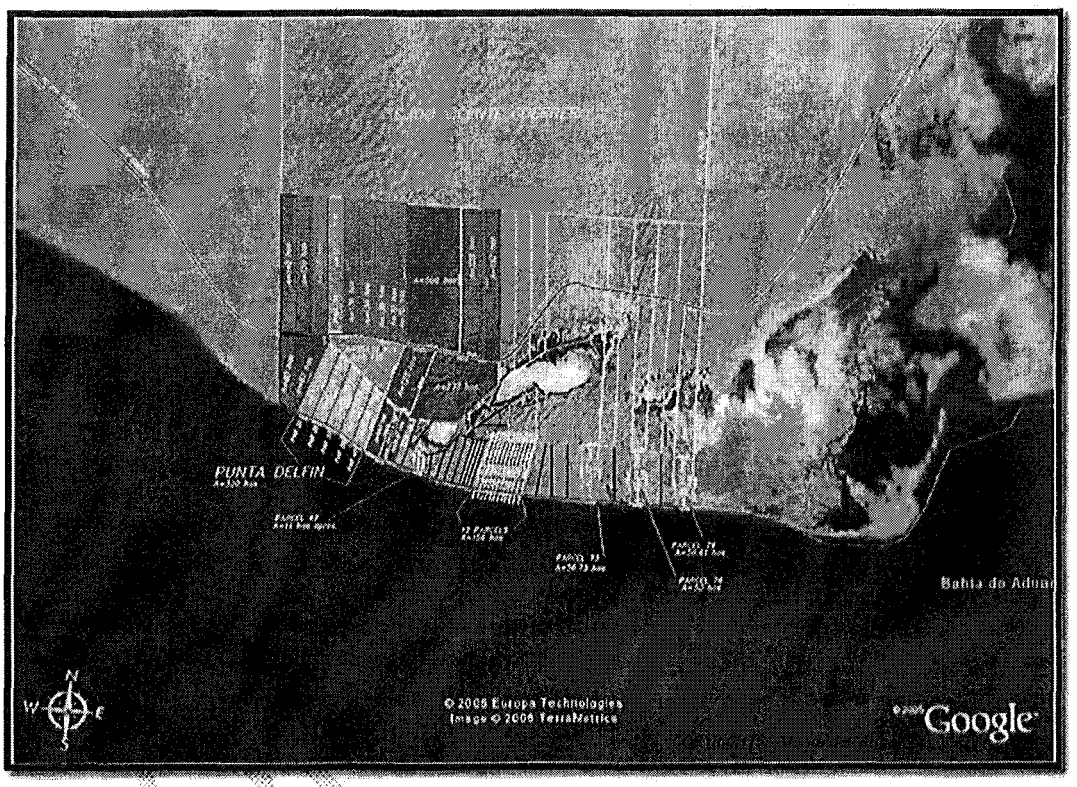
Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.






ACC002922
FILE #8337

This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




**The Proposed Development for Lot 47:**

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.



ACC002923
FILE #8337

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.

CONFIDENTIAL



ACC002924
FILE #8337

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present In-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.



ACC002925
FILE #8337

## Proforma

Parcel 47
Pro Forma - 26.75 acre (10.84 Ha.)
Sale Project to a Developer
March 2008

| | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | $14,200,000 |
| Finder's Fee | 4% | $568,000 |
| **Total Net Revenue** | | $13,632,000 |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | $325,000 |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | $350,000 |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | $280,000 |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | $12,570,500 |
| **Net Income** | | $1,061,500 |

CONFIDENTIAL



ACC002926
FILE #8337

Parcel 47
Pro Forma - 26.75 acre (10.84 Ha.)
Vertical on Condos, Vertical on Villas
March 2008

| | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18-Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |

CONFIDENTIAL



ACC002927
FILE #8337

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer, Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |

CONFIDENTIAL



ACC002928
FILE #8337

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | $66,300,495 |
| | | | | | |
| **Net Income** | | | | | $14,275,505 |
| **Cumulative** | | | | | 15.6% |

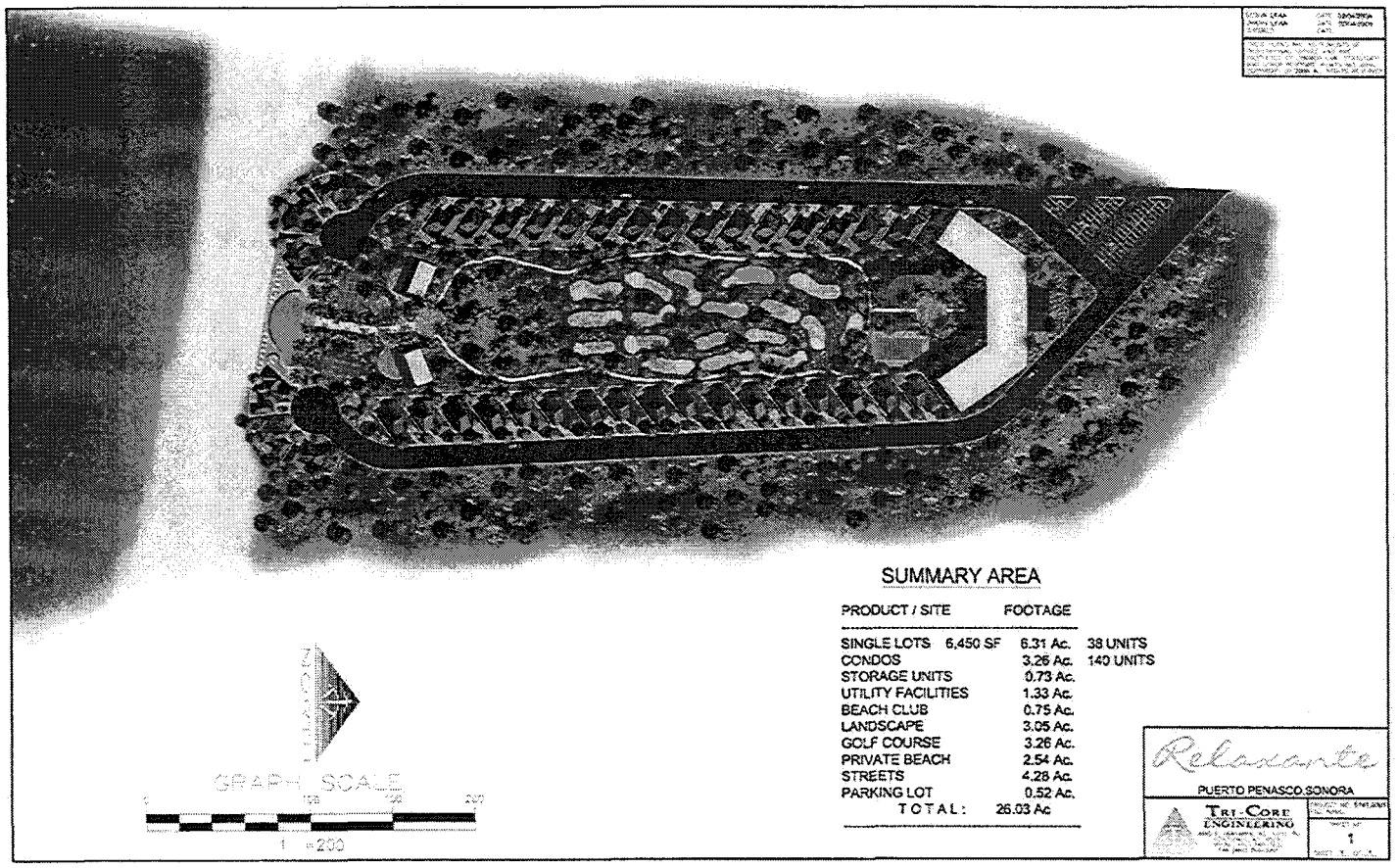
CONFIDENTIAL

TRI-CORE
COMPANIES LLC

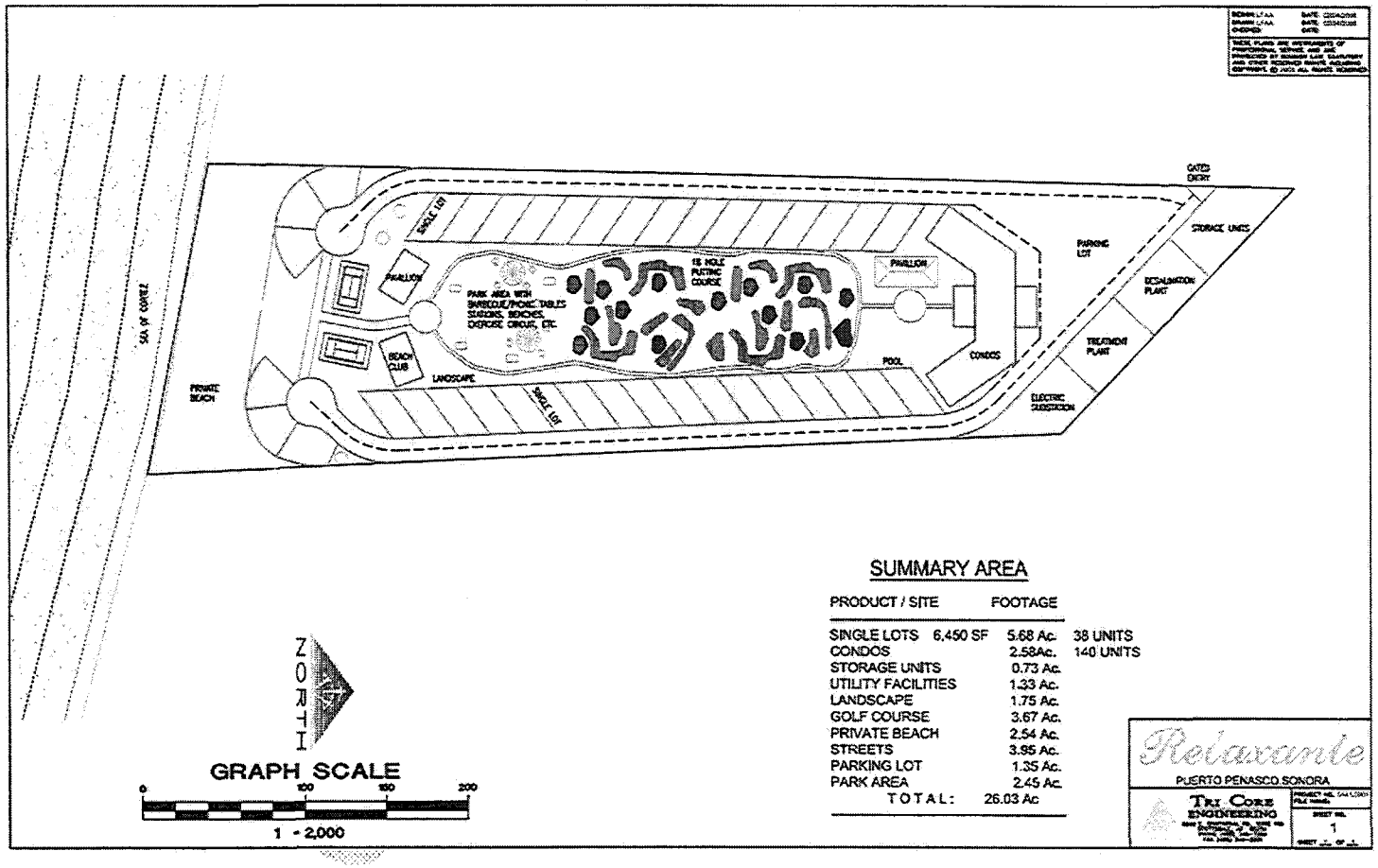


ACC002929
FILE #8337

**Site Plan**




ACC002930
FILE #8337




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| TOTAL: | | 26.03 Ac | |

NORTH

GRAPH SCALE

0 100 150 200

1 - 2,000

Relaxante

PUERTO PENASCO, SONORA

TRI CORE ENGINEERING

1

ACC002931
FILE #8337

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



ACC002932
FILE #8337

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

**CANACO Reports A Good 2007, Optimistic Forecast For 2008**

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.

CONFIDENTIAL



ACC002933
FILE #8337

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



ACC002934
FILE #8337

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your

CONFIDENTIAL



ACC002935
FILE #8337

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?

CONFIDENTIAL



ACC002936
FILE #8337

# Amendment to Contract

As of **January 17, 2012**, the contract between **Tri-Core Companies, LLC**

and **Jerome D. Gussiaas** signed and dated **08/06/2008** is changed as follows:

This contract is extended beyond the original 24 month period. During the extension period your principal monies will be earning interest at **60%** simple interest per annum. This extension is in force until replaced by another amendment or funds are paid in full.

All other terms and conditions stated in your promissory note dated **08/06/2008**, except for the above noted maturity date extension and interest rate modification for extended maturity period only, shall remain in full force and effect.

All other terms and conditions except as noted above as stated in the **08/06/2008** Private Placement Memorandum dated **March 1, 2008** remains in full force and effect.

Signed and Agreed:

Jason Mogler – President and Principal

Signature_____ Date: 1-25-2012

Jim Hinkeldey – Vice President and Principal

Signature_____ Date: 1/25/2012

Jerome D. Gussiaas

Signature_____

Title: Investor

Date:_____

EXHIBIT
S-152
ADMITTED

ACC002868
FILE #83377

# Amendment to Contract

As of **January 17, 2012**, the contract between **Tri-Core Companies, LLC**

and **Jerome D. Gussiaas** signed and dated **10/07/2008** is changed as follows:

This contract is extended beyond the original 24 month period. During the extension period your principal monies will be earning interest at **60%** simple interest per annum. This extension is in force until replaced by another amendment or funds are paid in full.

All other terms and conditions stated in your promissory note dated **10/07/2008**, except for the above noted maturity date extension and interest rate modification for extended maturity period only, shall remain in full force and effect.

All other terms and conditions except as noted above as stated in the **10/07/2008** Private Placement Memorandum dated **March 1, 2008** remains in full force and effect.

Signed and Agreed:

Jason Mogler – President and Principal

Signature_____ Date: 1-25-2012

Jim Hinkeldey – Vice President and Principal

Signature_____ Date: 1-25-2012

Jerome D. Gussiaas

Signature_____

Title: Investor

Date:_____

ACC002937
FILE #83377

Memorandum#: Francis Liu

Referral: B. Buckley (S.F. Expo - 47)

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

# Tri-Core Companies, LLC
## An Arizona Limited Liability Company

---

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

---

**Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| **Per Unit** | $10,000 | $1,000 | $9,000 |
| **Maximum Units** | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008

## Table of Contents


**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14




TRI_C005642

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

Original

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C005643

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C005644

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project



TRI_C005646

management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates



TRI_C005647

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



TRI_C005648

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such



TRI_C005649

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized



TRI_C005650

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.



TRI_C005651

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | **Maximum Amount** | **Percent of Proceeds** |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*



TRI_C005652

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.



TRI_C005653

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C005654

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C005655

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."



TRI_C005657

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;



TRI_C005658

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C005660

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature

4/27/08
Date

Francis Liu
Print Name

OFDTA

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**

CONFIDENTIAL



TRI_C005663

**Print Name of Subscriber:** IRA Services/First Regional Bank, Custodian FBO Francis Liu Account #IRA[redacted]7242

**Amount Loaned:** $10,000.00

**Number of Notes:** One (1)

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

ORIGINAL

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.



TRI_C005665

**Print Name of Subscriber:** IRA Services/First Regional Bank, Custodian FBO Francis Liu Account #IRA[redacted]7242

**Amount Loaned:** $10,000.00

**Number of Notes:** One (1)

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

(f) **Subscription.** The undersigned hereby subscribes for **One (1)** Note of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$10,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

(f) Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(f) The Company hereby represents and warrants as follows:

(f) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(f) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the

rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate



TRI_C005669

to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to



TRI_C005670

which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.



TRI_C005671

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity.** The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

**12. Miscellaneous.**

(f) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

© This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.



TRI_C005673

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 27th day of April, 2008, at Fremont (City), California (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

| | |
|---|---|
| **Print Name of Individual** | **Print Name of Spouse / Co-Investor** ***(If Funds are to be invested in Joint Name or are Community Property)*** |
| **Print Social Security Number of Individual** | **Print Social Security Number of Spouse or Co-Investor** ***(If Funds are to be Invested in Joint Name or are Community Property)*** |
| **Signature of Individual** | **Signature of Spouse / Co-Investor** ***(If Funds are to be Invested in Joint Name or are Community Property)*** |
| **Print Residential Address:** | **Print Residential Telephone Number:** |



TRI_C005674

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

_____ *initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

F.L. *initials* B. **"Accredited Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☑2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

CONFIDENTIAL

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

**EXHIBIT B**

**PROMISSORY NOTE**

OFFICIAL



TRI_C005678

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **Ten Thousand Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment



TRI_C005680

of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices**. All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings**. The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability**. If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law**. This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

JASON TODD MOGLER - PRESIDENT
Print Name

Signature & Date 04/04/08

**Holder:**

**IRA Services/First Regional Bank,**
**Custodian FBO Francis Liu**
**Account #IRA[redacted]7242**
[redacted] CA [redacted]

Francis LIU
Print Name

4/27/08
Signature & Date

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: Francis LIU
2. Address of Principal Residence: [redacted] CA [redacted]

   County: [redacted]
3. Residential Telephone Number: [redacted]
4. Where are you registered to vote (County & State)? [redacted], CA
5. Your driver's license is issued by the following state: [redacted]
6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

   _____

   _____
7. Please send all correspondence to:

   (1) ✓ Residential Address *[as set forth in item A-2]*

   (2) _____ Business Address *[as set forth in item B-1(a)]*

of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices.** All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings.** The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability.** If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law.** This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

Jason Todd Mogler - President
Print Name

04/22/08
Signature & Date

**Holder:**

IRA Services/Fremont Bank, Cust.
FBO: LIU, FRANCIS H
Acct#: IRA [redacted]7242
[redacted] CA. [redacted]
[redacted] TIN [redacted]

6/19/08
Francis Liu
Print Name

4/27/08
Signature & Date



TRI_C005683

8. Date of Birth: [redacted]

9. Country of Citizenship: USA

10. Social Security Number or Tax I.D. Number: [redacted]

11. E-Mail Address: francis/iu@ [redacted]

**B. Occupations and Income**

1. Occupation: Engineering Director

   (a) Business Address: [redacted], CA [redacted]

   (b) Business Telephone Numbe [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) _____ $50,000

   (2) _____ $100,000 (4) ✓ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) ✓ Yes (2) _____ No (3) _____ Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) _____ $50,000

   (2) _____ $100,000 (4) ✓ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) ✓ Yes (2) _____ No (3) _____ Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1) _____ $50,000-$100,000 (2) _____ $100,000-$250,000 (3) _____ $250,000-$500,000

(4) _____ $500,000-$750,000 (5) _____ $750,000-$1,000,000 (6) ✓ over $1,000,000



TRI_C005684

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)__✓__Yes (2)____No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)____Yes (2)__✓__No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)____Yes (2)__✓__No (3)____Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)__✓__Yes (2)____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

_____ Date: 4/27/08

Signature

_____ Date: _____

Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

## EXHIBIT D

## TRI-CORE COMPANIES, LLC BUSINESS PLAN

### Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

### Business Operations

**Ownership and Employees:**

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



TRI_C005686

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.



TRI_C005688

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.



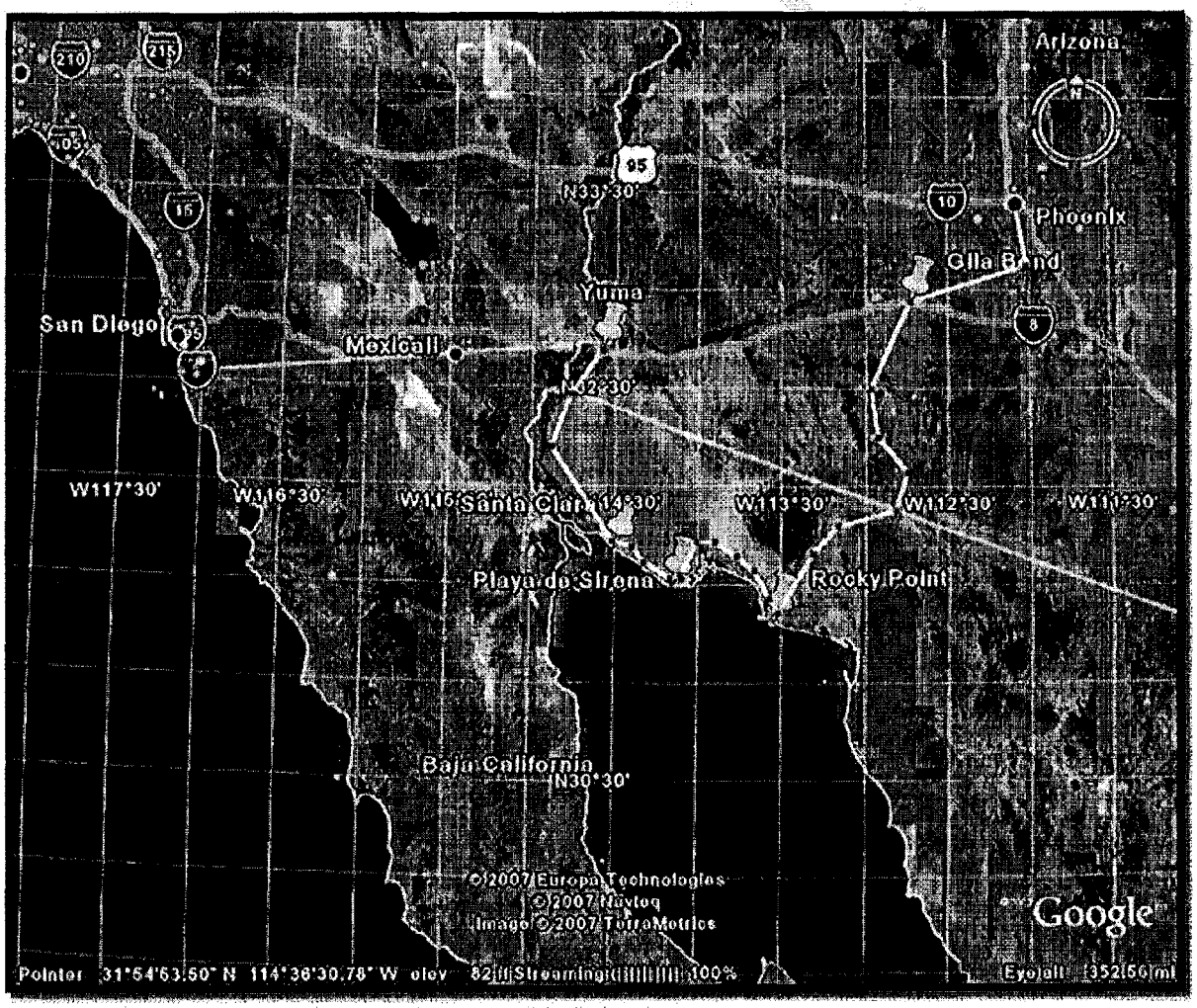
TRI_C005689

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

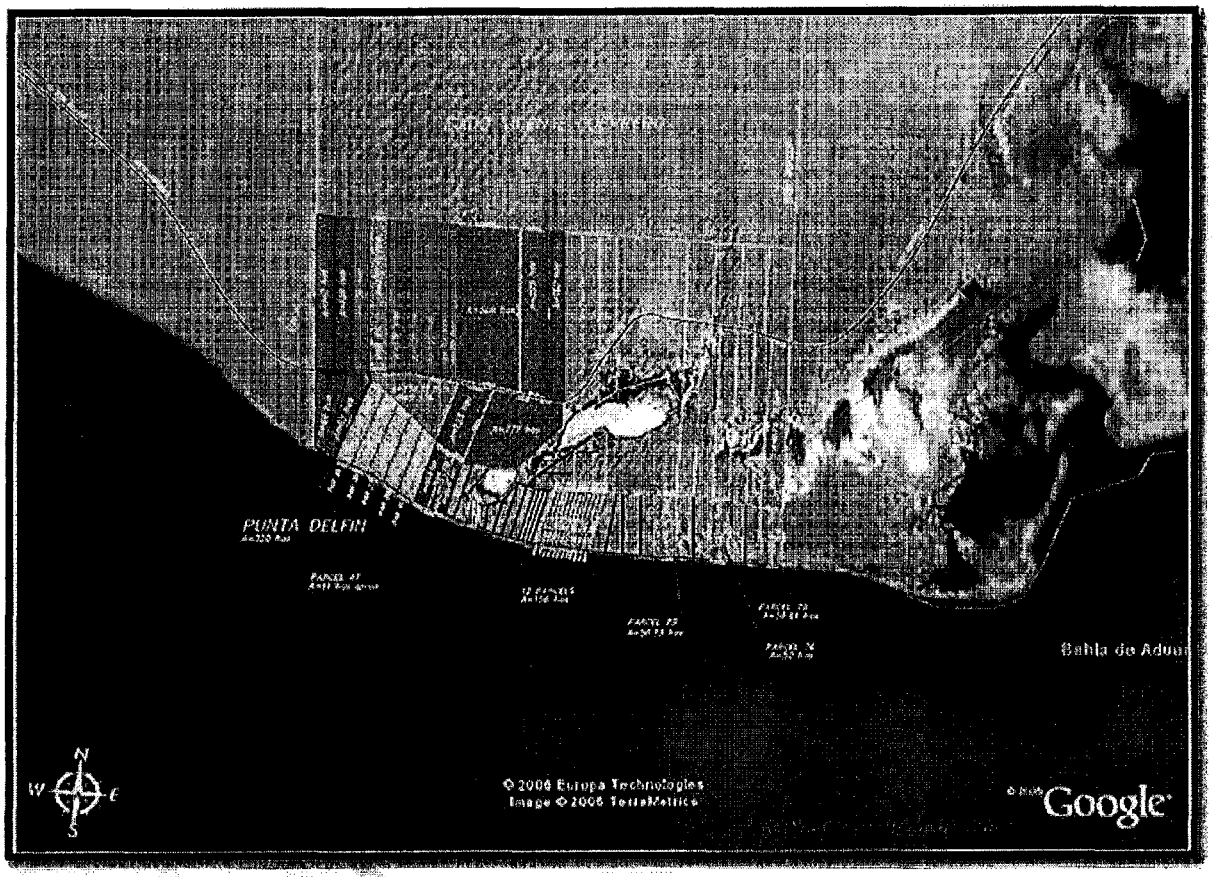
The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




## The Proposed Development for Lot 47:

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.



TRI_C005692

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.



TRI_C005693

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Vertical on Condos , Vertical on Villas<br>March 2008 | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | $91,400,000 |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | $5,340,000 |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | $5,484,000 |
| **Total Net Revenue** | | | | | $80,576,000 |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | $14,200,000 |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | $1,890,000 |



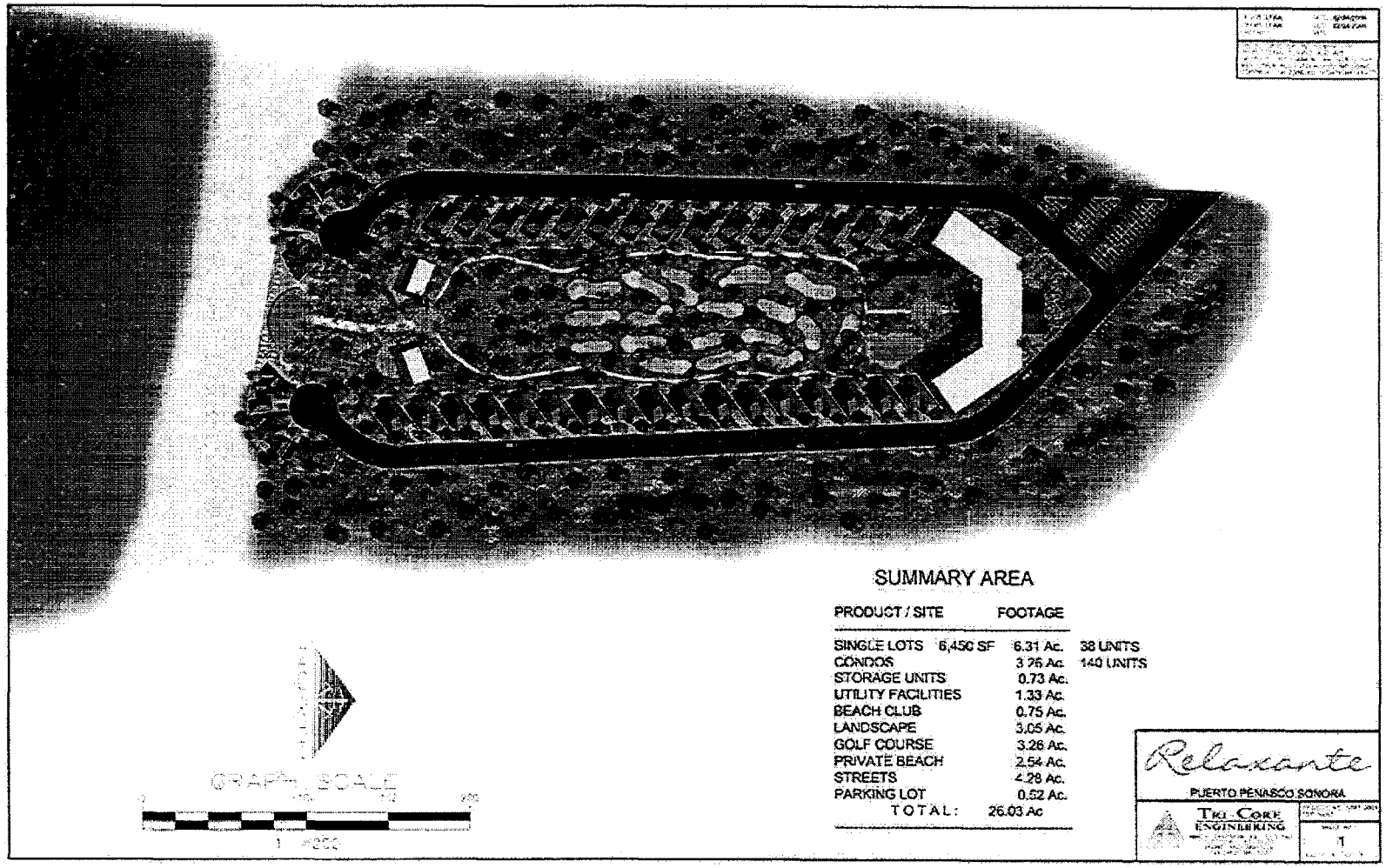
TRI_C005695

| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |



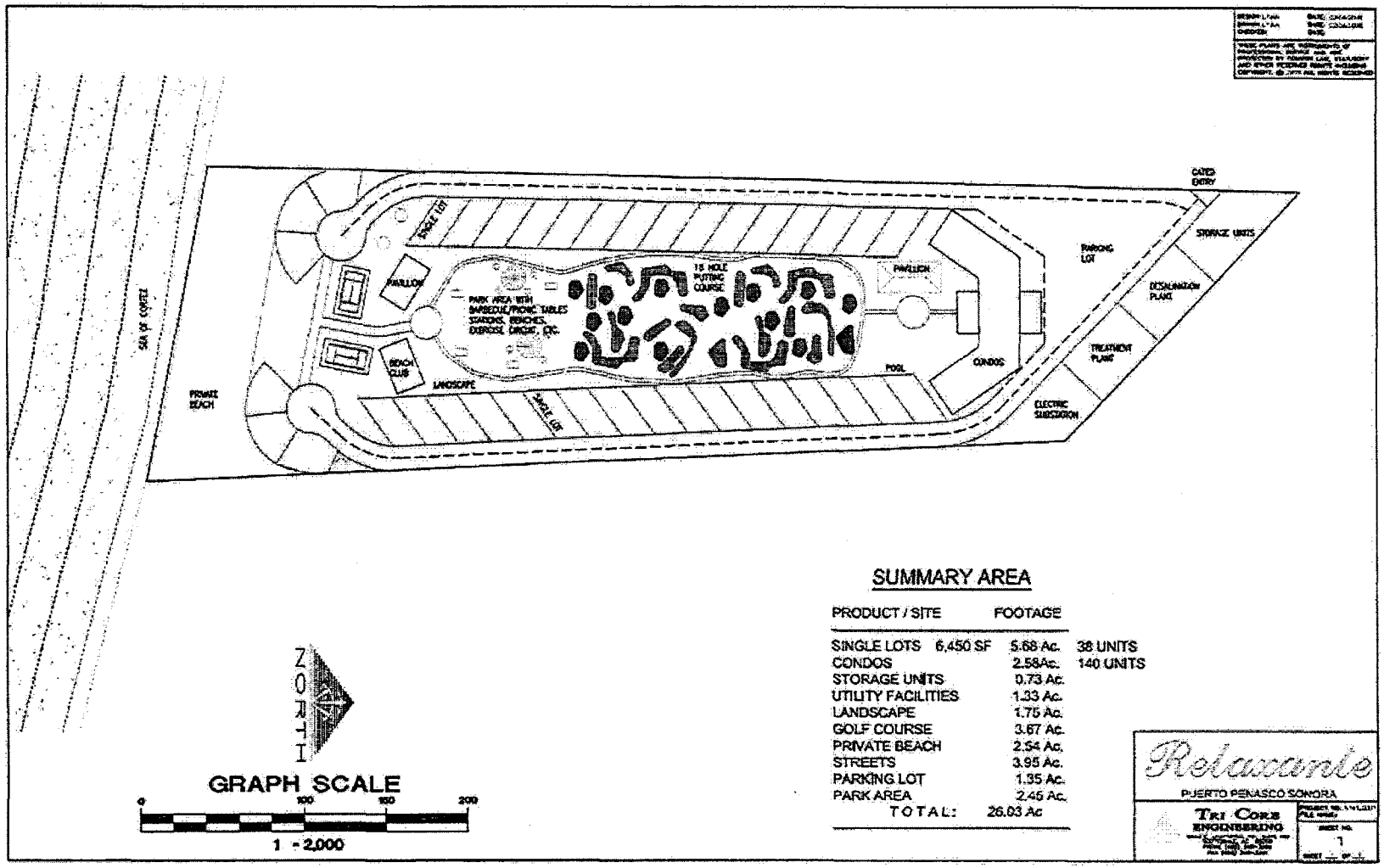
TRI_C005696

## Site Plan






TRI_C005698




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.46 Ac. | |
| TOTAL: | | 26.03 Ac | |

Relaxante

PUERTO PENASCO SONORA

TRI CORE ENGINEERING

1



TRI_C005699

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

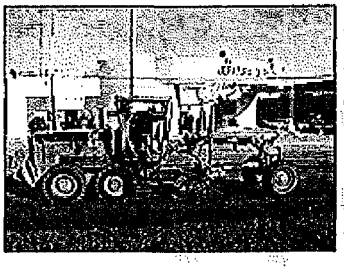
Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).



At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C005700

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.



TRI_C005701

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C005702

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your



TRI_C005703

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?



TRI_C005704

TRI-CORE
COMPANIES LLC

# CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

PLEASE RETURN ONE COPY OF THIS DOCUMENT TO US IN THE PROVIDED RETURN PACKAGING.

PLEASE KEEP ONE COPY OF THIS DOCUMENT FOR YOUR PERSONAL RECORDS.



$1,000 Due on 17th monthly

TRI-CORE
COMPANIES LLC

Memorandum#: James Courtois , Referral: C. Polanchek

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**

**Tri-Core Companies, LLC**
An Arizona Limited Liability Company

# $4,500,000

**$10,000 per Promissory Note (Unit)**
**MINIMUM PURCHASE - 1 Promissory Note**
**60% Rate of Return, Compounded Annually; Paid At Maturity**
**Maturity Date: 24 months**
**Redemption at Maturity - $25,600 per Unit**

**Tri-Core Companies, LLC, an Arizona Limited Liability Company (hereinafter referred to as the "COMPANY"), is offering by means of this Confidential Private Placement Memorandum a maximum of Four Hundred and Fifty (450) Secured Promissory Notes ("Notes") at an offering price of Ten Thousand ($10,000) Dollars per Note, for a maximum total of Four Million Five Hundred Thousand Dollars ($4,500,000), to qualified investors who meet the Investor Suitability Requirements set forth herein (see "INVESTOR SUITABILITY REQUIREMENTS"). Each Investor must agree to purchase the Notes, as a lender to the Company, for investment purposes only, and execute a Subscription Agreement in the form contained in the accompanying Subscription Booklet (see "TERMS OF THE OFFERING").**

**THESE SECURITIES ARE SPECULATIVE AND INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS")**

| | Offering Price | Selling Commissions | Proceeds to Company |
|---|---|---|---|
| Per Unit | $10,000 | $1,000 | $9,000 |
| Maximum Units | $4,500,000 | $450,000 | $4,050,000 |

**Tri-Core Companies, LLC**
8840 E. Chaparral Road, Suite 150
Scottsdale, AZ 85250
Telephone: (480) 356-3200
Facsimile: (480) 346-3201

The date of this Private Placement Memorandum is March 1, 2008

## Table of Contents

**IMPORTANT NOTICES** ..... II

**DISCLAIMERS** ..... III

**1. SUMMARY OF THE OFFERING** ..... 4

**2. THE COMPANY** ..... 4

2.1 OPERATIONS ..... 4
2.2 BUSINESS PLAN ..... 5

**3. MANAGEMENT** ..... 5

3.1 LLC MANAGERS ..... 5

**4. TERMS OF THE OFFERING** ..... 8

4.1 GENERAL TERMS OF THE OFFERING ..... 8
4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT ..... 8
4.3 NONTRANSFERABILITY OF NOTES ..... 8
4.4 CLOSING OF THE OFFERING ..... 9

**5. PLAN OF DISTRIBUTION** ..... 9

5.1 OFFERING OF NOTES ..... 9
5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS ..... 10

**6. DESCRIPTION OF NOTES** ..... 10

6.1 NOTES ..... 10
6.2 SECURITY FOR PAYMENT OF THE NOTES ..... 10
6.3 REPORTS TO NOTEHOLDERS ..... 11

**7. USE OF PROCEEDS** ..... 11

**8. CAPITALIZATION STATEMENT** ..... 12

8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING ..... 12

**9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS** ..... 12

9.1 RESULTS OF OPERATIONS ..... 12
9.2 LIQUIDITY AND CAPITAL RESOURCES ..... 12

**10. CERTAIN TRANSACTIONS** ..... 12

10.1 ARIZONA LIMITED LIABILITY COMPANY ..... 12
10.2 PRIVATE OFFERING OF NOTES ..... 13

**11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY** ..... 13

11.1 GENERAL ..... 13
11.2 INDEMNIFICATION ..... 13

**12. RISK FACTORS** ..... 13

12.1 FORMATION OF THE COMPANY ..... 14
12.2 CONTROL BY COMPANY ..... 14
12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT ..... 14
12.4 LIMITED TRANSFERABILITY OF THE NOTES ..... 14



TRI_C005707

12.5 CAPITALIZATION OF THE COMPANY ..... 14
12.6 REGULATIONS ..... 14
12.7 GENERAL ECONOMY ..... 15
12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES ..... 15

**13. PRINCIPAL SHAREHOLDERS ..... 15**

**14. HOW TO INVEST ..... 15**

**15. INVESTOR SUITABILITY REQUIREMENTS ..... 16**

15.1 INTRODUCTION ..... 16
15.2 GENERAL SUITABILITY ..... 16
15.3 NONACCREDITED INVESTORS ..... 16
15.4 ACCREDITED INVESTORS ..... 17
15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY ..... 18

**16. LITIGATION ..... 18**

**17. ADDITIONAL INFORMATION ..... 19**

**18. FORECASTS OF FUTURE OPERATING RESULTS ..... 19**

**19. GLOSSARY OF TERMS ..... 19**

**20. ACKNOWLEDGMENT ..... 21**

**EXHIBIT A ..... A1**

SUBSCRIPTION AGREEMENT ..... A1

INVESTOR STATUS ..... A14

**EXHIBIT B ..... B1**

PROMISSORY NOTE ..... B1

**EXHIBIT C ..... C1**

Investor Suitability Questionnaire ..... C1

**EXHIBIT D ..... D1**

TRI-CORE COMPANIES, LLC BUSINESS PLAN ..... D1

## IMPORTANT NOTICES

This Confidential Private Placement Offering Memorandum ("Memorandum") is submitted to you on a confidential basis solely for the purpose of evaluating the specific transaction described herein. This information shall not be photocopied, reproduced, or distributed to others without the prior written consent of Tri-Core Companies, LLC ("Company"). If the recipient determines not to purchase any of the Notes offered hereby, it will promptly return all material received in connection herewith without retaining any copies.



TRI_C005708

## DISCLAIMERS

THE NOTES OFFERED HEREBY IN THIS OFFERING MEMORANDUM HAVE NOT BEEN REGISTERED WITH, OR APPROVED, BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAVE SUCH NOTES OR THIS MEMORANDUM BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF ANY STATE OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE. THIS OFFERING IS BASED ON THE EXEMPTION FROM SUCH REGISTRATION AS SET FORTH IN §4(2) AND RULE 506 OF REGULATION D OF THE SECURITIES ACT OF 1933, AS AMENDED.

THE INVESTMENT DESCRIBED IN THIS MEMORANDUM INVOLVES RISKS, AND IS OFFERED ONLY TO INDIVIDUALS WHO CAN AFFORD TO ASSUME SUCH RISK FOR AN INDEFINITE PERIOD OF TIME AND WHO AGREE TO PURCHASE THE NOTES ONLY FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TOWARD THE TRANSFER, RESALE, EXCHANGE OR FURTHER DISTRIBUTION THEREOF. THERE WILL BE NO PUBLIC MARKET FOR THE NOTES ISSUED PURSUANT TO THIS OFFERING MEMORANDUM. THE RESALE OF THE NOTES IS LIMITED BY FEDERAL AND STATE SECURITIES LAWS AND IT IS THEREFORE RECOMMENDED THAT EACH POTENTIAL INVESTOR SEEK COUNSEL SHOULD THEY DESIRE MORE INFORMATION.

THE PRICE OF THE NOTES AS DESCRIBED IN THIS OFFERING MEMORANDUM HAS BEEN ARBITRARILY DETERMINED BY THE SPONSORS OF THIS INVESTMENT, AND EACH PROSPECTIVE INVESTOR SHOULD MAKE AN INDEPENDENT EVALUATION OF THE FAIRNESS OF SUCH PRICE UNDER ALL THE CIRCUMSTANCES AS DESCRIBED IN THE ATTACHED OFFERING MEMORANDUM.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS MEMORANDUM, EXCEPT SUCH INFORMATION AS IS CONTAINED OR REFERENCED IN THIS MEMORANDUM. ONLY INFORMATION OR REPRESENTATIONS CONTAINED OR REFERENCED HEREIN MAY BE RELIED UPON AS HAVING BEEN MADE BY THE COMPANY. PROSPECTIVE INVESTORS WHO HAVE QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THIS PRIVATE OFFERING MEMORANDUM OR WHO DESIRE ADDITIONAL INFORMATION OR DOCUMENTATION TO VERIFY THE INFORMATION CONTAINED HEREIN SHOULD CONTACT THE COMPANY. PROJECTIONS OR FORECASTS CONTAINED IN THIS PRIVATE OFFERING MEMORANDUM, OR OTHER MATERIALS, MUST BE VIEWED ONLY AS ESTIMATES. ALTHOUGH ANY PROJECTIONS CONTAINED IN THIS MEMORANDUM ARE BASED UPON ASSUMPTIONS WHICH THE COMPANY BELIEVES TO BE REASONABLE, THE ACTUAL PERFORMANCE OF THE COMPANY MAY DEPEND UPON FACTORS BEYOND THE CONTROL OF THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S ACTUAL PERFORMANCE WILL MATCH ITS INTENDED RESULTS.



TRI_C005709

## 1. SUMMARY OF THE OFFERING

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY MORE DETAILED INFORMATION THAT MAY APPEAR ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM. EACH PROSPECTIVE INVESTOR IS URGED TO READ THIS PRIVATE OFFERING MEMORANDUM IN ITS ENTIRETY.

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007 as an Arizona Limited Liability Company. The Company is in the business of Land Acquisition and Development.

The Securities offered are Four Hundred and Fifty (450) Notes issued by the Company at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of subscription (see "Exhibit "B" for copy of Promissory Note). The minimum purchase is one (1) Note. The Notes have an annual rate of return of sixty (60%) percent interest, compounded annually. The return will be paid at maturity, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

None of the Notes are convertible to Membership Units, or other type of equity, in the Company. This offering will commence on March 1, 2008, and will terminate no later than February 28, 2009, unless extended by the Company (see "TERMS OF THE OFFERING").

The gross proceeds of the offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The use of the proceeds is to purchase and develop a water front parcel in San Luis Rio Colorado, Sonora, Mexico as described herein (see "USE OF PROCEEDS").

## 2. THE COMPANY

Tri-Core Companies, LLC (the "Company") was formed on August 29, 2007, as an Arizona Limited Liability Company. At the date of this offering, One Thousand (1,000) of the Company's Membership Units were authorized and Nine Hundred (900) Membership Units are issued, and outstanding. The Company is in the business of construction management, land acquisition, and development.

### 2.1 OPERATIONS

The Company is in the business of construction management, land acquisition, and development, specializing in beach front properties along the coast of the

upper Sonoran coastline in Sonora, Mexico. SEE "EXHIBIT D - BUSINESS PLAN."

### 2.2 BUSINESS PLAN

Tri-Core Companies' Business Plan, included as Exhibit D of this Memorandum, and was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Notes. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

## 3. MANAGEMENT

### 3.1 LLC MANAGERS

The success of the company is dependent upon the services and expertise of existing management. At the present time, three individuals are actively involved in the management of the Company:

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review,

inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**
  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**
  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**
  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**
  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## 4. TERMS OF THE OFFERING

### 4.1 GENERAL TERMS OF THE OFFERING

This Private Offering Memorandum is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, for a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars to a select group of Investors who satisfy the Investor Suitability Requirements (see "**INVESTOR SUITABILITY REQUIREMENTS**"). The Company has the authority to sell fractional Notes at its sole discretion.

### 4.2 MINIMUM OFFERING AMOUNT - HOLDING ACCOUNT

The Company has established an Investment Holding Account with Wells Fargo Bank into which the offering proceeds will be placed. No minimum offering amount has been established before proceeds can be released from the holding account and utilized by the Company.

### 4.3 NONTRANSFERABILITY OF NOTES

The Notes have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), and are being offered in reliance upon an exemption under §4(2) and Rule 506 of Regulation D of the Securities Act, as amended, and rules and regulations hereunder. The Notes have not been registered under the securities laws of any state and will be offered pursuant to an exemption from registration in each state. A purchaser may transfer or dispose of the Note only if such

Notes are subsequently registered under the Securities Act, or if an exemption from registration is available, and pursuant to an opinion of counsel acceptable to the Company and its counsel to the effect that the Notes may be transferred without violation of the registration requirements of the Securities Act or any other securities laws.

### 4.4 CLOSING OF THE OFFERING

The Notes are offered and closed only when a properly completed Subscription Agreement (**Exhibit A**); Note (**Exhibit B**), and Investor Questionnaire (**Exhibit C**) are submitted by the investing Subscriber or his/her Investor Representatives and are received and accepted by the Company. The Subscription Agreement as submitted by an investing Subscriber or his/her Investor Representatives shall be binding once the Company signs the Subscription Agreement, Note and the funds delivered by the potential Investor to the Company with the Subscription Agreement has been cleared by the financial institution in which they are deposited by the Company. The Notes will be delivered to qualified Investors upon acceptance of their subscriptions. All funds collected from investing Subscribers will be deposited in a designated account under the control of the Company. Investors subscribing to the Notes may not withdraw or revoke their subscriptions at any time prior to acceptance by the Company, except as provided by certain state laws, or if more than thirty (30) days have passed after receipt of the Subscription Agreement by the Company without the Company accepting the Investor's funds and delivering all applicable documents to such Investor. The proceeds of this Offering will be used only for the purpose set forth in this Private Offering Memorandum (see **"USE OF PROCEEDS"**).

The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

## 5. PLAN OF DISTRIBUTION

### 5.1 OFFERING OF NOTES

The Notes will be offered to prospective lenders by Officers and Directors of the Company and qualified licensed personnel, pursuant to State and Federal security rules and regulations. This Offering is made solely through this Private Placement Memorandum and without any form of general solicitation or advertising. The Company and its Officers and Directors or other authorized

personnel will use their best efforts during the Offering period to find eligible Investors who desire to subscribe to the Notes in the Company. These Notes are offered on a "best efforts" basis, and there is no assurance that any or all of the Notes will be closed. The Company has the authorization to offer fractional Notes at its sole discretion. The Offering period will begin as of the date of this private Offering Memorandum and will close upon the happening of such occurrences as defined herein (see **"TERMS OF THE OFFERING"**).

### 5.2 PAYMENTS TO BROKER DEALERS OR INVESTMENT ADVISORS

The Company has the power to pay fees or commissions to qualified Broker Dealers, Registered Investment Advisors or any other person qualified under other applicable federal and state security laws.

## 6. DESCRIPTION OF NOTES

### 6.1 NOTES

The Company is offering Four Hundred and Fifty (450) Notes of the Company to potential investors at Ten Thousand ($10,000) Dollars per Note, payable in cash at the time of the subscription. The minimum purchase is one (1) note. The Notes will have an annual rate of return of sixty (60%) percent interest, compounded annually, with a maturity date of twenty-four (24) months from the Commencement Date of each Note. All principal shall be paid at maturity (24 months). Interest shall be paid at maturity (24 months). The principal and any interest due on said principal may be prepaid, at the sole discretion of the Company, without a prepayment penalty at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date can not be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date. The Notes offered pursuant to this Private Placement Memorandum will be secured by the property.

The Notes will be issued in the form attached hereto and incorporated herein by reference as though set forth in full herein as **Exhibit B**.

### 6.2 SECURITY FOR PAYMENT OF THE NOTES

The Notes being offered by the Company in this Private Placement Offering are secured by the land Tri-Core Companies LLC purchases. Tri-Core Companies LLC will establish an administration account which will hold the title to the property until all note holders will be paid in full.

## 6.3 REPORTS TO NOTEHOLDERS

The Company will furnish annual un-audited reports to its Note holders ninety (90) days after its fiscal year. The Company may issue other interim reports to its Note holders as it deems appropriate. The Company's fiscal year ends on December 31st of each year.

## 7. USE OF PROCEEDS

The gross proceeds of the Offering will be a maximum of Four Million Five Hundred Thousand ($4,500,000) Dollars. The table below sets forth the use of proceeds for both the maximum and minimum offering amounts.

**Sources**

| | **Maximum Amount** | **Percent of Proceeds** |
|---|---|---|
| **Proceeds From the Sale of Notes** | $4,500,000 | 100.00% |

**Application of Proceeds**

| | | |
|---|---|---|
| Offering Expenses (1) | $ 100,000 | 2.22% |
| Commissions (2) | $ 450,000 | 10.00% |
| **Total Offering Expenses & Fees** | **$ 550,000** | **12.22%** |
| | | |
| Land Purchase (5) | $1,500,000 | 33.34% |
| General Project Expenses | $ 280,000 | 6.22% |
| On-Site Work | $ 325,000 | 7.22% |
| Soft Cost | $ 350,000 | 7.78% |
| Marketing | $ 480,000 | 10.67% |
| Administration (3) | $ 615,000 | 13.67% |
| Contingency | $ 400,000 | 8.89% |
| **Net Offering Proceeds** | **$3,950,000** | **87.78%** |
| | | |
| **Total Application of Proceeds** | **$4,500,000** | **100.00%** |

*Footnotes:*

*(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering.*

*(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Notes may be sold by registered brokers or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Notes sold.*

*(3) Includes Scottsdale and Mexico offices; legal and accounting fees.*

*(4) No minimum has been set for this offering.*

*(5) Amount due to Tri-Core Business Development, LLC for inter-company transfer of title to Tri-Core Companies, LLC.*

## 8. CAPITALIZATION STATEMENT

### 8.1 CAPITALIZATION PRIOR TO AND AFTER THE OFFERING

The following table summarizes the capitalization of the Company prior to, and as adjusted to reflect, the issuance and sale of the maximum of Four Hundred and Fifty (450) Notes or Four Million Five Hundred Thousand ($4,500,000) Dollars.

| | AS ADJUSTED 08/29/07 | AFTER THE OFFERING |
|---|---|---|
| Notes | -0- | $4,500,000 |
| Membership Units $.01 par value, 1,000 Units authorized, 1000 Units issued and outstanding | $100 | $100 |
| Net Shareholders' Equity | $100 | $100 |
| TOTAL CAPITALIZATION | $100 | $4,500,100 |

## 9. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 9.1 RESULTS OF OPERATIONS

The Company is a development stage company and has not yet commenced its principal operations.

### 9.2 LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are dependent on its ability to raise sufficient capital to pay for the purchase price of the Promissory Notes.

## 10. CERTAIN TRANSACTIONS

### 10.1 ARIZONA LIMITED LIABILITY COMPANY

**Tri-Core Companies, LLC** is a privately held Arizona Limited Liability Company, incorporated on August 29, 2007.

### 10.2 PRIVATE OFFERING OF NOTES

The Company is authorized to offer in this private offering, up to Four Million Five Hundred Thousand ($4,500,000) Dollars of Notes to selected investors, effective on March 1, 2008.

## 11. FIDUCIARY RESPONSIBILITIES OF THE DIRECTORS AND OFFICERS OF THE COMPANY

### 11.1 GENERAL

The Principals, Officers, and Directors of the Company are accountable to the Company as fiduciaries and such Principals, Officers and Directors are required to exercise good faith and integrity in managing the Company's affairs and policies. Each Note Holder of the Company, or their duly authorized representative, may inspect the books and records of the Company at any time during normal business hours. A Note Holder may be able to bring an action on behalf of himself in the event the Note Holder has suffered losses in connection with the purchase or sale of the Note(s) in the Company, due to a breach of fiduciary duty by an Officer or Director of the Company, in connection with such sale or purchase, including the misrepresentation or misapplication by any such Officer or Director of the proceeds from the sale of these Notes, and may be able to recover such losses from the Company.

### 11.2 INDEMNIFICATION

Indemnification is permitted by the Company to directors, officers, or controlling persons pursuant to Arizona law. Indemnification includes expenses, such as attorneys' fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person and arising from their relationship with the Company, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

## 12. RISK FACTORS

THIS INVESTMENT INVOLVES A DEGREE OF RISK. AN INDIVIDUAL CONTEMPLATING INVESTMENT IN THIS OFFERING SHOULD GIVE CAREFUL CONSIDERATION TO THE ELEMENTS OF THE RISK SUMMARIZED BELOW, AS WELL AS THE OTHER RISK FACTORS IDENTIFIED ELSEWHERE IN THIS PRIVATE OFFERING MEMORANDUM.



TRI_C005719

## 12.1 FORMATION OF THE COMPANY

The Company was formed on August 29, 2007. It is therefore subject to all the risks inherent in the creation of a new Company. Unforeseen expenses, complications, and delays may occur with a new Company.

## 12.2 CONTROL BY COMPANY

After completion of this offering, the Company will own one hundred percent (100%) of the issued and outstanding Membership Units. Such ownership will enable the Company to continue to elect all the Managers and to control the Company's policies and affairs. The Note Holders will not have any voting rights in the Company.

## 12.3 RELIANCE ON THE COMPANY FOR MANAGEMENT

All decisions with respect to the management of the Company will be made exclusively by the Principal Managers of the LLC. The Note Holders do not have the right or power to take part in the management of the Company. Accordingly, no person should purchase a Note unless he is willing to entrust all aspects of the management of the Company to existing Management.

## 12.4 LIMITED TRANSFERABILITY OF THE NOTES

The transferability of the Notes in this offering is limited, and potential investors should recognize the nature of their investment in the offering. It is not expected that there will be a public market for the Notes because there will be only a limited number of investors and restrictions of the transferability of Notes. The Notes have not been registered under the Securities Act of 1933, as amended, or qualified or registered under the securities laws of any state and, therefore, the Notes cannot be resold unless they are subsequently so registered or qualified or an exemption from such registration is available. The offering also contains restrictions on the transferability of the Notes. Accordingly, purchasers of Notes will be required to hold such Notes to maturity unless otherwise approved by the Company. The Company does not intend to register the Notes under the Securities Act of 1933.

## 12.5 CAPITALIZATION OF THE COMPANY

Prior to this offering, the Company was funded by cash. Independent of the amounts raised in this offering the Company does not have any other assets available to use to pay principal or interest on the Notes.

## 12.6 REGULATIONS

The Company is subject to usual federal and state laws, rules and regulations . The Company believes it is in full compliance with any and all applicable laws, rules and regulations both domestically and in Mexico.



TRI_C005720

### 12.7 GENERAL ECONOMY

The Company is subject to the Mexican and U.S. Economy and its effect on consumer confidence and spending.

### 12.8 DEPENDANCY ON SUPPLIERS AND BUILDING TRADES

Since the Company is dependent on building materials and the general building trades, any shortage or slowdown could affect timetables.

## 13. PRINCIPAL SHAREHOLDERS

As of the date of this Offering, the Company has Nine Hundred (900) Membership Units issued and outstanding to Jason Todd Mogler (30%), Jim Hinkeldey (30%), and Vince Gibbons (30%).

## 14. HOW TO INVEST

An Investor who meets the qualifications as set forth in this Private Offering Memorandum may subscribe for at least the minimum purchase herein of One (1) Note (Ten Thousand ($10,000) Dollars) by carefully reading this entire Private Offering Memorandum and by then completing and signing a separately bound booklet. This booklet contains identical copies of the following exhibits contained in the Private Offering Memorandum, including:

Exhibit A INSTRUCTIONS TO SUBSCRIBERS and SUBSCRIPTION AGREEMENT: This contains complete instructions to Subscribers and should be read in its entirety by the prospective investor prior to investing. The Subscription Agreement must be signed by the Investor.

Exhibit B PROMISSORY NOTE: This Note will be signed by Tri-Core Companies, LLC.

Exhibit C INVESTOR QUESTIONNAIRE: This questionnaire requires a Subscriber to complete a financial history in order to aid the Company in the determination of the suitability of the Subscriber as a potential Investor. This questionnaire must be signed by the Investor.

Exhibit D Tri-Core Companies, LLC Business Plan

Copies of all the above referenced documents are included with this Private Placement Memorandum. For discussion of the actions of the Company upon receipt of a properly completed request to invest by a Subscriber, please see **"TERMS OF THE OFFERING."** Such Investor should include his check made payable Tri-Core Companies, LLC, along with the SUBSCRIPTION AGREEMENT, NOTE, AND

INVESTOR QUESTIONNAIRE. Delivery of the documents referred to above, together with a check to the Company should be addressed to the Company as follows: **Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.**

## 15. INVESTOR SUITABILITY REQUIREMENTS

### 15.1 INTRODUCTION

Potential Investors should have experience in making investment decisions or such Investors should rely on their own tax consultants or other qualified investment advisors in making this investment decision.

### 15.2 GENERAL SUITABILITY

Each potential Investor will be required to represent the following by execution of a Subscription Agreement:

1. The Investor has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in this Offering.

2. The Investor has the ability to bear the economic risk of this investment, has adequate means to provide for his, her, or its current needs and personal contingencies, has no need for liquidity in this investment and could afford the complete loss of the investment.

3. The Investor is acquiring the Note(s) for his, her or its own account for investment purposes only and not with a view toward subdivision, resale, distribution or fractionalization thereof, or for the account of others, and has no present intention of selling or granting any participation in, or otherwise distributing, the Note(s).

4. The Investor's overall commitment to invest in the Note(s) is not disproportionate to his, her, or its net worth and the investment in these Note(s) will not cause such overall commitment to become excessive.

5. The Investor has read and understands this Private Placement Memorandum and all its exhibits.

### 15.3 NONACCREDITED INVESTORS

Up to and including thirty-five (35) investing Subscribers may be accepted by the Company as suitable Investors if each such Subscriber has a net worth sufficient to bear the risk of losing his entire investment and meets the above "General Suitability Standards."

## 15.4 ACCREDITED INVESTORS

In addition to satisfying the "General Standards" as defined above, all but thirty-five (35) Subscribers for Shares must each satisfy one of the "Accredited Investors" economic suitability standards as defined below:

1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);

5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

7. Any trust, with total assets in excess of Five Million ($5,000,000) Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

8. Any entity in which all of the equity owners are Accredited Investors.

NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and each equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.

### 15.5 ACCEPTANCE OF SUBSCRIPTION AGREEMENT BY THE COMPANY

The Investor Suitability Requirements referred to in this section represent minimum requirements for potential Investors. Satisfaction of these standards does not necessarily mean that participation in this Offering constitutes a suitable investment for such a potential Investor or that the potential Investors' Subscription will be accepted by the Company. The Company may, in fact, modify such requirements as circumstances dictate. All Subscription Agreements submitted by potential Investors will be carefully reviewed by the Company to determine the suitability of the potential Investor in this Offering. The Company may, in its sole discretion, refuse a Subscription in this Offering to any potential Investor who does not meet the applicable Investor Suitability Requirements or who otherwise appears to be an unsuitable Investor in this Offering. The Company will not necessarily review or accept a Subscription Agreement in the sequential order in which it is received. The Company also has the discretion to maximize the number of Accredited Investors in this Offering and, as a result, may accept less than thirty-five (35) Non-accredited Investors in this Offering.

## 16. LITIGATION

The Company and its Principals have no lawsuits pending, no legal actions pending or judgments entered against the Company or its Principals and, to the best knowledge of the Company, no legal actions are contemplated against the Company and/or its Principals.

## 17. ADDITIONAL INFORMATION

Reference materials described in this Private Offering Memorandum are available for inspection at the office of the company during normal business hours. It is the intention of the Company that all potential Investors are given full access to such information for their consideration in determining whether to purchase the Notes being offered. Prospective Investors should contact the Company for access to information regarding the matters set forth or other information concerning the Company. Representatives of the Company will also answer all inquiries from potential Investors concerning the Company and any matters relating to its proposed operations or present activities. The Company will afford potential Investors and their representatives the opportunity to obtain any additional information reasonably necessary to verify the accuracy or the source of any representations or information contained in this Private Offering Memorandum. All contracts entered into by the Company are subject to modifications and the Company may make any changes in any such contracts as deemed appropriate in its best discretion. Such recent amendments may not be circulated to Subscribers prior to the time of closing this Offering. However, potential Investors and their representatives may review such material or make inquiry of the Company concerning any of these and any other matters of interest.

## 18. FORECASTS OF FUTURE OPERATING RESULTS

Any forecasts and proforma financial information which may be furnished by the Company to prospective Investors or which are part of the Company's business plan, are for illustrative purposes only and are based upon assumptions made by Management regarding hypothetical future events. There is no assurance that actual events will correspond with the assumptions or that factors beyond the control of the Company will not affect the assumptions and adversely affect the illustrative value and conclusions of any forecasts.

## 19. GLOSSARY OF TERMS

The following terms used in this Memorandum shall (unless the context otherwise requires) have the following respective meanings:

**ACCEPTANCE**. The acceptance by the Company of a prospective investor's subscription.

**ACCREDITED INVESTORS.** Those investors who meet the criteria set forth in **"INVESTOR SUITABILITY REQUIREMENTS."**

**BROKER-DEALER**. A person or firm licensed with the NASD, the SEC and with the securities or corporate commissions department of the state in which it sells investment securities and who may employ licensed agents for that purpose.



TRI_C005725

**COMPANY**. Refers to **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC. (NASD)**. A self-regulating body which licenses brokers and dealers handling securities offerings, reviews the terms of an offering's underwriting arrangements and advertising literature and, while not a governmental agency, acts as a review service watchdog to make sure that its regulations and those of the SEC are followed for the Investor's protection in offerings of securities.

**NOTES**. A Ten Thousand ($10,000) Dollar investment consisting of one (1) Promissory Note issued by **TRI-CORE COMPANIES, LLC**, an Arizona Limited Liability Company.

**SECURITIES ACT OF 1933**. A federal act regulated and enforced by the SEC that requires, among other things, the registration and use of a prospectus whenever a security is sold (unless the security or the manner of the Offering is expressly exempt from such registration process).

**SECURITIES EXCHANGE ACT OF 1934**. A federal act regulated and enforced by the SEC which supplements the Securities Act of 1933 and contains requirements which were designed to protect investors and to regulate the trading (secondary market) of securities. Such regulations require, among other things, the use of prescribed proxy statements when investors' votes are solicited; the disclosure of management and large shareholders' holding of securities; controls on the resale of such securities; and periodic (monthly, quarterly, annually) filing with the SEC of financial and disclosure reports of the Issuer.

**SECURITIES AND EXCHANGE COMMISSION (SEC)**. An independent United States government regulatory and enforcement agency which supervises investment trading activities and registers companies and those securities which fall under its jurisdiction. The SEC also administers statutes to enforce disclosure requirements that were designed to protect investors in securities offerings.

**SUBSCRIPTION DOCUMENTS**. Consists of the Note, Subscription Agreement, Investor Questionnaire, and a check as payment for the Note(s) to be purchased submitted by each prospective Investor to the Company.

**TERMINATION DATE**. The earlier to occur of the date on which all Notes are sold or February 28, 2009.

## 20. ACKNOWLEDGMENT

By signing below, the undersigned acknowledges that he/she has read and understood this entire Private Placement Memorandum.

Signature _____ Date 12/3/08

James Courtois
Print Name

Signature _____ Date 12/3/08

Nancy Courtois
Print Name

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT**



TRI_C005728

**Print Name of Subscriber:** James Courtois

**Amount Loaned: $** 10,000.00

**Number of Notes:** 1

**Tri-Core Companies, LLC**

**SUBSCRIPTION DOCUMENTS**

**OFFERING OF A MAXIMUM OF FOUR HUNDRED AND FIFTY (450) SECURED PROMISSORY NOTES**

**TEN THOUSAND ($10,000) DOLLARS PER NOTE**

**MARCH 1, 2008**

---

**SUBSCRIPTION INSTRUCTIONS**
**(Please read carefully)**

---

Each subscriber for the Secured Promissory Notes, Ten Thousand ($10,000) Dollars per Note (the "Notes") of Tri-Core Companies, LLC, an Arizona Limited Liability Company ("the Company"), must complete and execute the Subscription Documents in accordance with the instructions set forth below. The completed documents should be sent to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250.

**Payment for the Securities should be made by check payable to the Tri-Core Companies LLC and enclosed with the documents as directed in Section III below.**

I. These Subscription Documents contain all of the materials necessary for you to purchase the Notes. This material is arranged in the following order:

- Subscription Agreement
- Promissory Note
- Confidential Prospective Purchaser's Questionnaire

II. All investors must complete in detail, date, initial, and sign the Subscription Documents where appropriate. All applicable sections must be filled in.

III. Payment for the Notes must be made by check as provided below:

Please make your check payable, in the appropriate amount, for the number of Notes purchased (at Ten Thousand ($10,000) per Note), to ***Tri-Core Companies, LLC***. Your check should be enclosed with your signed subscription documents.

All funds received from subscribers will be placed in a segregated Holding Account of the Company. Once the minimum offering amount has been reached the funds will be transferred to the Company's operating account and will be available for use.

IV **SPECIAL INSTRUCTIONS**

**FOR CORPORATIONS.** Include copy of Board resolution designating the corporate officer authorized to sign on behalf of the corporation, a Board resolution authorizing the investment, and financial statements.

**FOR PARTNERSHIPS.** Provide a complete copy of the partnership agreement, questionnaire, and financial statements for each General Partner.

**FOR TRUSTS.** Provide a complete copy of the instruments or agreements creating the trust, as amended to date.

**Print Name of Subscriber:** James Courtois

**Amount Loaned:** $ 10,000.00

**Number of Notes:** 1

**Subscription Agreement**

To: Tri-Core Companies, LLC
8840 E. Chaparral Road – Suite 150
Scottsdale, AZ 85250

Gentlemen:

**1. Subscription.** The undersigned hereby subscribes for **1** Notes of Tri-Core Companies, LLC (the "Company"), an Arizona Limited Liability Company, and agrees to loan to the Company Ten Thousand ($10,000) Dollars per Note for an aggregate loan of **$10,000.00** (the "Loan Amount") upon the terms and subject to the conditions (a) set forth herein, and (b) described in the Confidential Private Placement Memorandum ("Private Placement Memorandum") dated March 1, 2008, together with all exhibits thereto and materials included therewith, and all supplements, if any, related to this offering. The minimum loan is Ten Thousand ($10,000) Dollars, but the Company has the discretion to offer fractional Notes for loans less than the minimum.

**2. Note Offering.** The Company is offering a maximum of Four Hundred and Fifty (450) Notes at Ten Thousand ($10,000) Dollars per Note, with no minimum subscription (the "Offering"). The maximum aggregate loan to the Company from this Offering will be Four Million Five Hundred Thousand ($4,500,000) Dollars. The Offering is being made to a limited number of investors pursuant to an exemption available under the Securities Act of 1933 (the "Act"), specifically Rule 506 promulgated under Regulation D, and under certain other laws, including the securities law of certain states.

**3. Documents to Be Delivered.** The undersigned is delivering to the Company executed copies of this Subscription Agreement (the "Agreement"), the Note(s), Offeree Questionnaire, and all other applicable exhibits and documents (the "Subscription Documents"). The Subscription Documents should be delivered to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. The undersigned understands and agrees that he or it will not become a "Holder" of the Note(s) and the Company shall not become a "Maker" of the Note(s) unless and until the Agreement and Note(s) are executed by the Company.

**4. Making of Loan Amount.** The undersigned, simultaneously with the delivery of the Subscription Documents to the Company, hereby tenders to the Company the Loan Amount by ***check made payable to the order of Tri-Core Companies, LLC*** in the amount indicated above.

**5. Acceptance or Rejection of Subscription.** The undersigned understands and agrees that the Company reserves the right, exercisable in its sole discretion, to accept or reject any subscription, in whole or in part, for any reason and that the undersigned will be notified by the Company as promptly as practicable as to whether his or its subscription has been accepted or rejected. If the undersigned's subscription is accepted, in whole or in part, by the Company, the Company will execute this Agreement and the Note(s) and return them to the undersigned. If this subscription is rejected by the Company, either in whole or in part, all funds, in the case of a rejection of the subscription in whole, or those funds representing the amount of the subscription not accepted by the Company, in the case of a rejection of the subscription in part, will be returned to the undersigned as promptly as practicable. If this subscription is rejected in whole by the Company, this Agreement shall be null, void and of no effect. The undersigned does not have the right to withdraw or revoke his or its subscription during the Offering period, except as provided by certain state laws, except that if more than thirty (30) days shall have passed from the date the Company received completed and executed Subscription Documents and the Loan Amount from the undersigned (the "Acceptance Period"), and the Company has not accepted the subscription during the Acceptance Period, the undersigned may withdraw his or its subscription at any time after the Acceptance Period up until such time that the Company subsequently decides, in its sole discretion, to accept the subscription in whole or in part.

**6. Offering Period.** The Company may close in whole or in part or terminate this Offering under any of the following conditions:

1. Upon receipt of the maximum offering subscription amount of Four Million Five Hundred Thousand ($4,500,000) Dollars

2. Notwithstanding the above, this offer shall terminate one (1) year from the date of this Private Placement Memorandum; or on such later date not exceeding thirty (30) days thereafter to which the Company, in its sole discretion, may extend this Offering.

**7. Closing of the Loan.** The Note(s) subscribed for herein shall not be deemed made by the Company or held by the undersigned until this Agreement and the Note(s) have been countersigned by the Company, and until the funds delivered by the undersigned to the Company with the Subscription Documents have been deposited in the Holding Account and have been cleared by the applicable bank of the Company (the "Effective Date"). Upon the Effective Date, (a) the undersigned shall have loaned to the Company the Loan Amount, (b) the undersigned shall become the Holder and the Company shall become the Maker of the Note(s) subscribed for by the undersigned, and (c) both the undersigned and the Company shall be bound by the terms of the Private Placement Memorandum and the Subscription Documents and any other undertakings described herein.

**8. Representations and Warranties.**

(a) The Company hereby represents and warrants as follows:

(i) The Company is a Limited Liability Company duly organized, validly existing and in good standing under the laws of the State of Arizona and has the requisite company power and authority to own, lease and operate its properties and to carry on its business as now being conducted;

(ii) This Agreement constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect which affect creditor's rights generally and by legal and equitable limitations on the availability of specific performance and other equitable remedies under or by virtue of this Agreement). The Company has all requisite power and authority, corporate and other, to execute and deliver this Agreement and the Note(s) and to consummate the transactions contemplated hereby. All persons who have executed this Agreement and the Note(s) on behalf of the Company have been duly authorized to do so by all necessary corporate action. Neither the execution and delivery of this Agreement and the Note(s) nor the consummation of the transactions contemplated hereby will (A) violate any provision of the Certificate of Incorporation or Operating Agreement of the Company, as currently in effect; (B) violate any judgment, order, injunction, decree or award against, or binding upon, the Company or the securities, assets, properties, operations or business of the Company; or (C) violate any law or regulation applicable to the Company or to the securities, assets, properties, operations or business of the Company.

(b) In order to induce the Company to accept the subscription made hereby, the undersigned hereby represents and warrants to the Company as follows:

(i) The undersigned has received the Private Placement Memorandum and the Subscription Documents. The undersigned has read and understands the Private Placement Memorandum and Subscription Documents and the information contained in those documents concerning the Company and this Offering or has caused his or its representative to read and examine the Private Placement Memorandum and Subscription Documents. The undersigned has relied only on the information about the Company contained in these documents and his or its own independent investigation in making his or its subscription. The undersigned understands that the Notes will be issued with the rights and subject to the conditions described in the Private Placement Memorandum and Subscription Documents;

(ii) The undersigned is familiar with the terms and conditions of the Offering and is aware that his or its investment involves a

degree of risk and the undersigned has read the section in the Private Placement Memorandum titled "Risk Factors."

(iii) The undersigned hereby specifically accepts and adopts each and every provision of this Agreement and acknowledges and agrees with each and every provision of this Agreement and, upon acceptance by the Company of the subscription made hereby, agrees to be bound by such provisions.

(iv) The undersigned acknowledges and is aware that there is no assurance as to the future performance of the Company.

(v) The undersigned, if an individual (A) has reached the age of majority in the state in which he resides and (B) is a bona fide resident and domiciliary (not a temporary or transient resident) of the state set forth below his signature on the signature page hereof and has no present intention of becoming a resident of any other state or jurisdiction. The undersigned, if a partnership, corporation, limited liability company, trust or other entity, was organized or incorporated under the laws of the jurisdiction set forth below the signature made on its behalf on the signature page hereof and has no present intention of altering the jurisdiction of its organization, formation or incorporation.

(vi) The undersigned has the financial ability to bear the economic risk of an investment in the Offering, has adequate means of providing for his or its current needs and personal contingencies, has no need for liquidity in the Note(s) and could afford a complete loss of his or its investment in the Offering.

(vii) The undersigned represents and warrants to the Company that he or it comes within one of the categories of investors as defined in Exhibit 1 hereto (*please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity*).

(viii) The undersigned has been given the opportunity to review the merits of an investment in the Offering with tax and legal counsel or with an investment advisor to the extent the undersigned deemed advisable.

(ix) The undersigned's overall commitment to invest in the Note(s), which are not readily marketable, is not disproportionate to his or its net worth and his or its investment in the Offering will not cause such overall commitment to become excessive.

(x) The undersigned has such knowledge and experience in financial and business matters that he or it is capable of evaluating the merits and risks of an investment in the Offering.

(xi) The undersigned has been given a full opportunity to ask questions of and to receive (A) answers from the Company and its Managers concerning the terms and conditions of this Offering and the business of the Company and (B) such other information as he or it desired in order to evaluate an investment in the Offering, and all such questions have been answered to the full satisfaction of the undersigned. No oral or written representations have been made or oral or written information furnished to the undersigned or the undersigned's advisors in connection with the Offering or interests that were in any way inconsistent with this Subscription Agreement. The undersigned is not participating in the Offering as a result of or subsequent to: (1) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the internet or (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(xii) If the undersigned is a corporation, limited liability company, partnership, trust or other entity, it is authorized and qualified to make this loan to the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

(xiii) If the undersigned is a corporation, limited liability company or partnership, the person signing this Agreement on its behalf hereby represents and warrants that the information contained in this Agreement completed by any shareholders of such corporation, members of such limited liability company or partners of such partnership is true and correct with respect to such shareholder, member or partner (and if any such shareholder is itself a corporation, limited liability company or partnership, with respect to all persons having an equity interest in such corporation, limited liability company or partnership, whether directly or indirectly) and that the person signing this Agreement has made due inquiry to determine the truthfulness and accuracy of the information contained in this Agreement.

(xiv) The purchase of the Note(s) by the undersigned has been duly authorized, and the execution, delivery and performance of this Agreement does not conflict with the undersigned's partnership agreement, certificate of incorporation, by-laws, articles of organization, operating agreement or any agreement to which the undersigned is a party and this Agreement is a valid and binding agreement enforceable against the undersigned in accordance with its terms.

(xv) The undersigned hereby represents that he or it is subscribing for the Notes as principal or as trustee, solely for the account of the undersigned, for investment purposes only and not with a view to, or for, subdivision, resale, distribution, or fractionalization thereof, in whole or in part, or for the account, in whole or in part, of others, and, except as disclosed herein, no other person has a direct or indirect beneficial interest in the Note(s). The undersigned will hold the Note(s) as an investment and has no reason to anticipate any change in circumstances or other particular occasion or event, which would cause the undersigned to attempt to sell any of the Note(s).

(xvi) The undersigned acknowledges his or its understanding that (A) the Offering of the Note(s) by the Company has not been registered under the Act, as amended, or the securities laws of certain states in reliance on specific exemptions from registration, (B) the Confidential Memorandum and Subscription Documents have not been filed with or reviewed by the Securities and Exchange Commission or the securities department of any state and no securities administrator of any state or the federal government has recommended or endorsed this Offering or made any finding or determination relating to the fairness of an investment in the Company, and (C) the Offering of the Note(s) by the Company is intended to be exempt from registration pursuant to Section 4 (2) of the Act and the rules promulgated there under by the Securities and Exchange Commission, and that the undersigned's Note(s) cannot be sold, pledged, assigned or otherwise disposed of unless they are registered under the Act or an exemption from such registration is available.

(xvii) The undersigned represents and warrants that he or it will not transfer or convey all or part of his or its financial interest in the Note(s) unless such Note(s) are subsequently registered under the Act, or an exemption from such registration is available and without (A) the prior written consent of the Company and (B) an opinion of counsel acceptable to the Company and its counsel to the effect that the Note(s) may be transferred without violation of the registration requirements of the Act or any applicable state securities laws, as may be amended from time to time. The undersigned further acknowledges that there can be no assurance that the Company will file any registration statement for the Note(s) for which the undersigned is subscribing, that such registration statement, if filed, will be declared effective or, if declared effective, that the Company will be able to keep it effective until the undersigned sells the Note(s) registered thereon.

(xviii) The undersigned understands that this Agreement is subject to the Company's acceptance and may be rejected by the Company at any time in its sole discretion in whole or any part

prior to issuance of the Note(s) with respect to the undersigned's subscription, notwithstanding prior receipt by the undersigned of notice of acceptance of the undersigned's subscription. The Company reserves the right to withdraw the Offering at any time.

(xix) The undersigned acknowledges that this Agreement shall become binding upon the undersigned when it is countersigned by the Company and the undersigned is not entitled to cancel, terminate, or revoke this subscription before or after acceptance by the Company, except as otherwise provided in this Agreement.

(xx) All information provided by the undersigned in the Investor Questionnaire and Investor Representative Questionnaire (if applicable) which accompanies this Agreement is true and accurate in all respects, and the undersigned acknowledges that the Company will be relying on such information to its possible detriment in deciding whether the Company can make these Note(s) to the undersigned without giving rise to the loss of an exemption from registration under the applicable securities laws.

**9. Foreign Person.** If the undersigned has indicated on the signature page of this Agreement that he, she or it is a foreign person, he, she, or it agrees to notify the Company in writing within sixty (60) days of becoming a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign entity, as the case may be.

**10. Indemnity**. The undersigned agrees to indemnify and hold harmless the Company, its managers, members, agents, attorneys and affiliates and each other person, if any, who controls any thereof, within the meaning of Section 15 of the Act, against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the undersigned to comply with any covenant or agreement made by the undersigned herein or in this Agreement or in any other document furnished by the undersigned to any of the foregoing in connection with this transaction.

**11. Notice.** All notices in connection with this Agreement shall be in writing and personally delivered or delivered via overnight mail, with written receipt therefore, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 11) with a copy, in the case of notice to the Company, to Tri-Core Companies, LLC, at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

**12. Miscellaneous.**

(a) This Agreement is not assignable by the undersigned. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) This Agreement shall be deemed to have been made in the State of Arizona and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Agreement.

(c) This Agreement contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied, except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Agreement shall be effective unless in writing and signed by both parties to this Agreement.

(d) No waiver of any breach of any terms of this Agreement shall be effective unless made in writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature.

(e) If any provision or portion of this Agreement or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Agreement.

(f) Each of the parties hereto shall cooperate and take such actions, and execute such other documents, at the execution hereof or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.



TRI_C005738

IN WITNESS WHEREOF, the undersigned, by his, her, or its execution hereof, has read and approved this Subscription Agreement and agrees to be bound by this Agreement.

Executed this 3rd day of December, 2008, at Scottsdale (City), Arizona (State).

**If the Investor is an INDIVIDUAL, complete the following:**

The undersigned *(circle one)*: **[is]** **[is not]** a citizen or resident of the United States.

| | |
|---|---|
| **James Courtois** | **Nancy Courtois** |
| **Print Name of Individual** | **Print Name of Spouse / Co-Investor** *(If Funds are to be invested in Joint Name or are Community Property)* |
| [redacted] | [redacted] |
| **Print Social Security Number of Individual** | **Print Social Security Number of Spouse or Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |
| **Signature of Individual** | **Signature of Spouse / Co-Investor** *(If Funds are to be Invested in Joint Name or are Community Property)* |
| **Print Residential Address:** | **Print Residential Telephone Number:** |
| [redacted] AZ. [redacted] | [redacted] |

**If the investor is PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY, complete the following:**

The undersigned *(circle one)* **[is] [is not]** a foreign partnership, foreign corporation, trust or foreign estate (as defined in the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated there under).

| | |
|---|---|
| **Print Name of Partnership, Corporation, Trust, or Other Business Entity** | **Print Federal Tax Identification Number** |
| **Signature of Authorized Representative** | **Print Jurisdiction of Entity** |
| **Print Name of Authorized Representative** | **Print Title of Authorized Representative** |
| **Print Residential Address of Investor:** | **Print Residential Telephone Number:** |

**ACCEPTANCE**

The terms of the foregoing, including the subscription described therein, are agreed to and accepted on this _____ day of _____, 2008.

**TRI-CORE COMPANIES, LLC**

**By:** _____
**Jason Todd Mogler – President**

**By:** _____
**Jim Hinkeldey – Vice-President**

**EXHIBIT 1**
**INVESTOR STATUS**

*(Please indicate by providing your initials next to the appropriate category in which the undersigned is included, and if the undersigned is an Accredited Investor, check the appropriate category of Accredited Investors in which the undersigned is an entity).*

_____ *initials* A. **"Nonaccredited Investor".** The undersigned does not meet the definition of an "Accredited Investor" as defined herein below;

_____ *initials* B. **"Accredited Investor".** The undersigned is an Accredited Investor as defined below (*check applicable box*):

☐1. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds One Million ($1,000,000) Dollars;

☐2. Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) Dollars in each of the two most recent years, or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) Dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;

☐3. Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U. S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefits of its employees if such plan has total assets in excess of Five Million ($5,000,000) Dollars; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, (as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser) or if the employee benefit plan has total assets in excess of Five Million ($5,000,000) Dollars if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

☐4. Any private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940);



TRI_C005741

☐5. Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of Five Million ($5,000,000) Dollars;

☐6. Any director, executive officer or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

☐7. Any trust, with total assets in excess of Five Million ($5,000,000)Dollars, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and

☐8.* Any entity in which all of the equity owners are Accredited Investors.

**NOTE: Entities (a) which are formed for the purpose of investing in the Company, or (b) the equity owners of which have contributed additional capital for the purpose of investing in the Company, shall be "looked through" and <u>each</u> equity owner must meet the definition of an accredited investor in any of paragraphs 1, 2, 3, 4, 5, 6 or 7 above and will be treated as a separate subscriber who must meet all suitability requirements.**

* If this box is checked, please indicate on a separate schedule to be attached hereto, the category of Accredited Investor in which each equity owner of such entity is included.

**EXHIBIT B**

**PROMISSORY NOTE**



TRI_C005743

**EXHIBIT B**

**PROMISSORY NOTE**

**THIS NOTE HAS BEEN MADE FOR INVESTMENT PURPOSES ONLY AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE DISTRIBUTION THEREOF AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR ASSIGNED ("TRANSFER") UNLESS IT IS SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE MAKER CONSENTS IN WRITING TO SUCH TRANSFER.**

**Tri-Core Companies, LLC**, an Arizona Limited Liability Company, with offices at 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250 (the "Maker"), for value received, promises to pay to the Individual and/or legal entity designated in this Note as the "HOLDER," the principal sum of **$10,000.00 Dollars** with a rate of return of sixty percent (60%) compounded annually. Interest shall be due and payable at maturity and based on the commencement date of the Note. The entire Principal shall be due and payable to the Holder no later than twenty-four (24) months from the Commencement Date. The principal and any interest due on said principal may be prepaid at the sole discretion of the Company, without a prepayment penalty or premium at any time. The Company reserves the right to extend the maturity for an additional twelve (12) months at the annual rate of return of sixty (60%) percent if for reasons beyond the Company's control, such as labor strikes or shortness of building materials, the abovementioned maturity date cannot be met. If the Company elects this option, the maturity date would be extended up to an additional twelve months from the above noted maturity date.

**1. NOTES**

This Note in the principal amount of Ten Thousand ($10,000) Dollars per Note, or any fractional amounts, is offered for sale by the Maker, pursuant to that certain "Private Placement Memorandum" dated March 1, 2008. The Note shall be senior debt of the Maker and secured by the property.

**2. EVENTS OF DEFAULT**

A default shall be defined as one or more of the following events ("Event of Default") occurring and continuing:

(a) The Maker shall fail to pay any interest payment on this Note when due for a period of thirty (30) days after notice of such default has been sent by the Holder to the Maker.

(b) The Maker shall dissolve or terminate the existence of the Maker.

(c) The Maker shall file a petition in bankruptcy, make an assignment for the benefit of its creditors, or consent to or acquiesce in the appointment of a receiver for all or substantially all of its property, or a petition for the appointment of a receiver shall be filed against the Maker and remain unstayed for at least ninety (90) days.

Upon the occurrence of an Event of Default, the Holder of this Note may, by written notice to the Maker, declare the unpaid principal amount and all accrued interest of the Note immediately due and payable.

**3. SECURITY FOR PAYMENT OF THE NOTE(S)**

The Note(s) offered by the MAKER are secured by future land purchase.

**4. COMMENCEMENT DATE OF THE NOTE**

The Commencement Date of the Note shall be the "Effective Date," as defined in that certain "Subscription Agreement" attached as Exhibit A to the Private Placement Memorandum.

**5. STATUS OF HOLDER**

The Maker may treat the Holder of this Note as the absolute owner of this Note for the purpose of making payments of principal or interest and for all other purposes, and shall not be affected by any notice to the contrary, unless the Maker so consents in writing.

**6. SECURITIES ACT RESTRICTIONS**

This Note has not been registered for sale under the Act. This Note may not be sold, offered for sale, pledged, assigned or otherwise disposed of, unless certain conditions are satisfied, as more fully set forth in the Subscription Agreement.

**7. ATTORNEYS' FEES**

The prevailing party in an action to enforce this Note shall be entitled to reasonable attorneys' fees, costs, and collection expense.

**8. MISCELLANEOUS.**

(a) **Successors and Assigns.** The Holder may not assign, transfer, or sell this Note to any party without the express written consent of the Maker. This Note shall be binding upon and shall inure to the benefit of the parties, their successors and, subject to the above limitation, their assigns, and shall not be enforceable by any third party.

(b) **Entire Agreement.** This Note contains all oral and written agreements, representations and arrangements between the parties with respect to its subject matter, and no representations or warranties are made or implied,

except as specifically set forth herein. No modification, waiver, or amendment of any of the provisions of this Note shall be effective unless in writing and signed by both parties to this Note.

(c) **Notices.** All notices in connection with this Note shall be in writing and personally delivered or delivered via overnight mail, with written receipt thereof, or sent by certified mail, return receipt requested, to each of the parties hereto at their addresses set forth above (or such other address as may hereafter be designated by either party in writing in accordance with this Section 8) with a copy to Tri-Core Companies, LLC, 8840 E. Chaparral Road, Suite 150, Scottsdale, AZ 85250. Such notice shall be effective upon personal or overnight delivery or five (5) days after mailing by certified mail.

(d) **Section Headings.** The headings of the various sections of the Note have been inserted as a matter of convenience for reference only and shall be of no legal effect.

(e) **Severability.** If any provision or portion of this Note or the application thereof to any person or party or circumstances shall be invalid or unenforceable under applicable law, such event shall not affect, impair, or render invalid or unenforceable the remainder of this Note.

(f) **Applicable Law.** This Note shall be deemed to have been made in the State of Arizona, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of Arizona without regard to conflict of laws rules applied in the State of Arizona. The parties hereto hereby consent to personal jurisdiction and venue exclusively in the State of Arizona with respect to any action or proceeding brought with respect to this Note.

(g) **Approval.** By signing below, each party respectively acknowledges that they have read and approved this promissory note.

**Maker:**

**Tri-Core Companies, LLC,**
An Arizona Company
8840 E. Chaparral Road - Suite 150
Scottsdale, AZ 85250

**Holder:**

**James Courtois**
[redacted]
[redacted] AZ [redacted]

Jason T. Mogler- President
Print Name

Dec 3, 2008
Signature & Date

James Courtois / Nancy Courtois
Print Name

12/3/08
Signature & Date

**EXHIBIT C**

**Tri-Core Companies, LLC**

**Investor Suitability Questionnaire**

To: Prospective purchasers of Promissory Notes (the "Notes") offered by Tri-Core Companies, LLC (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Notes. ***This questionnaire is not an offer to sell securities.***

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Notes.

***Please answer all questions completely and execute the signature page***

**A. Personal**

1. Full Name: James & Nancy Courtois

2. Address of Principal Residence: [redacted]

[redacted], AZ [redacted]

County: Maricopa

3. Residential Telephone Number : [redacted]

4. Where are you registered to vote (County & State)? yes

5. Your driver's license is issued by the following state: Arizona

6. Other Residences or Contacts: *Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license, or have any other contacts, and describe your connection with such state:*

None

7. Please send all correspondence to:

(1) ✓ Residential Address *[as set forth in item A-2]*

(2) _____ Business Address *[as set forth in item B-1(a)]*

8. Date of Birth: James [redacted] / Nancy [redacted]

9. Country of Citizenship: USA

10. Social Security Number or Tax I.D. Number: James [redacted] / Nancy [redacted]

11. E-Mail Address: jimsmcservice@[redacted]

**B. Occupations and Income**

1. Occupation: Machine + motorcycle Technition

   (a) Business Address: [redacted] AZ [redacted]

   (b) Business Telephone Number: [redacted]

2. Gross income during each of the last two years exceeded:

   (1) _____ $25,000 (3) ✓ $50,000

   (2) _____ $100,000 (4) _____ $200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

4. Estimated gross income during current year exceeds:

   (1) _____ $25,000 (3) ✓ $50,000

   (2) _____ $100,000 (4) _____ $200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000.

   (1) _____Yes (2) ✓ No (3)_____Not Applicable

**C. Net Worth**

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage of your principal residence.)

(1) ✓ $50,000-$100,000 (2) _____$100,000-$250,000 (3) _____$250,000-$500,000

(4) _____$500,000-$750,000 (5) _____$750,000-$1,000,000 (6) _____over $1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)_____Yes (2)_✓_No

**D. Affiliation with the Company**

Are you a director or executive officer of the Company?

(1)_____Yes (2)_✓_No

**E. Investment Percentage of Net Worth**

If you expect to invest at least $100,000 in Notes, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse?

(1)_____Yes (2)_____No (3)_✓_Not Applicable

**F. Consistent Investment Strategy**

Is this investment consistent with your overall investment strategy?

(1)_✓_Yes (2)_____No

**G. Prospective Investor's Representations**

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

**Prospective Investor(s):**

_____ Date: 12/3/08
Signature

_____ Date: 12/3/08
Signature *(of spouse or co-investor, if purchase is to be made as joint tenants or as tenants in common)*

**EXHIBIT D**

# TRI-CORE COMPANIES, LLC BUSINESS PLAN

## Mission Statement

The mission of Tri-Core Companies, LLC (the Company) is to purchase virgin beachfront land on the Gulf of California (Sea of Cortez), Sonora, Mexico for either resale or for development.

The specific location the Company has concentrated on is between El Golfo de Santa Clara on the north and Puerto Peñasco (Rocky Point) on the south. This is a distance of about 80 miles and was chosen because of the access the new Coastal Highway has afforded this area. Prior to the new highway, this area was inaccessible except by rugged four-wheel-drive vehicles. The highway will make this area accessible by automobile for millions of visitors and buyers from the United States.

The Company believes that there will be a major increase in demand for property in this area with the completion of the highway. The highway is currently over three-quarters complete and only a 15-mile portion of the center section remains to be completed. This section is scheduled for completion by the end of Spring 2008.

## Business Operations

### Ownership and Employees:

The Company is intended to be a very competitive, highly motivated company with a small number of select key employees. The majority of the day to day responsibilities, planning and development tasks will be performed by the principal/managing partners. All other tasks that cannot be performed on behalf of the company by principals or employees will be done by hired contract services. An example of a hired contract service would be accounting.

**Jason Todd Mogler – President and Principal**

Mr. Mogler is a principal partner in Tri-Core Companies LLC, Tri-Core Business Development LLC, Tri-Core Business Development 2 LLC, and Tri-Core Lending, Inc., as well as the President of MyCreditStore dba LenderSquare, Inc. which has been a profitable business since 1997.

Mr. Mogler has an impressive academic resume at Arizona State University where he holds a Bachelor of Science degree with a major in marketing and a minor in psychology. His master studies with Thunderbird American Graduate School of International Management give him an international understanding of business strategies and marketing position. His practical work experience as the Director of Construction Lending for the Royal Bank of Canada gives him thorough knowledge of construction lending and banking operations.



TRI_C005750

Mr. Mogler has a very long reputation for honest business practices and fair dealings with all people both personally and professionally.

**Vince Gibbons – Vice-President, Principal, and Director of Development & Engineering**

Mr. Gibbons has over 22 years of civil engineering experience domestically and internationally. His expertise encompasses due diligence, master planning, feasibility studies, design and contract document preparation for private development, commercial, water, transportation, airport, flood control, storm drain, and sewer projects. Additional professional skills include total project management, design build, construction management, shop drawing review, inspection, cost estimates, and budget and schedule control. Mr. Gibbons is proficient in managing multi-disciplined teams and large projects for private developers and public agencies, as well as smaller more detailed oriented projects. He has earned a reputation for being quality conscious, and for "going the extra mile" to complete projects on time and within budget. He has worked on a wide variety of projects in the states of Arizona, Utah, Colorado, Nevada, and New Mexico, and in the countries of Panama and Mexico, and is very familiar with the requirements and criteria of each associated governing entity. This broad experience has provided him with an extensive base of knowledge that allows him to develop innovative and cost effective solutions for a myriad of situations.

Mr. Gibbons has owned and operated Tri-Core Engineering for over 9 years. Tri-Core Engineering currently has offices in Arizona, Colorado, and Nevada and is registered in Panama. With a staff of highly qualified and diversified individuals and professionals, Tri-Core Engineering has the ability to offer its clients a wide range of services and expertise. Mr. Gibbons functions as owner, president, and project manager of various endeavors. He and his staff are committed to ensuring that every project is completed to the highest level of accuracy and completeness, and that each client is provided with the individual attention and service they require.

Tri-Core Engineering's expertise encompasses:

- Agency coordination & Negotiations
- Assurance/Quality Control
- Budget & Schedule Control
- Contractor bidding and negotiations
- Construction oversight & management
- Coordination of sub-consultants
- Design layout
- Drainage plans
- Major Roadway design
- Master plan document creation
- Preliminary lot layout and final plat design
- Pro-forma cost estimates

Tri-Core Engineering is known nationally and internationally for their civil engineering expertise, as well as their diversity of work on master planned communities. Samplings of their national and international projects include the following:

- **El Rio Country Club – Mohave County, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 640-acre master-planned residential golf community in Mohave County, Arizona. This community consists of an 18-hole championship golf course, gated entrances, commercial areas, restaurants, spacious clubhouse facilities, and community swimming pools and spas.

- **Eagle View Subdivision – Kingman, Arizona.**

  Tri-Core Engineering was the engineering firm of record for this 113-acre master-planned residential community in Kingman, Arizona.

- **Villages at Loreto Bay, Master Planned Development – Loreto, Mexico.**

  Tri-Core Engineering was the engineering firm of record for this 10,000-acre development. This project is in the construction stage, with over $300 million in sales.

- **Colonias de Cardenas, Master Planned Community – Panama City, Panama.**

  Tri-Core Engineering was the engineering firm for the Panama Railroad Company for their Colonias de Cardenas development, a 2,500-acre Master Planned Community. The project is currently at the permit stage.

- **Punta Delfin, Enchantment of México – Sea of Cortez, Sonora, México.**

  Mr. Gibbons is both a partner and the engineer of record responsible for the engineering aspect of this development. He is also involved in all aspects of the development process for this high-end master planned community. This community consists of a 790-acre seaside residential golf development and marina, as well as a five-star resort hotel. This project is in the permit stage.

**Jim Hinkeldey – Vice-President and Principal**

Jim Hinkeldey possesses thirty-five years of banking and financial experience including portfolio management, joint venture management, and all aspects of the mortgage banking profession for select regional New York banks.

Mr. Hinkeldey headed the Joint Venture division at Richmond Hill Savings Bank in New York. He was responsible for land acquisition through project conclusion which included the delivery of completed developments in a timely and cost efficient, profitable manner.

Mr. Hinkeldey also managed a mortgaged backed portfolio. He successfully rearranged the structure of the portfolio to meet asset/liability re-pricing demands. His concept creation resulted in a portfolio that meet re-pricing sensitivity models while delivering positive bottom line results.

Mr. Hinkeldey's business philosophy is based on total enterprise engagement, accountability, and the deliverability of profitable projects. Mr. Hinkeldey's philosophy is that the client and his investment or requirements come first and are paramount to each success.

Mr. Hinkeldey's educational background consists of a degree in Banking and Money Management from Adelphi University, Long Island, New York. He also holds a three year specialized degree in real estate finance from the Mortgage Bankers of America which he received at Northwestern University. He attended numerous programs for finance, real estate, and management at New York University and Wharton Business School.

The management team may be further developed and expanded with qualified and experienced executives, professionals and consultants, as the Company matures and grows.

## Market Knowledge and the Property

### Knowledge of the Marketplace:

The Principals of the Company have been active in real estate and Mexico for several years and consider the El Golfo/Rocky Point market one of the (if not the most) active markets in all of Mexico for development and potential upside investment.

The El Golfo area was chosen for the Company's purchases due to its potential appreciation. Some of the driving factors that influenced this decision were:

- The new Coastal Highway;
- Its close proximity to the United States markets (one hour drive from the Border of US/Mexico);
- Its location on a beautiful, pristine, major body of water;
- The quality of the sand beaches ;
- The scenic mountain views of the Baja Peninsula;
- The opening of the area by the construction of the Coastal Highway from the US/Mexico border 300 miles to the south along the coast of the Sea of Cortez to Guaymas, Mexico, a major seaport;
- The $50 million dollar international airport under construction at Rocky Point that will accommodate all types of passenger planes. The first runway is completed and the balance is to be completed by 2008.



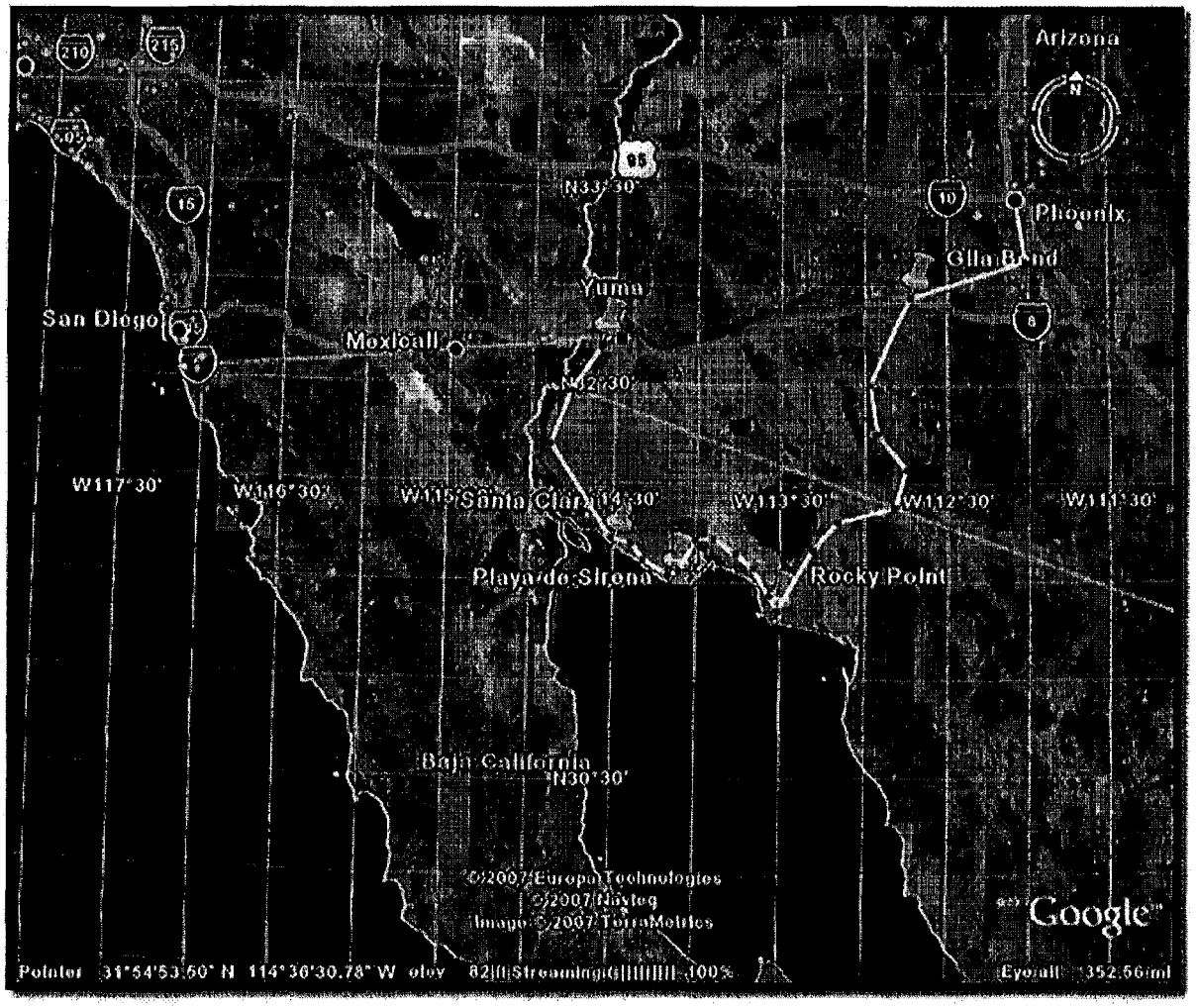
TRI_C005753

- Two state-of-the-art hospitals, Hospital of Peñasco and the IMMS Hospital, are currently under construction and will serve the El Golfo/Rocky Point areas.

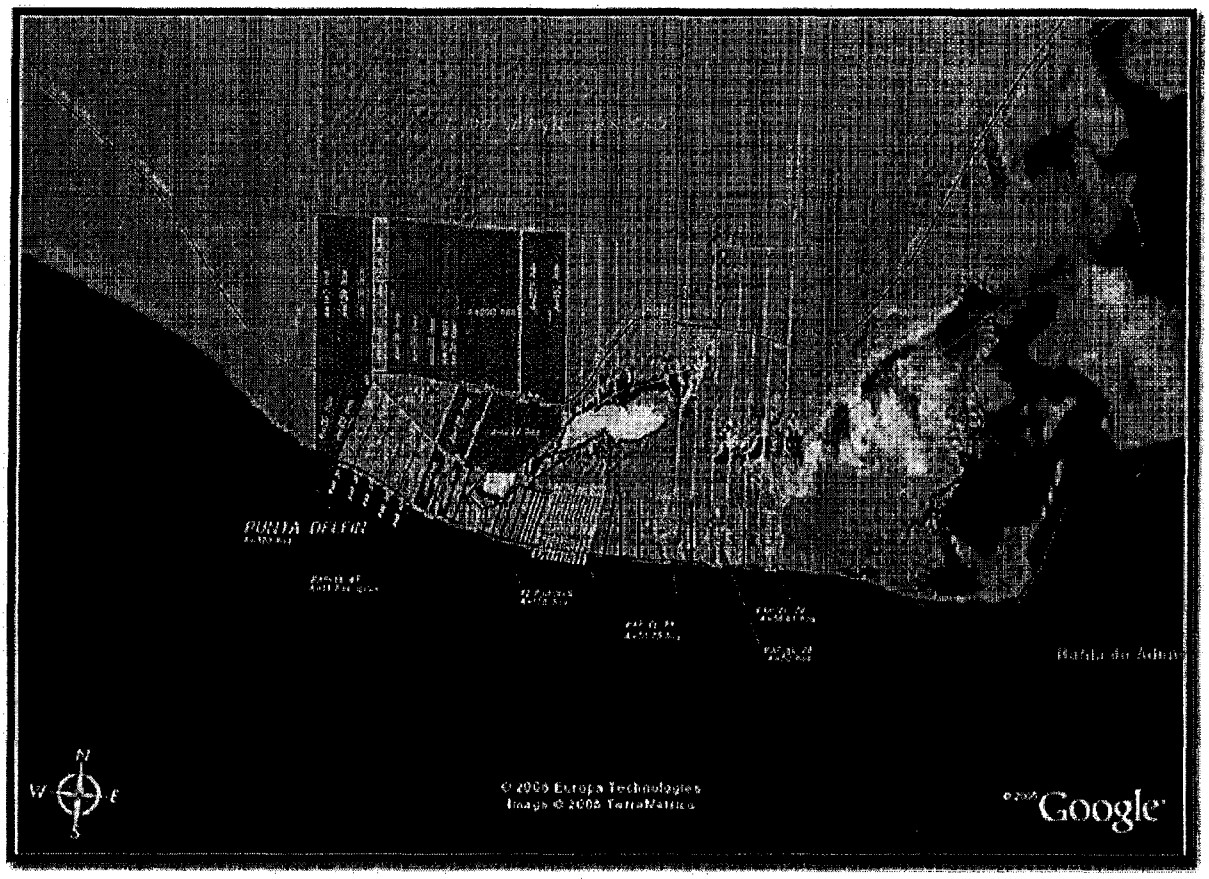
The Mexican and Sonoran Governments are dedicated to promoting the area as a major destination for both Americans and Canadians. This is evidenced by the millions of dollars of infrastructure being put in place by the United States and Mexican Governments. A prime example of this dedication is the Coastal Highway. This three hundred mile highway is being built at a cost in excess of $200 million dollars and will connect the port city of Guaymas in Mexico with the US/Mexico border at San Luis Rio Colorado, south of Yuma, Arizona. This will make this whole area much more accessible for millions of Americans in Southern California, Arizona, and Nevada for weekends and vacations, as well as for longer stays by visitors from all across the United States and Canada.

## The Property

Parcel 47 – Relaxante is at the southeastern edge of the town of El Golfo on the Sea of Cortez. It is approximately one hour drive time south of the U.S. /Mexico border at San Luis.



This parcel has approximately 26.75 acres of land with over 640 feet of beautiful sandy beach frontage. There are rolling dunes and wonderful views of the Sea of Cortez and the mountains of the Baja Peninsula. The site is well-adapted for the launching of small boats.




## The Proposed Development for Lot 47:

This project is a proposed gated luxury development fronting on and viewing the Sea of Cortez in the rapidly developing area of San Luis Rio Colorado, Sonora, Mexico. The property consists of 10.83+/- hectares (26.8+/- acres) of land on a site overlooking the scenic waterways of the Sea of Cortez and the mountains of the Baja Peninsula to the west. The property has over 200 meters (640+/- feet) of sandy beach frontage. There are beautiful scenic views up and down the sandy beaches of the Sea of Cortez (a.k.a. the Gulf of California).

This project is a proposed mixed-use development, including a gated single-family development of 40+/- villa lots, a 140-unit condominium development, and some commercial facilities.

Due to topography, the northerly portion of the site contains a mid-rise condominium building. The center portion of the site is gently sloping and will contain the staggered water view lots. The southern beachfront portion of the site contains six beachfront lots, along with a beachfront pool and beach club. Due to the carefully chosen staggered lot placement, all villas and condominium units will enjoy beautiful views of the Sea of Cortez and the mountains of the Baja Peninsula.

Villa lots will be approximately 6,500 square feet in size and the Villas will range in size from 2,400 to 2,600 square feet. The condominium units will be approximately 1,500 square feet with larger units located on the top floors. The six prime waterfront lots will be on the beach – affording wonderful views for miles in each direction and easy water and beach access. The development will provide all the amenities associated with a destination development.

## Business Goals

In early 2008, we will be contracting for the necessary survey, topographical map, and environmental studies required for the permitting stage. In addition, we will proceed with the concession for the "Federal Zone" so that we may have exclusive use of the 20 meters adjacent to the "high water mark" that is currently controlled by the Mexican Government. This is an important concession and we are proceeding forward.

After preliminary discussions with utility suppliers, it is the Company's belief that the use of self-contained utilities are in the best interest of the development. Permits for these utilities will be sought from the municipality of San Luis (the governing entity), in conjunction with our partners.

During the early part of 2008, the Company's primary focus will be on the preparation of the site plan, all required studies, and the gathering of bids for utilities. It is anticipated that by mid-2008, we will be finalizing the preliminary plans in accordance with site reports.

Once the final layout has been concluded, talks with local developers, investors, and realtors in Mexico and the United States will commence. It is the intention that the Company will be in a position to move quickly and efficiently to either sell individual lots or sell the development. The Company foresees the actual sale of the parcels occurring in mid-year 2009.

To ensure further success, the Company will continue to focus on the development of strong relationships with key property professionals (realtors, agents, financial institutions, law firms, building contractors and suppliers, etc.). While we presently enjoy a good working relationship with several governmental agencies, we will also be working quite diligently throughout the entire developmental process to further strengthen and expand our relationships with governmental agencies and political entities. Since we also understand and respect the Mexican culture, we foresee no obstacle in achieving a strong and favorable relationship with the governing authorities.



TRI_C005756

## El Golfo / Rocky Point – General Economic and Area Information:

The Colorado River forms the state line between Arizona, California, and Nevada, and continues southerly to the Sea of Cortez. Along its entire length, it is a major recreation / boating area for Arizona, Nevada, and Southern California in the spring and summer, as well as a perfect destination for "Snowbirds" in the winter – creating a year-round demand for the entire area.

Historically, neighboring Rocky Point has been a major recreational area for Phoenix and Tucson, Arizona. The drive time to Rocky Point has been about four-plus hours from Phoenix, making it a very easy weekend vacation spot. There have been many new high and mid-rise condominium units built in the Sandy Beach neighborhood of Rocky Point within the past few years. These are well-designed and constructed developments with many beachfront amenities. These units have generally sold for $300,000 to over $1,500,000, primarily to U.S. residents.

El Golfo is about 25 miles east of Rocky Point. The El Golfo area is near the northern end of the Sea of Cortez and is well protected from adverse weather. Consequently, the waters are generally calm. El Golfo is a picturesque fishing village with long, wide, sandy beaches. The fishermen launch their boats from the sandy beaches directly to the water. There is at present one paved road that ends at El Golfo.

The new Coastal Highway will make the drive between El Golfo and Rocky Point less than 30 minutes. Accordingly, this whole area between Rocky Point and El Golfo is poised to undergo extensive real estate development. In anticipation of this future growth, a new major border crossing facility is planned for San Luis to help relieve congestion at the present in-town facility. The number of inspection lanes will increase from five to sixteen, and will consequently decrease the time for crossing the border.

For the first time, large U.S. markets from California, Nevada, and Western Arizona will be within a reasonable driving distance. As an example, the Southern California market will have its driving time reduced from approximately eight hours to just around four hours. There are many resort areas of Mexico with extensive development taking place, however, there are only limited areas on the calm waters of the Sea of Cortez that have good driving access from the United States.

The new highway is the driving force that has dramatically changed access to this area. It is the Company's belief that since prime oceanfront land in this area's acreage is limited, the demand for this property will be strong. This belief is further strengthened by its aggressive promotion of Relaxante to the new markets of California, Nevada, and Western Arizona.



TRI_C005757

## Proforma

Parcel 47
Pro Forma - 26.75 acre (10.84 Ha.)
Sale Project to a Developer
March 2008

| | | TOTALS |
|---|---|---|
| **REVENUE** | | |
| Sales Price Developer | | $14,200,000 |
| **Total Revenue** | | **$14,200,000** |
| Finder's Fee | 4% | **$568,000** |
| **Total Net Revenue** | | **$13,632,000** |
| **EXPENSES** | | |
| **ON-SITE WORK** | | |
| Mass Excavation / Fill & Grading | | $200,000 |
| Gated Entryway | | $25,000 |
| Perimeter Wall | | $100,000 |
| **Total Onsite Work** | | **$325,000** |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | |
| Administrative (Taxes, Permits & Licensing) | | $50,000 |
| NATAWA Bond | | $200,000 |
| Legal | | $100,000 |
| **Total General Expenses** | | **$350,000** |
| **GENERAL PROJECT EXPENSES** | | |
| Project Master Plan | | $80,000 |
| Engineering | | $50,000 |
| Boundary and Topographic Survey | | $20,000 |
| Concept Approval, Zoning, Environmental | | $130,000 |
| **Total General Project Expenses** | | **$280,000** |
| **TOTAL EXPENSES** | | |
| Project Contingency | | $95,500 |
| Principal and Interest | | $11,520,000 |
| **Total Expenses, Contingency, and Interest** | | **$12,570,500** |
| **Net Income** | | $1,061,500 |

| Parcel 47<br>Pro Forma - 26.75 acre (10.84 Ha.)<br>Vertical on Condos , Vertical on Villas<br>March 2008 | TOTALS | | | | |
|---|---|---|---|---|---|
| | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
| **UNITS** | | | | | |
| Condo Tower Units | 140 | | | | |
| Ocean View Villas | 38 | | | | 178 |
| **REVENUE** | | | | | |
| Condo Tower Units | | 1,500 | | $300,000 | $42,000,000 |
| Ocean View Villas | | 2,500 | | $1,300,000 | $49,400,000 |
| **Total Revenue** | | | | | **$91,400,000** |
| **INFRASTUCTURE TAKE-OUTS** | | | | | |
| NATAWA ($30k x 178 Units) | | | | | **$5,340,000** |
| **SALES COMMISSIONS** | | | | | |
| Sales Commissions | 6% | | | | $5,484,000 |
| **Total Sales Commissions** | | | | | **$5,484,000** |
| **Total Net Revenue** | | | | | **$80,576,000** |
| **EXPENSES** | | | | | |
| **PROJECT ACQUISITION** | | | | | **$14,200,000** |
| **AMENITIES CONSTRUCTION** | | | | | |
| Landscape and Irrigation System | | | | | $80,000 |
| Grading | | | | | $95,000 |
| Beach Club | | | | | $1,000,000 |
| 18- Hole Putting Course | | | | | $500,000 |
| Construction Office | | | | | $215,000 |
| **Total Amenities** | | | | | **$1,890,000** |



TRI_C005759

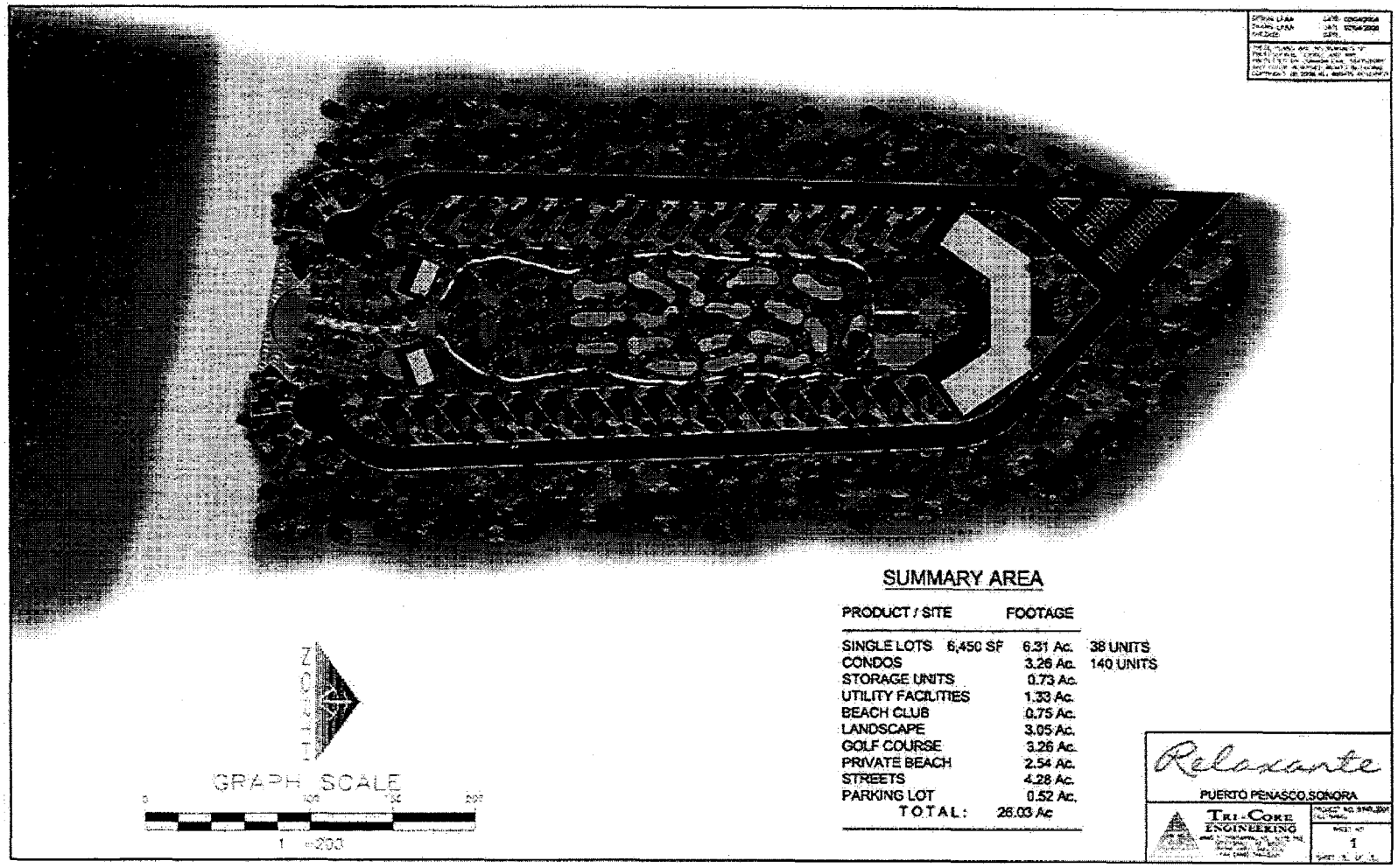
| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| **Condo Tower Units** | | | | | |
| Construction | 140 | 1,500 | 110 | | $23,100,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $924,000 |
| **Total Condominiums** | | | | | **$24,024,000** |
| | | | | | |
| **Ocean View Villas** | | | | | |
| Construction | 38 | 2,500 | 125 | | $11,875,000 |
| Architectural (4% of construction costs) | | | 4.0% | | $475,000 |
| **Total Ocean View Villas** | | | | | **$12,350,000** |
| | | | | | |
| **SOFT COSTS - GENERAL, ADMINISTRATIVE & LEGAL** | | | | | |
| Administrative (Taxes, Permits & Licensing) | | | | | $550,000 |
| Accounting | | | | | $80,000 |
| Legal | | | | | $322,500 |
| **Total General Expenses** | | | | | **$952,500** |
| | | | | | |
| **MARKETING** | | | | | |
| Initial Launch | | | | | $860,000 |
| Marketing (% of gross sales) | | | 5% | | 4,570,000 |
| **Total Marketing** | | | | | **$5,430,000** |
| | | | | | |
| **GENERAL PROJECT EXPENSES** | | | | | |
| Construction Camp | | | | | |
| Temporary Utilities (Power, Sewer Water) | | | | | $107,500 |
| Bunk House (4 people per room) | 50 | 200 | $40 | | $400,000 |
| Mess Hall | | | | | $43,000 |
| Medical Operating Cost ($5,000 per month) | | | | | $240,000 |
| Security (Temporary) | | | | | $150,000 |
| Gatehouse | | | | | $30,000 |
| Employee Housing | | | | | $800,000 |
| Offsite (Scottsdale 3,000sf, @ $3 sf 4 yrs) | | | | | $423,000 |
| Offsite (San Diego 2,000sf, @ $3 sf 4yrs) | | | | | $288,000 |
| Offsite (Rocky Point 2,000sf, @ $3 sf 4 yrs) | | | | | $288,000 |
| Temporary Sales Office | | | | | $12,900 |
| Sales Office | | | | | $43,000 |
| Job Supervision & Coordination | | | | | $100,000 |
| **Total General Project Expenses** | | | | | **$2,925,400** |
| **TOTAL EXPENSES** | | | | | **$61,771,900** |



TRI_C005760

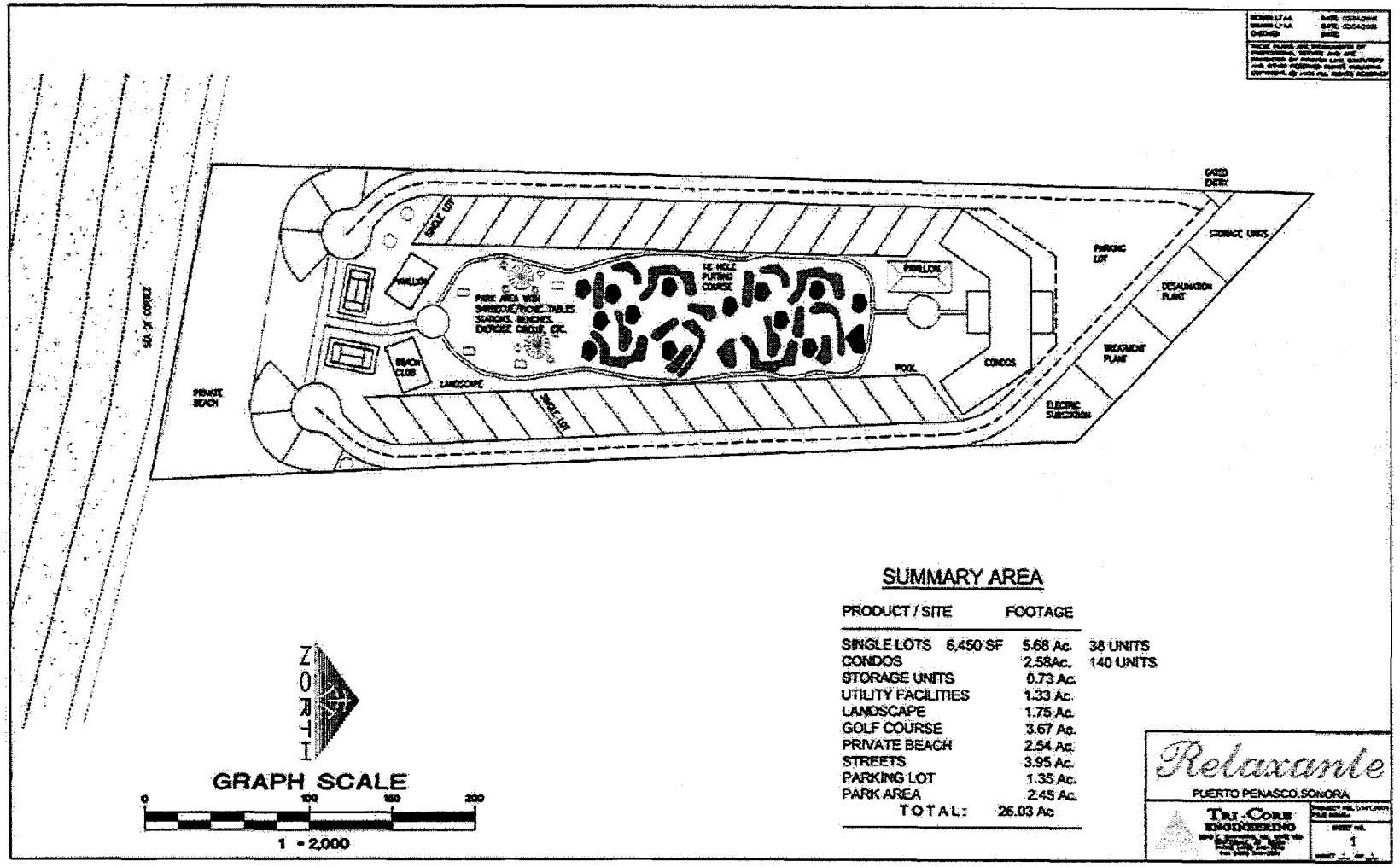
| Vertical (Continued) | # of Units | Unit Size | Price/Cost / S.F. | Unit Sales/Cost | Total |
|---|---|---|---|---|---|
| Project Contingency | 5% | | | | 3,088,595 |
| Interest (Debt Service) | | | | | 1,440,000 |
| **Total Expenses, Contingency and Interest** | | | | | **$66,300,495** |
| | | | | | |
| **Net Income** | | | | | **$14,275,505** |
| **Cumulative** | | | | | **15.6%** |

## Site Plan






TRI_C005762




## SUMMARY AREA

| PRODUCT / SITE | | FOOTAGE | |
|---|---|---|---|
| SINGLE LOTS | 6,450 SF | 5.68 Ac. | 38 UNITS |
| CONDOS | | 2.58Ac. | 140 UNITS |
| STORAGE UNITS | | 0.73 Ac. | |
| UTILITY FACILITIES | | 1.33 Ac. | |
| LANDSCAPE | | 1.75 Ac. | |
| GOLF COURSE | | 3.67 Ac. | |
| PRIVATE BEACH | | 2.54 Ac. | |
| STREETS | | 3.95 Ac. | |
| PARKING LOT | | 1.35 Ac. | |
| PARK AREA | | 2.45 Ac. | |
| TOTAL: | | 26.03 Ac | |

Relaxante

PUERTO PENASCO, SONORA

TRI-CORE ENGINEERING

1



TRI_C005763

## Articles of Interest

### Plans To Designate 400M Pesos To Roads, Electricity, and Water During 2008

***Funding expands to support three main infrastructure projects***

*(http://defrente.puerto-penasco.com/editions/452/003.html)*

Press Bulletin
Issue #452

With a projected investment of 400 million pesos (~$36.8M USD) the Director of Public Works is planning to continue during 2008 the integral project of city paving and electrification and water supply to the new neighborhoods - as well as enlarge the city's drainage network to improve the city's image.

Marco David Rangel Lopez, director of the afore mentioned office, said that it cannot be doubted that among the priorities of Mayor Heriberto Renteria Sanchez is the unprecedented Paving Works Project, for which he is obtaining a package of Federal Government resources around 100 million pesos (~$9.2M USD).

Rangel Lopez said that they want to continue with the pavement work on another 20 avenues and boulevards, covering a surface of more than 700 thousand square meters, in addition to the package of streets repaired during this past year. If this project is accomplished in full, the percentage of paved streets in our city will rise from 18% to 40%.

Moreover within the projects for 2008, the Director of Public Works mentioned that they will include the installation of the drainage network for the northwest sector of the city with and investment close to 60 million pesos (~$5.5M USD).

At the same time they will work on the construction and maintenance of sidewalks at the main boulevards and avenues, not forgetting the purpose of improving the image of the old harbor sector where financial resources are designated for around 90 million pesos of improvements (~$8.3M USD) according with the executive plan approved by the city council.

To continue with the electrification in the New Peñasco and San Rafael neighborhoods, it is an investment of at least 15 million pesos (~$1.38M USD) is designated for 2008, and it is also planned to attend to the delayed work on the water supply and they will also program to provide basic services.

He added that among the plans and projects for this year are actions for benefit of schools with the construction of classrooms, fences, tile roofs and to attend several requests channeled through the Sonorense Program of Social Participation (PASOS) and the Direction of Social Development.



TRI_C005764

He also added that currently they have a work plan with more than 200 projects of pavement works, urban improvement, basic services, schools and religious centers, that will be accomplished according with the flow of the municipal resources as well as with the resources assigned from the state and federal governments - and in some cases with assistance from credit entities.

---

## CANACO Reports A Good 2007, Optimistic Forecast For 2008

***Border Governor's Conference, Tourism, Development All Bode Well For Peñasco In 2008, Says CANACO***

*(http://defrente.puerto-penasco.com/editions/451/002.html)*

By Ivan Bravo Lopez
Issue #451

Even though the last month of the year suffered a significant decrease in many commercial areas, CANACO (Camara Nacional de Comercio de la Ciudad de Mexico - Mexico's System of Local Chambers of Commerce and Development) managed to close out a good year according to its director Arturo Rodriguez Rico. CANACO met their goals and more, as evidenced by the meeting of the border state governors, which was seen as a huge success.

Arturo Rodriguez Rico, President of the National Chamber of Commerce (CANACO) said that despite the economic recession suffered by the US, many associates of CANACO with business interests are closing out the year very well. That is due the fact that December is the month with the biggest increase in sales.

"It was a positive year for the growth and development of the economy of Puerto Peñasco; we were the hosts of the most important event in the history of this port, the meeting of the border state governors. It was a huge success and received publicity worldwide, publicity that would have cost the Chamber of Commerce millions of pesos but was completely free. Its results will hopefully be noticeable in 2008 and 2009," he said.

The president of CANACO said that many State Programs came to Puerto Peñasco and accomplished important improvements. Authorities from SEDESOL (Mexico's Secretariat of Social Development) and PASOS have constantly visited our port to support and encourage the associated merchants of CANACO.

"Guatimoc Iberri Gonzalez and 'Chito' Celaya have repeatedly visited us and they have brought important projects to Puerto Peñasco that are already underway, which shows that the State Authorities care about those who live and own businesses here," he said.



TRI_C005765

"There are many projects in Puerto Peñasco that were already in place as well as new ones. Although some have not yet started, we are taking full advantage of those already here which will help the chance of further improvements next year," said Arturo Rodriguez Rico.

He also pointed out that cross-border traffic is expected to only will rise in the upcoming years and that that will bring other economic benefits, as the economic structure in the port depends mostly on tourism.

"Puerto Peñasco depends on tourism, and with the opening of the new international airport and with the improvements at the border crossings, CANACO is expecting an economic boom to take place. In past years and in 2007 we expected tourism mainly from Arizona. But with the new infrastructure next year we expect tourists from California and Colorado, as well as people that will come by air on new commercial flights. So we are expecting a sudden increase to the economy since Puerto Peñasco is an excellent destination," said the president of CANACO.

He also added that due to the stop of the developers, the last months of the year were economically weak, but that the economy typically comes back to normality beginning with the first trimester of the year. A few U.S. holidays are coming up that brings surges of tourists who prefer to come to Puerto Peñasco for their vacations. He also commented that the 'snowbirds' – the seasonal visitors from outside the Southwest regions – are starting to arrive to this port early this year, and with them the associates of CANACO will benefit.

To finalize, Arturo Rodriguez Rico said that there are more than 300 members associated with CANACO, and that next year they will look for more members to join the Chamber to help strengthen and create newer and better programs.

---

## Peñasco Maintains Strong Flow Of Tourism

***Real Estate Crisis Believed to Have Already Hit Bottom***

*(http://www.visitrockypoint.com/?p=2900)*

Despite the undeniable a negative effects of the economic downturn in the United States, Which has already hit bottom, throughout 2007 Puerto Peñasco maintained a high rate of tourism and sustains a clear upward tendency, revealed Epifanio Salido Pavlovich, head of the Sonora Commission on the Promotion of Tourism.

Salido Pavlovich detailed that by the end of the year, foreign tourism had increased by nearly 11%, topping out at 1,700,000 visitors, 80% of these from Arizona. Likewise, national tourism increased by 14% totaling more than 400,000 visitors. Therefore, reports for 2007 registered a grand total of 2.1 million tourists to the area.



TRI_C005766

The tourism official remarked that although there remain many challenges to address, the city's potential continues to be positive and the area is still the star destination in Sonora. He added that the state and municipal governments are jointly working on efforts to focus on areas that are lacking.

Salido Pavlovich stated that in 2008 they will have to generate concrete solutions in the areas of housing, potable water and others of basic infrastructures brought on by the same "boom" in tourism.

He stated that the 2007 economic downturn and real estate crisis in the United States had a strong impact on Peñasco. However, he stated, this is something that has already hit bottom and now phase of recuperation can be expected.

He believes that by mid-2008 the economic crisis will have passed, and added that till now this has not caused the withdrawal of investments from the port.

The coordinator for the Sonora Commission on the Promotion of Tourism remarked that, despite everything, the annual average for Puerto Peñasco has been favorable. He added that though there was a slowdown in investment, the flow of tourism did not drop; to the contrary, this remained at high levels.

He reiterated that the crisis has already hit bottom and period of recuperation has begun. He expects that this will positively impact the city as the shining northwestern part of the country in the area of tourism.

---

## OWNING REAL ESTATE IN ROCKY POINT

*From the "Real Estate Guide Rocky Point", January 2008*

*(http://www.atrockypoint.com/article_owning_real_estate_in_rocky_point)*

"Real estate in Rocky Point has been a flourishing business for the past ten years..."

Imagine the joys of a winter home that makes you money whenever you are not staying in it. This kind of place would be beautiful to visit, comfortable and easy to live in, and ready for you whenever you want because it would be yours. A timeshare cannot offer you all of that no matter how desirable the location, since it can be difficult to get the time slots that you want and even harder during peak vacation time. A timeshare cannot give you everything you need to have the perfect getaway whenever you want, but a condo in a place like Rocky Point, Mexico can.

Rocky Point, also known as Puerto Peñasco, is one of the most incredible real estate locations in Mexico. Invest in Mexico and you can retire to your beachfront condo whenever you wish to enjoy days filled with sun, sand, golfing, fishing, and anything else you could desire from an ocean side paradise. Your



TRI_C005767

oceanfront/ Ocean view home or condo will be waiting for your return whenever you are away, and you will surely wish to retire to Rocky Point's idyllic setting after spending vacation after vacation in sunny bliss. Owning Real Estate in this growing market can also be a greatly profitable adventure. The typical American has only two to four weeks of vacation time per year, and for the other forty eight weeks, your vacation property would normally sit empty, awaiting you. To keep your property on the Sea of Cortez working for you, hire a local property management company like Oceano Rentals or Sea Side Reservations, to keep your place looking fresh and lovely and rent your condo out as a vacation rental to others looking to enjoy the wonders of Rocky Point.

Real estate in Rocky Point has been a flourishing business for the past ten years because of the high profitability and constantly increasing prices of the local properties. Even just a couple of years of property ownership could translate into big money for interested investors, and getting a great vacation home that pays for itself is no small benefit either. You may become so enamored with your property in Rocky Point that you will not be willing to sell it! Current market conditions are definitely in favor of those who want to purchase, so do your research, hire a certified agent to guide you through the process and start looking at potential ocean side properties.

Owning real estate in this lovely tourist destination means living in the lap of luxury. The beautiful and luxurious condominium projects and other properties in this city are made for the comfort and delight of their residents, even short term residents like yourself. Glance out the window of your condo and watch the dolphins and play in the tranquil waters of the Sea of Cortez. Enjoy sunshine on the beach or adventures beneath the waves, and fall in love with this incredible location. Your investment property may be just waiting for you in sunny Mexico and now is the time to make the smart move that you have been dreaming of. Take advantage of current market conditions, and invest now!

Investing in a condominium in Rocky Point could be a smart investment choice for those who are looking to invest in Mexico. You will have a vacation home to enjoy only 60 miles south of the US border, and be able to enjoy the beautiful Sea of Cortez on your future vacations. Potentially you could be able to resell the condo for a great profit in a few years, if you don't decide to retire to Mexico entirely. With all of these incredible benefits, what could be better?



TRI_C005768