0000170810

ORIGINAL

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AZ CORP COMMISSION
DOCKET CONTROL
2016 JUN 8 PM 3 04

Transcript Exhibit(s)

Docket #(s): S-20938A-15-0308

Arizona Corporation Commission
DOCKETED
JUN 8 2016
DOCKETED BY

Exhibit #: K 1-2, O-1, H-3, H-5, H-6, H6a, H-8, H-11, S-1a-34

Part 1 of 3

For parts 2 + 3, see barcodes 0000170811 + 0000170816

Rev. Form U4 (05/2009)

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

INDIVIDUAL NAME: ROBERT J. KERRIGAN	INDIVIDUAL CRD #:
FIRM NAME: FIRST FINANCIAL EQUITY CORP	FIRM CRD #:

U4 - JUDGMENT/LIEN DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an ☒ INITIAL or ☐ AMENDED response to report details for affirmative response(s) to ***Question(s) 14M*** on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question "yes" or amending the answer(s) to "no":

☐ 14M

If multiple, unrelated events result in the same affirmative answer, details must be provided on separate DRPs.

1. Judgment/Lien Amount: $ 1,058.09
2. Judgment/Lien Holder: STATE OF TENNESSEE
3. Judgment/Lien Type: O Civil ☒ Tax
4. A. Date Filed with Court (MM/DD/YYYY): 09/25/2005 ☒ Exact O Explanation

   If not exact, provide explanation:

   B. Date individual learned of the Judgment/Lien (MM/DD/YYYY): 09/25/2005 ☒ Exact O Explanation

   If not exact, provide explanation:

5. Court action brought in: O Federal Court ☒ State Court O Foreign Court O Other: _____

   A. Name of Court: DEPARTMENT OF REVENUE

   B. Location of Court (City or County and State or Country): NASHVILLE, TN 37242

   C. Docket/Case#: 701446775

   Check this box if the Docket/Case# is your SSN, a Bank Card number, or a Personal Identification Number.

6. Is Judgment/Lien outstanding? O Yes ☒ No

   If "No", complete item 7. If "Yes", skip to item 8.

7. If Judgment/Lien is **not** outstanding, provide:

   A. Status Date (MM/DD/YYYY): JUNE 25, 2005 ☒ Exact O Explanation

   If not exact, provide explanation:

   B. How was matter resolved? (select appropriate item): ☒ Discharged O Released O Removed O Satisfied

8. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or final disposition. Your information must fit within the space provided.

EXHIBIT
K-1
ADMITTED

VANTAGE FINANCIAL SERVICES

Robert J. Kerrigan
Investment Advisor Representative

April 24, 2008

Mr. Bill Garrett
Register of Deeds
P.O> Box 196398
Nashville, TN 37219-6398

Re: 20070628-0077464

Dear Bill,

I have been advised to correspond with you to receive copies of the recorded release of a lien. Enclosed is a check made payable to you in the amount of $2.50. Please send my five (5) copies.

The address to send the copies is:
Robert J. Kerrigan
8062 E. Del Tornasol Dr.
Scottsdale, AZ 85258

Thank you for your prompt response.

Sincerely yours,

Robert J. Kerrigan
Investment Advisor Representative

7373 N. Scottsdale Road, Suite A287, Scottsdale, AZ 85253
480-991-6711 800-786-7550 Fax 480991-8885
Investment Advisor Representative of and Securities and Investment Advisory Services offered through InterSecurities, Inc. ISI, Member FINRA, SIPC, and Registered Investment Advisor. Non-securities Products and services are not offered through ISI.

1-800-497-8168
www.nbarizona.com

1113

91-532/1221
5

KERRIGAN PERSONAL ACCOUNT
8294 E BUTEO DR
SCOTTSDALE, AZ 85255-3919

4-24-08

PAY TO THE ORDER OF BILL GARRETT = REGISTER of DEEDS - $ 2.50

Two & 50/100 DOLLARS

MEMO LIEN RELEASE

Scott Kerrigan

1113

BILL GARRETT = Register of Deeds 4-24-08

LIEN RELEASE 2.50

1113

REVENUE ENFORCEMENT DIVISION
STATE OF TENNESSEE
DEPARTMENT OF REVENUE
ANDREW JACKSON STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37242

March 22, 2007

$2.00
Check
Bill Garrett
Register of Deeds
P.O. 196398
Nashville
37219-6398

Facsimile Transmission
480-991-8885

Attention: **Robert J Kerrigan Sr.**

Re: State Tax Lien: **Robert J. Kerrigan Sr.**
Entity Number: **0002390344156**

This is in reference to the State's Tax Lien against the above captioned taxpayer The amount needed to release our lien is **1058.09.** This amount is valid through **4-15-2007.** Upon receipt of a cashier's check, certified check or money order in the amount of **1058.09,** we will release our lien.

In order to expedite this process, please send the remittance, along with a copy of this letter to my attention at:

Revenue Enforcement Division
P.O. Box 190665
Nashville, TN 37219-0665.

I trust this information will be helpful. If you have any further questions you may contact me at (615) 532-6340.

Sincerely,

Sammy Rye, Account Tech 1
Special Procedures Section
Revenue Enforcement Division

SR/rp

c: *file*

$.50
4 copies
Instrument #
Purchase Copy of Recorded Release
615-862-6790
20070628-0077464

TENNESSEE DEPARTMENT OF REVENUE

COPY
Original has been sent to be recorded

NOTICE OF STATE TAX LIEN RELEASE

The Tennessee Department of Revenue filed for record in the DAVIDSON County, Tennessee Register's Office, a notice of lien which was duly recorded in Instrument Number 20050511-0052944.

The above-mentioned lien for taxes, penalty, and interest of the Tennessee Department of Revenue has now been fully discharged. Accordingly, the Department of Revenue releases the above lien against the taxpayer's property to the extent indicated and consents that the same be discharged of record. Any questions regarding this lien release should be directed to the State of Tennessee Tax Enforcement Division at (615) 741-7074.

FOR DEPARTMENT OF REVENUE USE ONLY

TAXPAYER:

ROBERT J KERRIGAN SR

D/B/A: ROBERT J KERRIGAN SR
8294 E BUTEO DR
SCOTTSDALE AZ 85255-3919

ENTITY ID:

002 390-34-4156/000

002 390-34-4156

COUNTY: DAVIDSON

This instrument was prepared by the Tennessee Department of Revenue.

Witness my hand at Nashville, Tennessee, on June 25, 2007.

COMMISSIONER OF REVENUE

By: William E Hooks
Delegate of Commissioner

For Register use only ....PRINT OR STAMP

BOOK NO **PAGE NO.** **DATE** **TIME**

COPY
Original has been sent to be recorded

REGISTER **BY:**

RV-N0007601

VANTAGE FINANCIAL SERVICES

Robert J. Kerrigan
Investment Advisor

May 13, 2005

Penalty Waiver Unit
Tennessee Department of Revenue
Andrew Jackson State Office Building
500 Deaderick Street
Nashville, TN 37242-0900

RE: Robert J. Kerrigan Sr Entity ID#: 390-34-4156
Case ID #: 003193724 S

To Whom It May Concern:

I have been advised the Revenue Officer of the Tax Enforcement Division to send this letter to your unit.

I have not conducted any life insurance business in the state of Tennessee during the past two years. However, my broker dealer did not terminate my license until May 2005. I have asked them to terminate my license effective May 2003, but have not received confirmation of this request.

The purpose of this letter is to request your department to waive the $100 per year penalty that has been imposed on me. The request is for the years 2003 and 2004.

Thank you in advance for your positive response to this request.

Sincerely Yours,

Robert J. Kerrigan

RJK/tmb

7373 North Scottsdale Road, Suite A-287, Scottsdale, AZ 85253
480-991-6711 800-786-8550 FAX 480-991-8885
Securities Offered Through InterSecurities, Inc. Member National Association of Securities Dealers, Inc., SIPC and Registered Investment Advisor.

Rev. Form U4 (05/2009)

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

INDIVIDUAL NAME: ROBERT H. KERRIGAN	INDIVIDUAL CRD #:
FIRM NAME: FIRST FINANCIAL EQUITY CORP	FIRM CRD #:

U4 - JUDGMENT/LIEN DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an ☒ INITIAL or ☐ AMENDED response to report details for affirmative response(s) to *Question(s) 14M* on Form U4;

Check the question(s) you are responding to, regardless of whether you are answering the question "yes" or amending the answer(s) to "no":

☐ 14M

If multiple, unrelated events result in the same affirmative answer, details must be provided on separate DRPs.

1. Judgment/Lien Amount: $ 88,392.58
2. Judgment/Lien Holder: NATIONAL BANK of ARIZONA
3. Judgment/Lien Type: ☒ Civil ○ Tax
4. Date Filed (MM/DD/YYYY): 07/27/2010 ☒ Exact ○ Explanation
   If not exact, provide explanation:
5. Court action brought in: ○ Federal Court ☒ State Court ○ Foreign Court ○ Other:
   A. Name of Court: SUPERIOR COURT OF THE STATE OF ARIZONA
   B. Location of Court (City or County and State or Country): PHOENIX, ARIZONA
   C. Docket/Case#: CV2009-054961
   ☐ Check this box if the Docket/Case# is your SSN, a Bank Card number, or a Personal Identification Number.
6. Is Judgment/Lien outstanding? ○ Yes ☒ No
   If "No", complete item 7. If "Yes", skip to item 8.
7. If Judgment/Lien is **not** outstanding, provide:
   A. Status Date (MM/DD/YYYY): 03/30/2011 ☒ Exact ○ Explanation
   If not exact, provide explanation:
   B. How was matter resolved? (select appropriate item): ○ Discharged ○ Released ○ Removed ☒ Satisfied
8. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or final disposition. Your information must fit within the space provided. FORMER WIFE DURING DIVORCE PROCEEDINGS, WITHDREW $69,000 FROM MY LINE OF CREDIT AT NATIONAL BANK of ARIZONA. SHE, THROUGH HER ATTORNEY, REFUSED TO PAY IT BACK. SINCE IT WAS MY LINE OF CREDIT, THE BANK FILLED THE JUDGEMENT AGAINST ME

EXHIBIT
K-2
ADMITTED

NATIONAL BANK OF ARIZONA
1-800-497-8168
www.nbarizona.com

1496

91-532/1221
5

KERRIGAN PERSONAL ACCOUNT
8062 E. DEL TORNASOL DR.
SCOTTSDALE, AZ 85258

MARCH 30, 2011

PAY TO THE ORDER OF MARK A. KIRKORSKY, P.C. $ 23,500

TWENTY THREE THOUSAND FIVE HUNDRED & 00/100 DOLLARS

MEMO NATIONAL BANK of ARIZONA RELEASE

Robert J. Kerrigan
AUTHORIZED SIGNATURE

K.P.A

1496

MARCH 30, 2011

MARK A. KIRKORSKY, P.C.

$ 23,500 00

NATIONAL BANK of ARIZONA RELEASE

1496

39290

MARK A. KIRKORSKY, P.C.
Attorneys at Law
P.O. Box 25287
Tempe, Arizona 85285-5287
www.collectionstatus.com

Mark A. Kirkorsky, Esq.*
mark@collectionstatus.com
Tara K. Miller, Esq.†
tara@collectionstatus.com
Bruce E. Gardner, Esq.†
bruceg@collectionstatus.com

Brandon D. Hrabe, General Manager
brandon@collectionstatus.com
Robert B. Blackstad, Collection Director
robert@collectionstatus.com

* admitted in Arizona and California
† admitted in Arizona

April 5, 2011

Mr. Robert J. Kerrigan, Sr.
8062 E. Del Tornasol Dr.
Scottsdale, Arizona 85258

Re: National Bank of Arizona

Dear Bob:

Enclosed please find a signed original Settlement Agreement and Mutual Release, along with the signed original Release of Assignment of Policy as Collateral Security. Thank you for your cooperation in resolving this matter.

Very truly yours,
MARK A. KIRKORSKY, P.C.

Mark Kirkorsky

enclosures

This communication involves an attempt to collect a debt, and any information provided may be used for that purpose.

Arizona Office
1119 West Southern Avenue
Second Floor
Mesa, Arizona 85210
Telephone (480) 551-2173
Facsimile (480) 922-5501

California Office
23046 Avenida de la Carlota
Suite 600
Laguna Hills, California 92653
Telephone (949) 388-5127
Facsimile (949) 388-5137

SETTLEMENT AGREEMENT
AND
MUTUAL RELEASE

This Settlement Agreement and Mutual Release (the "Agreement") is entered into on the date signed below by and among the following parties: National Bank of Arizona ("NBA") on the one hand, Robert J. Kerrigan, Sr., Personal Wealth Management Group, Inc., and Robert J. Kerrigan, Sr. as Trustee of the Robert J. Kerrigan, Sr. Family Trust dated October 25, 2007 (collectively "Kerrigan"), on the other hand. NBA and Kerrigan will collectively be referred to as "the Parties."

RECITALS

A. NBA obtained a Judgment against Kerrigan in Maricopa County Superior Court case number CV2009-054961 (the "Judgment").

B. The Parties have reached a settlement for the payment and satisfaction of the Judgment. This Settlement Agreement is being provided to memorialize the general terms of the agreement that has been reached between the Parties.

COVENANTS

In consideration of the mutual promises and covenants set forth in this document and for good and valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Incorporation of Recitals. The recitals are incorporated herein as binding provisions of this Settlement.

2. Payment Schedule. Kerrigan shall pay NBA the total sum of $23,500.00 (the "Settlement Amount"). Payment shall be made out to NBA and its attorney, Mark A. Kirkorsksy, P.C., and shall be delivered to NBA's attorney's offices upon execution of this agreement.

3. General Waiver and Release of All Claims. Except for the obligations in this Agreement, upon clearance of the Settlement Amount the Parties mutually release and forever discharge each other and each of their respective predecessors, successors, affiliates, officers, directors, shareholders, employees, agents, attorneys, insurance companies, assigns and sureties from any and all claims, rights, actions, complaints, demands, causes of action, obligations, promises, contracts, agreements, controversies, suits, debts, expenses, damages, attorneys' fees, costs and/or liabilities of any nature whatsoever, whether known or unknown, suspected or claimed, fixed or contingent, which either party ever had, now has or may claim to have in the future against the other party arising out of the Judgment. NBA will cause to be filed and recorded an appropriate Satisfaction of Judgment and Release of Judgment Lien.

4. Entire Agreement. This Agreement is freely and voluntarily entered into by the Parties and constitutes the full and complete understanding of the Parties hereto. No party to this Agreement shall be bound to any other party to the Settlement

RJK.

Agreement in any manner, or in any agreement, representation or understanding, except as specifically set forth herein.

5. Warranty of Capacity to Execute Agreement. Each party executing this Agreement represents and warrants that he or she has read the Agreement; has had the opportunity to obtain the advice of legal counsel with respect to the terms of the Agreement; shall be considered the drafter of the Agreement; and is legally empowered and authorized to execute the Agreement on behalf of the party for which he or she acts.

6. Governing Law. Arizona law shall govern the enforcement and interpretation of this Agreement.

7. Waiver, Modification, and Amendment of Agreement. This Agreement may not be amended, except by a writing executed by both Parties.

8. Invalid Provisions. If, after the date of this Agreement, any provision hereof is held to be illegal, invalid, or unenforceable, such provision will be fully severable and the remainder of the Agreement will remain enforceable and not be affected.

9. Headings. The headings set forth herein are inserted for convenience of the Parties only.

10. Counterparts. This Agreement may be signed in any number of counterparts and/or by facsimile; all counterparts are deemed to constitute one and the same instrument, and each counterpart is deemed to be an original of this instrument.

11. Attorneys' Fees. In the event of any breach of this Agreement and/or any action taken to enforce this Agreement or address a breach thereof, the prevailing party shall be entitled to an award of their attorneys' fees and any costs.

DATED this 30 day of MARCH, 2011.

Robert J. Kerrigan, Sr.

Robert J. Kerrigan, Sr.

Robert J. Kerrigan, Sr. Family Trust

By: Robert J. Kerrigan, Sr.
Robert J. Kerrigan, Sr.

Personal Wealth Management, Inc.

By: Robert J. Kerrigan, Sr.
Robert J. Kerrigan, Sr.

Its: _____

National Bank of Arizona

By: _____

Its: Authorized Agent

RELEASE OF ASSIGNMENT OF POLICY AS COLLATERAL SECURITY

Western Reserve Life Assurance Co. of Ohio
4333 Edgewood Rd. NE, Cedar Rapids, IA 52499
Phone Number (800) 851-9777 Fax Number: (727) 299-1620

POLICY NUMBER(S) 5000072636 OWNER ROBERT J. KERRIGAN

INSURED ROBERT J. KERRIGAN JOINT OWNER (IF ANY) _____

NOTE: If the Assignee's name has changed or takeover/merger is involved, attach certified copy of document issued by the State and/or Federal Agency indicating such.

For good and sufficient consideration, the undersigned releases all rights, title and interest in this Policy held under the Assignment dated _____. The rights of the Owner, Beneficiary and any other assignee under the Policy shall be the same as though such Assignment to the undersigned had never been made.

NATIONAL BANK OF ARIZONA N.A.
Assignee's Complete Name (Print)

Authorized Signature — Title: Authorized Agent — Date: 3-30-11

Authorized Signature — Title — Date

Witness Signature — Date: 3-30-11

1119 W. SOUTHERN AVE, SECOND FLOOR, MESA, AZ 85210
Address of Witness

This Release of Assignment has been recorded at the Company's Administrative Offices. The Company assumes no legal responsibility for the sufficiency or validity of this Release of Assignment.
Date recorded: _____ by: _____

Signature Requirements:

INDIVIDUAL OWNER(S) - The signature of the current Owner or Owners.

PARTNERSHIP- Two partners must sign below the name of the partnership and the title "Partner" should be indicated below the signature.

TRUST OWNER- Signature of all trustees, unless trust provides otherwise. Name of the trustee and name and date of the trust must also be shown.

GUARDIAN OR CONSERVATOR OR AGENT ACTING UNDER A POWER OF ATTORNEY- The signature of a guardian or conservator or an agent acting under a power of attorney, whichever applies on behalf of the Owner. Certified copies of the letters of guardianship/conservatorship and the court order that authorizes the change must also be submitted. A complete copy of the Power of Attorney document must be submitted. The Questionnaire to Accompany Power of Attorney and the Affidavit of Agent for Power of Attorney should also be submitted.

JOINT VENTURE- All joint ventures must sign below the name of the Joint Venture.

COMMUNITY PROPERTY JURISDICTION- If you reside in one of the following community property jurisdictions, you may wish to consult with your legal advisor prior to making changes to your contract. (AZ, CA, ID, LA, NM, NV, TX, WA, WI, Puerto Rico and Guam).

FOR CORPORATIONS ONLY:
If the Owner is a corporation, complete the following corporate acknowledgement and submit a copy of the resolution of the Board of Directors authorizing execution of this Change of Beneficiary or complete the Entity Certification Form.
STATE OF _____ County of _____ on this _____ day of _____, _____, before me personally came _____, who being by me duly sworn, did depose and say that s/he resides in _____, that s/he is the _____ of _____, the corporation described herein, and which executed this Change of Beneficiary; that s/he knows the seal of said corporation; the seal affixed to said Change of Beneficiary is such corporation; that it was affixed by order of the Board of Directors; and that s/he signed her/his name thereto.
My commission expires_____ Notary Public _____

This request may be mailed or faxed.

NEUHEISEL LAW FIRM, P.C.

RICHARD G. NEUHEISEL
KATHRYN A. NEUHEISEL*
DEBORAH S. HARVEGO

* Also Admitted in California and District of Columbia

1501 WEST FOUNTAINHEAD PKWY
SUITE 130
TEMPE, ARIZONA 85282-1918
TELEPHONE: (480) 838-5000
FAX: (480) 557-6366

May 25, 2011

Mr. Robert Kerrigan
8062 East Del Tornasol Drive
Scottsdale, Arizona 85258

Re: Kerrigan Domestic Matters
National Bank v. Kerrigan

Dear Bob:

Enclosed herein please find the original of the Satisfaction of Judgment and Release of Judgment Lien on the National Bank of Arizona matter. This recordation effectively releases the Judgment and Lien on your home and makes it possible for you to sell the residence when you wish to do so.

Best regards,

Richard G. Neuheisel
RGN/mbr
Enclosure

HOLD FOR FRONTIER PROCESS

MICHAEL K. JEANES, CLERK
BY M Crockett DEP
FILED
11 APR 11 AM 10:46

MARK A. KIRKORSKY, P.C.
Attorneys at Law
P.O. Box 25287
Tempe, Arizona 85285
(480) 551-2173

Mark A. Kirkorsky (#010029)
Tara K. Miller (#024742)
Bruce E. Gardner (#027715)
info@collectionstatus.com
Attorneys for Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

NATIONAL BANK OF ARIZONA, an Arizona corporation, Plaintiff, v. ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN, formerly husband and wife; PERSONAL WEALTH MANAGEMENT GROUP, INC., an Arizona corporation; and ROBERT J. KERRIGAN, SR. as Trustee of the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007, Defendant(s).	Case No: CV2009-054961 **SATISFACTION OF JUDGMENT AND RELEASE OF JUDGMENT LIEN**

Notice is hereby given that the Defendants, Robert J. Kerrigan, Sr., an individual; Personal Wealth Management Group, Inc, an Arizona Corporation; and Robert J. Kerrigan, Sr. as Trustee of the Robert J. Kerrigan, Sr. Family Trust dated October 25, 2001, have fully satisfied

/////

/////

/////

the Judgment entered in this matter. Plaintiff hereby releases the Judgment Lien recorded on August 4, 2010 in docket number 2010-1004445 in the office of the Maricopa County Recorder.

DATED this 7th day of April, 2011.

MARK A. KIRKORSKY, P.C.

By: _____

Mark Kirkorsky
Tara K. Miller
Bruce E. Gardner
PO Box 25287
Tempe, Arizona 85285
Attorneys for Plaintiff

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED AND SWORN to before me this 7 day of April, 2011, by Mark A. Kirkorsky, Tara K. Miller or Bruce E. Gardner.

Kaila Spaulding-Hutt
Notary Public

My Commission Expires:

March 13, 2012

OFFICIAL SEAL
KAILA SPAULDING-HUTT
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Mar. 13, 2012

COPY of the foregoing mailed this 7 day of April, 2011 to:

Richard G. Neuheisel
64 East Broadway, Suite 245
Tempe, Arizona 85282
Attorney for Judgment Debtor

Robert J. Kerrigan, Sr.
8062 E. Del Tornasol Drive
Scottsdale, Arizona 85258
Judgment Debtor

Kaila Spaulding-Hutt

The foregoing instrument is a full, true and correct copy of the original on file in this office.

Attest 04-21 20 11

MICHAEL K. JEANES, Clerk of the Superior Court of the State of Arizona, in and for the County of Maricopa.

By W. Cruz Deputy

MARK A. KIRKORSKY, P.C.
Attorney at Law
PO Box 25287
Tempe, Arizona 85285
(480) 551-2173

Mark Kirkorsky (#010029)
mark@collectionstatus.com
Tara K. Miller (#024742)
tara@collectionstatus.com
Attorneys for Plaintiff

COPY

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

NATIONAL BANK OF ARIZONA, N.A., a national banking association, Plaintiff, v. ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN, formerly husband and eife; PERSONAL WEALTH MANAGEMENT GROUP, INC., an Arizona corporation; and ROBERT J. KERRIGAN, SR. as Trustee of the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007, Defendant(s).	Case No. CV2009-054961 **ORDER TO QUASH WRIT OF GARNISHMENT** (NON-EARNINGS)
ALLIANCE BANK OF ARIZONA, Garnishee.	

The Court, having reviewed Plaintiff's Motion to Quash Writ of Garnishment and good cause appearing,

IT IS HEREBY ORDERED quashing the Writ of Garnishment issued to Alliance Bank of America on or about December 29, 2010.

DATED this 28 day of February, 2011.

Judge/Commissioner of the Superior Court
HON. GERALD PORTER

Berry, Charles R.

To: Charles R. Berry (cberry@clarkhill.com)
Subject: FW: Introduction from Bruce Orr

Here is the message I received from McDonough.

From: Patrick McDonough
Sent: Wednesday, May 21, 2014 2:07 PM
To: lamacchia.robert@pmlmail.com
Cc: Bruce Orr <borr@usabarcelonara.com>
Subject: Introduction from Bruce Orr

Hi, Robert

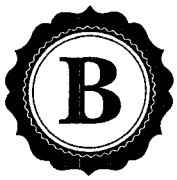
Bruce Orr was telling me earlier today about your golf outing last night. He mentioned what you did for a living and suggested we invite you to come by our office so we can present ourselves and our products to you and Clark & Associates.

USA Barcelona is relatively close by. We are located at 7025 N. Scottsdale Road I will call you tomorrow and perhaps we can
schedule some time to get together. I look forward to meeting you.

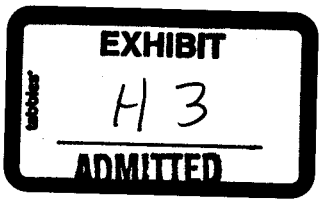
P.S. My dearest friend is a healthcare executive named Tony LaMacchia from California. Great guy...

Patrick J. McDonough
Vice-President
Retail Capital Markets
USA Barcelona Realty Advisors, LLC
7025 N. Scottsdale Road/ Suite 160
Scottsdale, Arizona 85253
(480) 625-4355 (Office)
(480) 280-8155 (Cell)
pmcdonough@usabarcelonara.com

EXHIBIT
tabbies
O-1
ADMITTED



USA Barcelona
REALTY ADVISORS



September 15, 2014

9.19.14
Bob's Answer defined

Robert Kerrigan
8062 E Del Tornasol
Scottsdale, AZ 85258

Dear Robert:

Since our last communication of the status of note payments and the Company in general, we have been working on the following primary tasks:

1. establish a dependable flow of working capital to cover our operating needs through January, 2015,
2. establish selling agents for our USA Barcelona Hotel Land Company I private offering,
3. reduce our overhead to reflect our 6 month manpower needs; and,
4. establish a 5 month Cash Plan that will facilitate all the above.

Taking these four primary tasks in order:

1. Working Capital – this continues to be our nemeses. While we have not been able to get on track with our needs, the capital raised from the Hotel Land Fund offering will meet our primary operating needs. However, that is at best 30 to 45 days away. Meanwhile, we need approximately $200,000 to cover the gap from here to there. We have created a special class of investment in the Hotel Land Fund that is intended to serve that purpose.
2. Hotel Land Fund – We are offering two classes of member interest.
    a. The Class C Member interest of $200,000 that can be acquired in whole or in part and that is **available currently**. The benefits to the owners of this Class C Member interests are:
        i. Quarterly Distributions commencing Q1-2015 at an annualized rate of return of 18% (or 4.5% per quarter);
        ii. An investment period of approximately 30 months; and,
        iii. A forecasted total return of 2.5 to 1 over the 30 month period.
    b. The Class A Member interest of up to $5,000,000 will be placed directly by officers of our Company and a select group of registered investment advisors. Plan to commence sales of the Class A Member interest on September 22nd.
3. Our direct overhead burden has been reduced to date primarily by the elimination of compensation expenses as we have sized down to our core requirements and reduced managements' compensation for the foreseeable future; and, we will more likely that not further reduce overhead by sizing down our office space which will entail a relocation to smaller facility.
4. The Five Month Cash Plan we have established allows us to function appropriately to execute our business plan which focuses on contracting to acquire two land parcels over the next five months from the several we have been working with. Theses first two will likely be here in Scottsdale.

7025 N. Scottsdale Road, Suite 160
Scottsdale, AZ 85253

480-625-4355 Office
480-625-4347 Fax

I now need to expand on the Five Month Cash Plan and how it will affect you and our other holders of Company debt.

About the Five Month Cash Plan and what's required to allow it to work:

- We are requesting a forbearance from you of any interest or principal payments from now through March 31, 2015, a period 7 plus months.
- On January 31, 2015, we propose to add all accrued and unpaid interest due to you to the principal amount of your note.
- Commencing March 31, 2015, we will make quarterly interest payments on the new principal amount of your note at an annual rate of 7.0% through December 31, 2015.
- Commencing January 1, 2016, the effective interest rate on your note will increase to an annual rate of 10.0% and will be paid quarterly through December 31, 2016 at which time the final quarterly interest payment plus the principal amount of the note will be paid in full.
- Upon the effective unanimous agreement of all of our note holders, new notes will be issued to each note holder reflecting the terms laid out herein

It is our belief that this forbearance, in concert with our overhead reduction and successful placement of the Class C Member and Class A Member position in the Hotel Land Fund, will allow us to stabilize the Company and go forward to smoother times.

It is important for you to note that the requested forbearance is essential to us executing our business plan and continuing our operations. This request is made after looking at the current circumstances of the Company and our near-term requirements and opportunities. We do understand that what we are requesting is not at all what you had been offered under the terms of your note. However, for us to continue, this is one of the necessary adjustments to our plans. And one other key matter, for the forbearance to be effectively executed, all note holders must agree to the specific terms of our request.

On a forward-looking and more positive note, we have plenty of interest in our Hotel Land Fund and the follow-on New Build Hotel "real estate" programs. It has simply been difficult for us to raise working capital as required for the operating company. There are still prospects from several investors for making such investments but our focus will not be taking on more debt; rather, the placement of the $200,000 Class C Member interest in the Hotel Land Fund followed by and running almost simultaneous with that the placement of the Class A Member interest in the Hotel Land Company are equally important.

We encourage you to consider acquiring a position in the Hotel Land Company Class C Units. Any company note holders acquiring Class C Units will be granted additional equity interest in USA Barcelona Realty Advisors.

You will be contacted directly by the Executive Member of the Company who introduced you to the note investment to answer any questions you may have regarding the forbearance request and the other matters pertaining to the Company addressed herein. We have included a brief form for you to return to us regarding your consent of our forbearance request.

Sincerely,

Richard Harkins, President

Dated: _____

To: USA Barcelona Realty Advisors, LLC

From: _____

USA Barcelona
REALTY ADVISORS

September 15, 2014

Joe & Pam Stewart
919 E Morning Thunder Ct
Oro Valley, AZ 85755

Dear Joe & Pam:

Since our last communication of the status of note payments and the Company in general, we have been working on the following primary tasks:

1. establish a dependable flow of working capital to cover our operating needs through January, 2015,
2. establish selling agents for our USA Barcelona Hotel Land Company I private offering,
3. reduce our overhead to reflect our 6 month manpower needs; and,
4. establish a 5 month Cash Plan that will facilitate all the above.

Taking these four primary tasks in order:

1. Working Capital – this continues to be our nemeses. While we have not been able to get on track with our needs, the capital raised from the Hotel Land Fund offering will meet our primary operating needs. However, that is at best 30 to 45 days away. Meanwhile, we need approximately $200,000 to cover the gap from here to there. We have created a special class of investment in the Hotel Land Fund that is intended to serve that purpose.
2. Hotel Land Fund – We are offering two classes of member interest.
    a. The Class C Member interest of $200,000 that can be acquired in whole or in part and that is **available currently**. The benefits to the owners of this Class C Member interests are:
        i. Quarterly Distributions commencing Q1-2015 at an annualized rate of return of 18% (or 4.5% per quarter);
        ii. An investment period of approximately 30 months; and,
        iii. A forecasted total return of 2.5 to 1 over the 30 month period.
    b. The Class A Member interest of up to $5,000,000 will be placed directly by officers of our Company and a select group of registered investment advisors. Plan to commence sales of the Class A Member interest on September 22nd.
3. Our direct overhead burden has been reduced to date primarily by the elimination of compensation expenses as we have sized down to our core requirements and reduced managements' compensation for the foreseeable future; and, we will more likely that not further reduce overhead by sizing down our office space which will entail a relocation to smaller facility.
4. The Five Month Cash Plan we have established allows us to function appropriately to execute our business plan which focuses on contracting to acquire two land parcels over the next five months from the several we have been working with. Theses first two will likely be here in Scottsdale.

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- We are requesting a forbearance from you of any interest or principal payments from now through March 31, 2015, a period 7 plus months.
- On January 31, 2015, we propose to add all accrued and unpaid interest due to you to the principal amount of your note.
- Commencing March 31, 2015, we will make quarterly interest payments on the new principal amount of your note at an annual rate of 7.0% through December 31, 2015.
- Commencing January 1, 2016, the effective interest rate on your note will increase to an annual rate of 10.0% and will be paid quarterly through December 31, 2016 at which time the final quarterly interest payment plus the principal amount of the note will be paid in full.
- Upon the effective unanimous agreement of all of our note holders, new notes will be issued to each note holder reflecting the terms laid out herein

It is our belief that this forbearance, in concert with our overhead reduction and successful placement of the Class C Member and Class A Member position in the Hotel Land Fund, will allow us to stabilize the Company and go forward to smoother times.

It is important for you to note that the requested forbearance is essential to us executing our business plan and continuing our operations. This request is made after looking at the current circumstances of the Company and our near-term requirements and opportunities. We do understand that what we are requesting is not at all what you had been offered under the terms of your note. However, for us to continue, this is one of the necessary adjustments to our plans. And one other key matter, for the forbearance to be effectively executed, all note holders must agree to the specific terms of our request.

On a forward-looking and more positive note, we have plenty of interest in our Hotel Land Fund and the follow-on New Build Hotel "real estate" programs. It has simply been difficult for us to raise working capital as required for the operating company. There are still prospects from several investors for making such investments but our focus will not be taking on more debt; rather, the placement of the $200,000 Class C Member interest in the Hotel Land Fund followed by and running almost simultaneous with that the placement of the Class A Member interest in the Hotel Land Company are equally important.

We encourage you to consider acquiring a position in the Hotel Land Company Class C Units. Any company note holders acquiring Class C Units will be granted additional equity interest in USA Barcelona Realty Advisors.

You will be contacted directly by the Executive Member of the Company who introduced you to the note investment to answer any questions you may have regarding the forbearance request and the other matters pertaining to the Company addressed herein. We have included a brief form for you to return to us regarding your consent of our forbearance request.

Sincerely,

Richard Harkins, President

Dated: 9/19/14

To: USA Barcelona Realty Advisors, LLC

From: Pam Stewart / Pam Stewart

Joe Stewart for Joe Stewart

Dated: SEPT 17, 2014

To: USA Barcelona Realty Advisors, LLC

From: ROBERT J. KERRIGAN

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree X to the new terms you have proposed

I do not agree ____ to the new terms you have proposed

Signed Robert J. Kerrigan

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

Dated: 29 SEPTEMBER 2014

To: USA Barcelona Realty Advisors, LLC

From: RIDICK RAMIREZ

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree X to the new terms you have proposed

I do not agree ___ to the new terms you have proposed

Signed _____

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

Dated: 9-30-14

To: USA Barcelona Realty Advisors, LLC

From: ROBERTA L. BURLESON

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree ✓ to the new terms you have proposed

I do not agree ___ to the new terms you have proposed

Signed Roberta L. Burleson.

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

Dated: 18 September 2014

To: USA Barcelona Realty Advisors, LLC

From: WILLIAM JORDAN

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree X to the new terms you have proposed

I do not agree ____ to the new terms you have proposed

Signed William Jordan

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

Rec'd 9.19.14 US Mail BH

Dated: 09/13/14

To: USA Barcelona Realty Advisors, LLC

From: Nancy Chaimson

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree X to the new terms you have proposed

I do not agree ____ to the new terms you have proposed

Signed Nancy Chaimson

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

Rec'd 9.19.14 usmail

Dated: 9/25/14

To: USA Barcelona Realty Advisors, LLC

From: KATHLEEN A CAROLIN

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree ✓ to the new terms you have proposed

I do not agree ____ to the new terms you have proposed

Signed _____

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

Dated: 9/22/14

To: USA Barcelona Realty Advisors, LLC

From: RICHARD WOODS

Regarding your request for me to grant a forbearance of principal and interest payments on my promissory note(s) evidencing your indebtedness to me, I reply as follows:

I agree ✓ to the new terms you have proposed

I do not agree ___ to the new terms you have proposed

Signed _____

Please mail to:

USA Barcelona Realty Advisor
7025 N. Scottsdale Rd, Suite 160
Scottsdale, AZ 85253

Or

Scan and email to:

rharkins@usabarcelonara.com

EXHIBIT
N-5
ADMITTED

USA Barcelona Realty Advisors, LLC

5/16/2016 6:56

Time Line Of Cash Flows

Per the Original Plan

Investor Name/ Ref	Date of Acceptance	Funds Loaned or Invested	1-Oct-12	1-Nov-12	1-Dec-12	1-Jan-13	1-Feb-13	1-Mar-13	1-Apr-13	1-May-13	1-Jun-13	1-Jul-13	1-Aug-13	1-Sep-13	1-Oct-13	1-Nov-13	1-Dec-13
12-6-12 Note and Class B Units - $670,000																	
Bair	10/15/2012	$ 20,000	20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eaves	1/15/2013	250,000	-	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-
Woods	3/17/2013	100,000	-	-	-	-	-	100,000	-	-	-	-	-	-	-	-	-
Carolin 1	7/5/2013	25,000	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-	-
Carolin 2	7/30/2013	25,000	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-	-
Burleson	5/30/2013	50,000	-	-	-	-	-	-	-	50,000	-	-	-	-	-	-	-
		$ 470,000															
Per Plan: 'Put "88" Proceeds her and terminate 12-6-12 @ $470,000																	
Integrate 12-6-12 with "88" for total 12 month (Oct '12 - Sept '13) offering of $970,000																	
"88" Ads ran in the gap between 5/30/13 and 10/4/13																	
Cheyenne/Jordon	10/4/2013	50,000	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-
Ramirez	10/22/2013	100,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000	-	-
Chamison	11/25/2013	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-
Total Capital Received under 12-6-12	Terminated at >>	$ 670,000	20,000	-	-	250,000	-	100,000	-	50,000	-	50,000	-	-	150,000	50,000	-
10-5-10 (replaced the terminated 12-6-12) - $150,000																	
Stewart	4/3/2014	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Andrade	4/8/2014	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Received under 10-5-10		$ 150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Terminated by terms of the Offering; 4-30-14 without exercising an extension that allows up to additional 180 days to 7-1-14																	
Special Note w/ Put features																	
Burleson	5/30/2013	$ 50,000	-	-	-	-	-	-	-	50,000	-	-	-	-	-	-	-
Formation Loan																	
Kerrigan	10/1/2012	$ 70,000	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Raised per the Plan - $940,000		$ 120,000	90,000	-	-	250,000	-	100,000	-	100,000	-	50,000	-	-	150,000	50,000	-
Unanticipated Capital																	
This "Special Note and Units" is interest under a 12-6-12 interest format plus 75 Class A Member Units. This is distinctively different from the 12-6-12 Program due to the Class A Member Units and must not be classified as part of the 12-6-12 Offering																	
Eaves (Note w/ a 12-6-12 interest program and Class A Member Units)	7/12/2013	$ 250,000	-	-	-	-	-	-	-	-	-	250,000	-	-	-	-	-
Capital Raised per Plan plus unanticipated Capital		$ 250,000	90,000	-	-	250,000	-	100,000	-	100,000	-	300,000	-	-	150,000	50,000	-
Gap Loans - Outside the Plan																	
Note Due 3-31-14 converted to Class A Equity (250,000 Class A Units)	12/30/2013	$ 125,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,000
Eaves			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note and 250,000 Class A Units	2/28/2014	125,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eaves			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Note; No Units	7/14/2014	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eaves	8/1/2014	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eaves																	
Other Kerrigan Gap Loans																	
Kerrigan	2/14/2014	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerrigan	2/15/2014	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerrigan	2/22/2014	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerrigan	5/15/2014	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerrigan	6/16/2014	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerrigan	8/15/2014	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerrigan	6/16/2014	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Orr Loan	6/16/2014	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,000
Andrade Loan			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Gap Loans		$ 420,000															
		$ 1,610,000	90,000	-	-	250,000	-	100,000	-	100,000	-	300,000	-	-	150,000	50,000	125,000
Total Capital Raised		$ 1,610,000	90,000	90,000	90,000	340,000	340,000	440,000	440,000	540,000	540,000	840,000	840,000	840,000	990,000	1,040,000	1,165,000
Cumulative Capital Raised																	
Recap of Capital Sources																	
Per the Original Plan		$ 940,000	90,000	-	-	250,000	-	100,000	-	100,000	-	50,000	-	-	150,000	50,000	-
Unanticipated Capital		250,000	-	-	-	-	-	-	-	-	-	250,000	-	-	-	-	-
Gap Loans - Outside the Plan		420,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,000
Total Capital Sources		$ 1,610,000	90,000	-	-	250,000	-	100,000	-	100,000	-	300,000	-	-	150,000	50,000	125,000
Cumulative Total Capital Sources		$ 1,610,000	90,000	90,000	90,000	340,000	340,000	440,000	440,000	540,000	540,000	840,000	840,000	840,000	990,000	1,040,000	1,165,000

USA Barcelona Realty Advisors, LLC 5/16/2016 6:56

Time Line Of Cash Flows

Per the Original Plan

Investor Name/ Ref	Date of Acceptance	Funds Loaned or Invested	1-Jan-14	1-Feb-14	1-Mar-14	1-Apr-14	1-May-14	1-Jun-14	1-Jul-14	1-Aug-14	1-Sep-14	1-Oct-14
12-6-12 Note and Class B Units - $670,000												
Bair	10/15/2012	$ 20,000	-	-	-	-	-	-	-	-	-	-
Eaves	1/15/2013	250,000	-	-	-	-	-	-	-	-	-	-
Woods	3/17/2013	100,000	-	-	-	-	-	-	-	-	-	-
Carolin 1	7/5/2013	25,000	-	-	-	-	-	-	-	-	-	-
Carolin 2	7/30/2013	25,000	-	-	-	-	-	-	-	-	-	-
Burleson	5/30/2013	50,000	-	-	-	-	-	-	-	-	-	-
		$ 470,000										
Per Plan: 'Put "88" Proceeds her and terminate 12-6-12 @ $470,000												
Integrate 12-6-12 with "88" for total 12 month (Oct '12 - Sept '13) offering of $970,000												
"88" Ads ran in the gap between 5/30/13 and 10/4/13												
Cheyenne/Jordon	10/4/2013	50,000	-	-	-	-	-	-	-	-	-	-
Ramirez	10/22/2013	100,000	-	-	-	-	-	-	-	-	-	-
Chamison	11/25/2013	50,000	-	-	-	-	-	-	-	-	-	-
Total Capital Received under 12-6-12	Terminated at >>	$ 670,000	-	-	-	-	-	-	-	-	-	-
10-5-10 (replaced the terminated 12-6-12) - $150,000												
Stewart	4/3/2014	100,000	-	-	-	100,000	-	-	-	-	-	-
Andrade	4/8/2014	50,000	-	-	-	50,000	-	-	-	-	-	-
Total Capital Received under 10-5-10		$ 150,000	-	-	-	150,000	-	-	-	-	-	-
Terminated by terms of the Offering; 4-30-14 without exercising an extension that allows up to additional 180 days to 7-1-14												
Special Note w/ Put features												
Burleson	5/30/2013	$ 50,000	-	-	-	-	-	-	-	-	-	-
Formation Loan												
Kerrigan	10/1/2012	$ 70,000	-	-	-	-	-	-	-	-	-	-
Capital Raised per the Plan - $940,000		$ 120,000	-	-	-	150,000	-	-	-	-	-	-
Unanticipated Capital												
This "Special Note and Units" is interest under a 12-6-12 interest format plus 75 Class A Member Units. This is distinctively different from the 12-6-12 Program due to the Class A Member Units and must not be classified as part of the 12-6-12 Offering												
Eaves (Note w/ a 12-6-12 interest program and Class A Member Units)	7/12/2013	$ 250,000	-	-	-	-	-	-	-	-	-	-
Capital Raised per Plan plus unanticipated Capital		$ 250,000	-	-	-	150,000	-	-	-	-	-	-

Gap Loans - Outside the Plan

Note Due 3-31-14 converted to Class A Equity (250,000 Class A Units)												
Eaves	12/30/2013	$ 125,000	-	-	-	-	-	-	-	-	-	-
Note and 250,000 Class A Units			-	-	-	-	-	-	-	-	-	-
Eaves	2/28/2014	125,000	-	125,000	-	-	-	-	-	-	-	-
Note; No Units			-	-	-	-	-	-	-	-	-	-
Eaves	7/14/2014	15,000	-	-	-	-	-	-	15,000	-	-	-
Eaves	8/1/2014	15,000	-	-	-	-	-	-	-	15,000	-	-
Other Kerrigan Gap Loans												
Kerrigan	2/14/2014	50,000	-	50,000	-	-	-	-	-	-	-	-
Kerrigan	2/15/2014	30,000	-	30,000	-	-	-	-	-	-	-	-
Kerrigan	2/22/2014	30,000	-	30,000	-	-	-	-	-	-	-	-
Kerrigan	5/15/2014	15,000	-	-	-	-	15,000	-	-	-	-	-
Kerrigan	6/16/2014	5,000	-	-	-	-	-	5,000	-	-	-	-
Kerrigan	8/15/2014	2,500	-	-	-	-	-	-	-	2,500	-	-
Orr Loan	6/16/2014	2,500	-	-	-	-	-	2,500	-	-	-	-
Andrade Loan	6/16/2014	5,000	-	-	-	-	-	5,000	-	-	-	-
Total Gap Loans		$ 420,000	-	235,000	-	-	15,000	12,500	15,000	17,500	-	-
Total Capital Raised		$ 1,610,000	-	235,000	-	150,000	15,000	12,500	15,000	17,500	-	-
Cumulative Capital Raised		$ 1,610,000	1,165,000	1,400,000	1,400,000	1,550,000	1,565,000	1,577,500	1,592,500	1,610,000	1,610,000	1,610,000

Recap of Capital Sources

Per the Original Plan	$ 940,000	-	-	-	150,000	-	-	-	-	-	-
Unanticipated Capital	250,000	-	-	-	-	-	-	-	-	-	-
Gap Loans - Outside the Plan	420,000	-	235,000	-	-	15,000	12,500	15,000	17,500	-	-
Total Capital Sources	$ 1,610,000	-	235,000	-	150,000	15,000	12,500	15,000	17,500	-	-
Cumulative Total Capital Sources	$ 1,610,000	1,165,000	1,400,000	1,400,000	1,550,000	1,565,000	1,577,500	1,592,500	1,610,000	1,610,000	1,610,000

Unofficial
20 Document

09
he

for Jamie

EXHIBIT
H-6
ADMITTED

Instrument Prepared By
And Recording Requested By:

Patrick J. McDonough

Space Above For Recorder's Use

Notice and Claim of Lien
(Mechanic's, Materialman's or Professional Services)

Claimant: (Name and Address) Patrick J. McDonough	**Property:** The real property upon which the Project was constructed is the following described parcel(s) of land, and includes any and all structures and improvements located thereon, to which are to be charged with this Lien (the "Subject Property"):
Property Owner: (Name and Address) Richard Harkins USA Barcelona Holding Co., LLC USA Barcelona Hotel Holding Co., LLC USA Barcelona Realty Advisors, LLC USA Barcelona Hotel Land Co., I, LLC	Address: 4422 E. Lupine Ave, Phoenix, Az. 85028 21419 N. Century Lane, Scottsdale, az. 85254 7025 N. Scottsdale Rd. Scottsdale. Az. Legal Description: All property owned or held in the name of the individual listed above or any of the named LLCs to include all furniture, furnishings, computers and all computer related components including video screens, monitors, televisions etc. The phone system and all office supplies The Project Name and/or Reference Is: Independent contractor agreement between Patrick J. McDonough and USA Barcelona Realty Advisors LLC

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The Claimant furnished labor, materials, services, tools and/or equipment of the following general description at the Property (**Services**): Claimant was contracted to provide services as Vice-President of Retail Capital Markets. The claimant provided all services stipulated by the attached job description. The party who hired the Claimant to perform the Services at the Property is (the "**Hiring Party**"): (Name and Address) George T. Simmons, EVP Richard Harkins, President USA Barcelona Realty Advisors, LLC	**Amount of Claim** After deducting just offsets and credits, and accounting for all change orders, the amount demanded in this lien by the CLAIMANT is: $ 25,500.00 This amount shall accrue interest at the rate of 10.00% per annum as per A.R.S. §44-1201. Claimant shall be entitled to the fees for preparing this Lien, and foreclosing thereupon, as per A.R.S. § 33-995(E) and § 33- 998(B).

Unofficial Document

The Contract The Claimant provided the Services to the Property pursuant to a: [✓] Written Contract [ ] Oral Contract For written contracts, the terms of the same are available pursuant to a copy of the contract which is attached to this lien as Exhibit A. For oral contracts, the terms of the same are described as follows:	**Commencement Date**: Claimant first furnished the Services to the Property on or around the following date: November 1, 2013 **Completion Date:** The completion of the project occurred on or about the following date: June 12, 2014 **Preliminary Notice Date:** A copy of the Preliminary Notice(s) and the proof of its mailing is attached to this lien claim as Exhibit B, the Claimant delivered the Preliminary Notice(s) as per ARS § 32-922.01 on the following date(s):

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The CLAIMANT provides that at the request of the HIRING PARTY, it providing the SERVICES to the PROPERTY, and that the AMOUNT OF CLAIM is due and owing to the CLAIMANT in full, after providing all offsets and just credits. The CLAIMANT demands a lien on the PROPERTY and all improvements thereupon in the AMOUNT OF CLAIM. The CLAIMANT provides this Notice of Claim of Lien to the County Recorder's office in duplicate copies, the first to be recorded with the County, and the second to be returned to the CLAIMANT to be served upon the Owner(s) or Reputed Owner(s) as per statutory standards.

Signature of Claimant, and Verification

State of Arizona
County of Maricopa, Arizona

I, Patrick J. McDonough, the undersigned, being of lawful age and being first duly sworn upon oath, do state that I am the Claimant named herein, or an authorized agent of the Claimant appointed for the purposes of signing and filing this Notice of Claim of Lien, and that I have read the foregoing Notice of Claim of Lien, know the contents thereof, and I have been provided and thereby have knowledge of the facts, and certify that based thereupon, upon my information and belief the foregoing is true and correct, and that I believe them to be true.

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P. McDonough

Claimant
Signed by Authorized and Disclosed Agent
Print Name: Patrick J. McDonough
Dated: November 24, 2015

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Sworn to and subscribed before me, undersigned Notary Public in and for the above listed State and County/Parish, on this 3rd December 2015, by Patrick J. McDonough, who is known to me, or satisfactorily proved to me, to be the person whose name is subscribed to this document, and who acknowledged that he/she executed this document in the capacity indicated for the principal named.

Notary Public

Christopher A. Martinez
Notary Public
Maricopa County, Arizona
My Comm. Expires 05-10-19

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COPY

USA Barcelona
REALTY ADVISORS

RECEIVED

AGREEMENT WITH USA BARCELONA REALTY ADVISORS, LLC

This agreement is entered into as of January 1, 2014 (the "Effective Date"), by and between **USA Barcelona Realty Advisors, LLC**, an Arizona limited liability company (the "Company"), and Patrick McDonough (the "Member"). Beginning on the effective date Member will be receiving compensation for services provided to the Company (see Exhibit A for a Job Description and corresponding duties). Payments to Member for services to the Company will be reflected on Member's form K-1 from the Company's partnership tax return as Guaranteed Payments to Partner and as such Member is responsible for making appropriate quarterly tax payments to the various taxing authorities. Please consult your tax advisor in this regard.

In your role with the Company you will be acting as an agent of the Company and exposed to various confidential information and as such should not discuss this information unnecessarily in the course of your duties and should not use it for activities other than for Company business (see Exhibit C).

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IN WITNESS WHEREOF, the Parties have each executed this Agreement as of the Effective Date.

Company:
USA Barcelona Realty Advisors, LLC

By: [signature]

Its: COO

Date: 1/31/14

Member:

Signature: [signature]

Print: VP

Date: 1/31/14

EXHIBIT A

Job Description

Title: Vice President Retail Capital Markets

Reporting to: President & CEO

Duties and Responsibilities:

- Function as a representative of USABRA serving as Vice-President of Retail Capital Markets
- Develop, plan, implement and manage a network of Broker Dealers and independent registered investment advisors to market and sell all offerings developed by USABRA.
- Develop strategies, participate in the development and implementation of marketing and advertising efforts and interact with senior management in developing products and services to meet the client's needs. Follow market trends to develop new products and services of interest to our network of Broker Dealers and registered investment advisors.

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- Organize and manage marketing events, industry conventions, seminars, and road shows etc. to position and promote USABRA, its products and services within the Broker Dealer business network. This will include the preparation of all budgets allocated for these events, preparation and writing all press releases, press events etc. announcing any new product development or offerings.

EXHIBIT B

Compensation

Compensation Matters:

The Member shall assist the Company by performing the services described in Exhibit A to this agreement. The Member shall function as an agent of the Company and is authorized to make any appropriate representation, contract or commitment on behalf of the Company, according to the position responsibilities consistent with Member's title. For the services performed in accordance with this Agreement, the Company shall compensate Member as follows:

- Commencing on the Effective Date of this Agreement Member will be paid **$7,500** per month to be paid on the last business day of the month; however, that on the first month after the Effective Date, the compensation shall be reduced by a pro rata amount that is proportional to the total number of business days not worked in the first month.

- The Company will grant Class A Member Units to the Member and they shall vest, as follows:

  - **0.80%** Class A Member Units* on December 31, 2014 and ,

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  - _____Class A Member Units on _____ __, ____.

- In addition to the Compensation, the Company shall reimburse the Member for reasonable and necessary expenses incurred by the Member in connection with the performance of the Services performed.

- The Member shall be entitled to any of the benefits that the Company may make available to its employees, such as group health, profit sharing, 401k, retirement benefits and/or bonus programs.

- At the Company's reasonable expense, the Company shall cover the Member under its directors and officers liability insurance policy.

- Individualized compensation in the form of cash and/or Class A Member Units paid as incentive bonus awards for meeting and/or exceeding performance.

***NOTE:** Shown as a percentage share of 54,000,000 total authorized Units of ownership, effective January 1, 2014.

1/31/14

Exhibit B Addendum

Compensation

This addendum amends Exhibit B of the Agreement with USA Barcelona, LLC and Patrick McDonough for the period from February 1, 2014 through June 30, 2014. During this agreed to period, $2,500.00 of Patrick's contracted monthly payment of $7,500.00 will be deferred and accrued. This deferred amount of $12,500.00 will be paid in cash, as a lump sum payment by July 31, 2014. In lieu of a cash payment, Patrick may elect to convert the accrued total amount, or any portion thereof, into USABRA Class A Units at the conversion rate of $1.00 per unit. If the conversion rate is determined to be less than $1.00 upon conversion, Patrick will purchase the units at the determined price as of June 30, 2014. Patrick has complete discretion to purchase Class A Units or decide to receive the lump sum payment at the end of the deferral period. As incentive to defer this compensation, Patrick will receive a grant of 12,500 additional options effective upon execution of the complete agreement.

Company:
USA Barcelona Realty Advisors, LLC

By: _____

Its: Unofficial Document COO

Date: 1/31/14

Member: _____

Signature: _____

Print: PATRICK J. McDONOUGH

Date: 1/31/14

EXHIBIT C

CONFIDENTIALITY AND NON-CIRCUMVENTION AGREEMENT

This Confidentiality Agreement ("Agreement") is effective as of January 1, 201_, by and between USA Barcelona Realty Advisors, LLC, (hereinafter "Company") and, Patrick McDonough (hereinafter, "Member"). "Company" and "Member" are sometimes hereinafter referred to as, individually, "Party" and, collectively, "Parties."

WITNESSETH:

WHEREAS, Company possesses certain information regarding projects, finance business and specific project opportunities and desires to disclose to, review and discuss such information with business associates; and

WHEREAS, the Parties acknowledge by execution hereof that all Confidential Information (hereinafter defined) provided by the Parties pursuant to this Agreement is ample and adequate consideration to make this Agreement to binding contract.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound agree as follows:

Unofficial Document

1. Confidentiality Agreement. Any Confidential Information received by either Party ("Receiving Party") from the other Party, its subsidiaries, affiliates, successors, employees, contractors, advisors or agents (individually and collectively, "Disclosing Party"), whether directly or indirectly, shall be received subject to the following terms and conditions:

   1.1 Confidentiality: The Confidential Information shall remain property of the Disclosing Party and will be kept confidential, and shall not be disclosed, published or disseminated in any manner by the Receiving Party or by the Receiving Party's subsidiaries, affiliates, successors, employees, contractors, advisors or agents, in whole or in part, without the prior written consent of the Disclosing Party, which may be withheld with or without cause. Furthermore, the Confidential Information shall not be used by the Receiving Party, its subsidiaries, affiliates, successors, employees, contractors, advisors, agents, or other competitive suppliers of similar technologies, other than in connection with performing duties for the Company, without the Disclosing Party's prior written consent, which may be withheld with or without cause. The Parties agree not to use the Confidential Information in any manner that is adverse, detrimental, or injurious to the Disclosing Party.

   1.2 Return of Information: The Receiving Party agrees to return the Confidential Information promptly upon the Disclosing Party's written request, together with all copies made thereof.

1.3 Confidential Information: The term "Confidential Information" as used herein refers to all trade secrets, a Party's client and contact lists or confidential or proprietary information, whether oral, written, computerized or otherwise, relating to the Projects which is revealed, directly or indirectly, to Receiving Party during the course of this Agreement, regardless of the form in which it appears, all copies thereof (whether or not made in accordance with this Agreement) and the content, substance or effect of such information.

1.4 Exceptions: This Agreement imposes no obligation upon the Receiving Party with respect to any Confidential Information disclosed under this Agreement which the Receiving Party can demonstrate: (a) was actively pursued by Receiving Party before receipt from the Disclosing Party; (b) is independently developed by the Receiving Party prior to the date of this Agreement; (c) is disclosed under requirement of law (provided that Disclosing Party is given prompt written notice thereof and is allowed to exhaust all reasonable legal remedies to maintain the confidentiality of the information); or (d) is disclosed by the Receiving Party to a third party with the consent of Disclosing Party.

2. Non-Circumvention. Each Party acknowledges that the other Party has expended considerable time and effort in developing, and in accumulating information relating to its business and, in the case of the Company; it has expended considerable time and effort developing the Projects and agrees not to circumvent, attempt to circumvent, compete or attempt to compete with the Company on the Projects by utilizing the Confidential Information received from the Company, its subsidiaries, affiliates, successors, employees, contractors, advisors or agents pursuant to this Agreement.

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3. Exception to Non-Circumvention. If Receiving Party demonstrates that a Project (a) was actively pursued by Receiving Party before receipt from the Disclosing Party; (b) is independently developed by the Receiving Party prior to the date of this Agreement; and/or (c) is disclosed under requirement of law (provided that Disclosing Party is given prompt written notice thereof), then the Receiving Party may pursue such Project without restriction or limitation and such action shall not violate this Agreement.

5. Indemnification. Each Party shall be fully responsible for any breach of this Agreement by the Party, its subsidiaries, affiliates, successors, employees, contractors, advisors or agents or any other party acquiring Confidential Information through such Party.

6. Specific Enforcement/Restraining Order. Each Party understands and agrees that the sole purpose of evaluating the Confidential Information is in connection with the Projects. Each Party understands and agrees that any breach of this Agreement may adversely affect the Disclosing Party and any participant in any of the Projects. In addition to all remedies available to the Disclosing Party and any participant in any of the Projects at law or in equity, this Agreement may be specifically enforced by temporary restraining orders or other injunctive relief, provided such relief is granted by a court of competent jurisdiction.

7. Resolution of Disputes. Subject to Section 5 hereof, any dispute, difference, controversy or claim of any kind whatsoever which arises or occurs between the Parties to the Agreement in relation to any thing or matter arising under, out of or in connection with this Agreement shall be finally

settled under the rules of arbitration of the American Arbitration Association by three arbitrators appointed in accordance with those rules.

8. Limitation on Damages. Neither Party shall be liable to the other Party for any consequential, special, incidental, multiple, exemplary or punitive damages for performance or non-performance under this Agreement or for any actions undertaken in connection with or related to this Agreement including without limitation damages Party claims based on causes of action for breach of contract, tort or any other theory of recovery. Nor shall either Party be liable to the other Party for any claim of lost profits, whether such claim of lost profits is categorized under this Agreement as indirect, direct or consequential damages or alternative theory of recovery.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State Of Arizona (except those laws which would require the application of the laws of any other state).

10. Attorneys' Fees. Should either Party prevail by a final un-appealable judgment in any judicial or arbitral action to enforce any right under this Agreement, the non-prevailing party shall be liable to the prevailing Party for the prevailing Party's reasonable attorney's fees.

11. Entire Agreement. This Agreement (a) contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement, (b) supersedes in their entirety any and all previous communications between the Parties (including all previous versions of this Agreement, if any) as to the subject matter hereof, and (c) shall only be modified in writing by the Parties.

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12. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute as original, but all of which when taken together shall constitute one and the same agreement.

13. Severability. If any portion of this Agreement will for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion so adjudged will be deemed separate, distinct and independent and the remainder of this Agreement will be and remain in full force and effect and will not be invalidated or rendered illegal or unenforceable or otherwise affected by such holding or adjudication.

14. Further Obligation. Nothing contained in this Agreement shall obligate the Parties to enter into any other agreement or endeavor related to the Projects.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

USA Barcelona Realty Advisors, LLC

By: _____

Its: COO

Date: 1/31/14

Member:

Signature: _____

Print: PATRICK J. McDONOUGH

Date: 1/31/14

Unofficial Document

USABRA Payment Schedule

Month	Contract Amount	Deferred Amount	Total Due	Payment Recvd.
January	$5,000.00	$2500.00	$7500.00	$8500.00
February	$5,000.00	$2500.00	$7500.00	$4,000.00
March	$5,000.00	$2500.00	$7500.00	$2500.00
April	$5,000.00	$2500.00	$7500.00	N/A
May	$5,000.00	$2500.00	$7500.00	N/A
June	$2,000.00	$1,000.00	$3,000.00	N/A
Total	$27,000.00	$13,500.00	$40,500	$15,000
Balance due from USABRA		$25,500.00		

Unofficial Document

2

Richard C. Harkins
4422 E. Lupine Ave
Phoenix, AZ 85028

May 12, 2016

By email to:

Charles Berry, Clark Hill
14850 N. Scottsdale Rd, Suite 500
Scottsdale, AZ 85254

Paul Kitchin, Enforcement Attorney
Securities Division
1300 W. Washington, Third Floor
Phoenix, AZ 85007

To be Hand Delivery on Monday 16, 2016 to:
Respondents:
George T. Simmons
Robert Kerrigan
Bruce Orr

RE: Docket No. S-20938A-15-0308

Exhibit 1 – Harkins – Securities Division Proceedings
General Description – Notice and Claim of Lien
Claimant: Patrick J. McDonough
Property Owner: Richard Harkins et al as named on the document
As filed with Maricopa County Recorder 2015-0858826 12/03/15 02:04

This is the claim that under my cross examination of Mr. Mc Donough he testified he did not file.

EXHIBIT
H6a
ADMITTED

Please feel free to call if you have any questions.

Sincerely,

Richard C. Harkins

SA Barcelona
REALTY ADVISORS

7025 North Scottsdale Road, Suite 160
Scottsdale, AZ 85253

7015 0640 0000 6164 6790

UNITED STATES POSTAL SERVICE

1022

85028

.S. POSTAGE
PAID
COTTSDALE,A
85260
EC 07, 15
AMOUNT
$6.74
00107096-05

Mr. Dick Harkins
4422 E. Lupine Ave.
Phoenix, Az 85028

85028232122

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2015-0858826 12/03/15 02:04
PAPER RECORDING

0970441-13-1-1
henrya

Instrument Prepared By
And Recording Requested By:

Patrick J. McDonough

Space Above For Recorder's Use

Notice and Claim of Lien

(Mechanic's, Materialman's or Professional Services)

Claimant: (Name and Address) Patrick J. McDonough **Property Owner**: (Name and Address) Richard Harkins USA Barcelona Holding Co., LLC USA Barcelona Hotel Holding Co., LLC USA Barcelona Realty Advisors, LLC USA Barcelona Hotel Land Co., I, LLC	**Property:** The real property upon which the Project was constructed is the following described parcel(s) of land, and includes any and all structures and improvements located thereon, to which are to be charged with this Lien (the "Subject Property"): Address: 4422 E. Lupine Ave, Phoenix, Az. 85028 21419 N. Century Lane, Scottsdale, az. 85254 7025 N. Scottsdale Rd. Scottsdale, Az. Legal Description: All property owned or held in the name of the individual listed above or any of the named LLCs to include all furniture, furnishings, computers and all computer related components including video screens, monitors, televisions etc. The phone system and all office supplies The Project Name and/or Reference Is: Independent contractor agreement between Patrick J. McDonough and USA Barcelona Realty Advisors LLC

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The Claimant furnished labor, materials, services, tools and/or equipment of the following general description at the Property (**Services**): Claimant was contracted to provide services as Vice-President of Retail Capital Markets. The claimant provided all services stipulated by the attached job description. The party who hired the Claimant to perform the Services at the Property is (the "**Hiring Party**"): (Name and Address) George T. Simmons, EVP Richard Harkins, President USA Barcelona Realty Advisors, LLC	**Amount of Claim** After deducting just offsets and credits, and accounting for all change orders, the amount demanded in this lien by the CLAIMANT is: $ 25,500.00 This amount shall accrue interest at the rate of 10.00% per annum as per A.R.S. §44-1201. Claimant shall be entitled to the fees for preparing this Lien, and foreclosing thereupon, as per A.R.S. § 33-995(E) and § 33- 998(B).

The Contract The Claimant provided the Services to the Property pursuant to a: [✓] Written Contract [ ] Oral Contract For written contracts, the terms of the same are available pursuant to a copy of the contract which is attached to this lien as Exhibit A. For oral contracts, the terms of the same are described as follows:	**Commencement Date**: Claimant first furnished the Services to the Property on or around the following date: November 1, 2013 **Completion Date:** The completion of the project occurred on or about the following date: June 12, 2014 **Preliminary Notice Date:** A copy of the Preliminary Notice(s) and the proof of its mailing is attached to this lien claim as Exhibit B, the Claimant delivered the Preliminary Notice(s) as per ARS § 32-922.01 on the following date(s):

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The CLAIMANT provides that at the request of the HIRING PARTY, it providing the SERVICES to the PROPERTY, and that the AMOUNT OF CLAIM is due and owing to the CLAIMANT in full, after providing all offsets and just credits. The CLAIMANT demands a lien on the PROPERTY and all improvements thereupon in the AMOUNT OF CLAIM. The CLAIMANT provides this Notice of Claim of Lien to the County Recorder's office in duplicate copies, the first to be recorded with the County, and the second to be returned to the CLAIMANT to be served upon the Owner(s) or Reputed Owner(s) as per statutory standards.

Signature of Claimant, and Verification

State of Arizona
County of Maricopa, Arizona

I, Patrick J. McDonough, the undersigned, being of lawful age and being first duly sworn upon oath, do state that I am the Claimant named herein, or an authorized agent of the Claimant appointed for the purposes of signing and filing this Notice of Claim of Lien, and that I have read the foregoing Notice of Claim of Lien, know the contents thereof, and I have been provided and thereby have knowledge of the facts, and certify that based thereupon, upon my information and belief the foregoing is true and correct, and that I believe them to be true.

P. McDonough

Claimant
Signed by Authorized and Disclosed Agent
Print Name: Patrick J. McDonough
Dated: November 24, 2015

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Sworn to and subscribed before me, undersigned Notary Public in and for the above listed State and County/Parish, on this 3rd December 2015, by Patrick J. McDonough, who is known to me, or satisfactorily proved to me, to be the person whose name is subscribed to this document, and who acknowledged that he/she executed this document in the capacity indicated for the principal named.

Notary Public

Christopher A. Martinez
Notary Public
Maricopa County, Arizona
My Comm. Expires 05-10-19

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EXHIBIT
H 8
ADMITTED

Dick Harkins

From: Glenn Erler <glenn@erlertech.com>
Sent: Monday, May 16, 2016 12:05 AM
To: Dick Harkins
Subject: T Simmons Email

Glenn L. Erler
Erler Technology Associates
Site Development – Network Support – DB Solutions
Glenn@erlertech.com
480.200.6000

The document(s) and/or file(s) attached to, and the contents of this email is intended only for the individual or entity to which it is addressed, and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and email and delete this and any copies permanently from your system.

From: GTomSimmons@aol.com [mailto:GTomSimmons@aol.com]
Sent: Saturday, May 10, 2014 12:27 PM
To: George T Simmons <tsimmons@usabarcelonara.com>
Subject: Fwd:

From: dharkins@usabarcelonara.com
To: srchanen@chanen.com
CC: cberry@polsinelli.com, gtomsimmons@aol.com
Sent: 5/10/2014 11:16:13 A.M. US Mountain Standard Time
Subj: RE:

Thanks.

Charlie Berry and I are trading emails about the risk factors you brought forward that would apply to the entitlement period, as that is the subject of the Hotel Land Company I PPM.

As to putting the Chanen section in the PPM (I believe it should go in "Section VII. Hotel Development Opportunity", subsection "The New Build Program Business Plan", page 42), you mentioned an intro you would want me to employ in front of the pictures and related captions. Have you developed that piece (the intro)?

Richard C. Harkins
USA Barcelona *Realty Advisors*
480.625.4355 Phone

From: Steven R Chanen [mailto:srchanen@chanen.com]
Sent: Friday, May 09, 2014 4:00 PM
To: Dick Harkins
Subject:

Dick,

Attached is the revised Chanen company and project summary.

I have not had a chance yet to review the offering but recommend adding the following risk factors, for which I have given you some ideas. These need to actually be written by your lawyer. These are not complete and just a few that I thought your team should consider. Additionally, the names of your business entities need to be incorporated. As a placeholder, I used the term, the Company.

Buy-Out Risk. The market for construction materials and labor varies throughout the United States and there is no assurance that a sufficient number of competitive trade contractor bids can be obtained in each and every city in which hotel projects may be built. Accordingly, the actual price of and schedule for construction may vary from budgets or other predictions of cost. Various factors including labor markets, materials markets, weather, and unexpected occurrences may disrupt construction of individual hotels and these disruptions may cause substantial variations in construction costs and time for construction.

Safety Risks. Construction involves various safety risks, including but not limited to, on-site safety of workers and visitor to the construction sites as well as toxic materials such as asbestos, asbestos products, PCB and other substances for which the storage and disposal of which is regulated by government agencies and municipalities. Costs associated with these risks may not be fully covered by insurance.

Liens and Encumbrances. Because of federal, state, and local legal regulation involving construction and the provision of labor and materials, liens and encumbrances may be filed by contractors, subcontractors, suppliers, architects ,engineers and others which could represent a defect in and claim against the title of each hotel property. Furthermore, such lien owners may

have the right to proceed against the underlying property which could trigger an event of default of any financing related to such property.

Design Related Risk. The Company intends to hire one or more architects and engineers for each project, starting with the entitlement process. Numerous risks exist with respect to the hiring of such architects and engineers as follows:

1. Errors and Omissions. Architects and engineers may make errors and omissions that may cause damage to our property, the property of others or may also cause bodily injury. These risks may not be fully insurable.

2. Copyright Risk. Architects and engineers will be required to indemnify the Company from copyright risk with respect to their work; however, their work may infringe the copyrights of others and their indemnity may not be sufficient to protect the Company.

3. Price and Schedule. Architects and engineers hired by the Company may not be successful in obtaining budgeted or expected prices and completion schedules.

4. Claims. Architects and engineers contracted by the Company may file claims against the Company for additional and disputed charges and these may lead to protracted disputes

Let me know if you have any questions.

all incorporated PSS 23-24

Steve

Steven R. Chanen

President & CEO

Chanen Construction Company, Inc.

3300 North Third Avenue

Phoenix, Arizona 85013

(602) 266-3600

Building Skylines since 1955

From: Dick Harkins [mailto:dharkins@usabarcelonara.com]
Sent: Friday, May 09, 2014 3:11 PM
To: Steven R Chanen
Subject: RE: Chanen piece for the Hotel Land Company I PPM

Hi Steve:

Will we have input back from you today? If so, we'll work tomorrow to complete the PPM.

Also, Denise is in today and we've discussed a "joint" press release regarding our mutual interests. We feel that will be a very useful addition to the marketing (in this area) of our Land Fund offering. She will be calling you to explore your thoughts etc.

Best

Richard C. Harkins
USA Barcelona *Realty Advisors*
480.625.4355 Phone

From: Steven R Chanen [mailto:srchanen@chanen.com]
Sent: Thursday, May 08, 2014 10:19 PM
To: Dick Harkins
Cc: Connie Cook
Subject: Re: Chanen piece for the Hotel Land Company I PPM

Thank you Dick.

You will have my edits tomorrow.

Best regards,

Steve

Steven R. Chanen

President & CEO

Chanen Construction Company, Inc.

3300 North Third Avenue

Phoenix, Arizona 85013

srchanen@chanen.com

Building Skylines Since 1955

On May 8, 2014, at 2:35 PM, "Dick Harkins" <dharkins@usabarcelonara.com> wrote:

Greetings:

Attached is the piece we have which is literally a cut and paste from your web site. If you would put your edits, additions and deletions to it, we will fluff it up and insert in the PPM.

Richard C. Harkins
USA Barcelona Realty Advisors
7025 N Scottsdale Rd Ste 160
Scottsdale, AZ 85253
480.625.4355 Phone
480.625.4347 Fax
www.usabarcelonarealtyadvisors.com<http://www.usabarcelonarealtyadvisors.com/>
The document(s) and/or file(s) attached to, and the contents of this email is intended only for the individual or entity to which it is addressed, and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and email and delete this and any copies permanently from your system. This is not an offer of securities and nothing contained herein should be construed as an offer to invest in securities or advice regarding investments

<Chanen Company Hotel Pictures 5-7-14.docx>

EXHIBIT
H-11
ADMITTED

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as of January 1, 2014, by and between USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, with its principal place of business at 7025 North Scottsdale Road, Suite 160, Scottsdale, Arizona 85253 (the "Company") and **Paul J. Meka**, residing at 10038 N. 58th Place, Scottsdale, AZ 85253 (the "Employee").

A. The Company provides administrative services to USA Barcelona Realty Advisors, LLC, which plans to invest in hotels and, possibly, other income producing real estate.

B. The Employee wishes to render services as an employee of the Company.

C. The Company wishes to employ the Employee on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants, conditions and promises contained in this Agreement, the parties agree as follows:

1. **Contractual Relationship.** The Company engages the Employee to perform the duties and responsibilities ("Duties") described in the job description attached as Exhibit A to this Agreement and made a part hereof. The Employee will devote such time and effort as is required to perform his Duties to the Company and not less than 40 hours per week. The Employee shall report to and take direction from the President of the Company, who will provide oversight and direction as appropriate and who will be responsive to requests for timely decisions on matters essential to the Employee's Duties.

2. **Term.** The term of this Agreement shall begin on the date set forth above and continue until December 31, 2016, unless this Agreement is terminated prior to that date pursuant to Section 7 below.

3. **Duties of the Employee.** The Employee agrees to use Employee's best efforts to provide his services as described in Exhibit A to the benefit of the Company. Employee agrees to abide by policies of the Company with respect to the conduct of its business and by generally accepted practices established in the Company's industry.

4. **Representation of No Violation.** As a material inducement for the Company to enter into this Agreement, the Employee represents that this Agreement was carefully reviewed prior to signing and that entering into and performing the Duties of this Agreement will not violate or cause the violation of any Agreement to which Employee is a party.

Initials PM Initials

5. **Compensation.**

(a) Employee shall be compensated by the Company as set forth in Exhibit B attached and incorporated in this Agreement. During the term of this Agreement, Employee shall be entitled to participate in all employee benefit plans, practices and programs maintained by Company, including, without limitation, all pension, retirement, profit sharing, savings, medical, dental, vision, life or long-term disability insurance benefit plans, to the extent such programs are available to Company employees generally and Employee's participation does not violate any applicable federal or state rules with respect to non-discrimination in benefits, contributions or participation.

(b) The Company and the Employee acknowledge that the Employee will own a membership interest in the Company, which may be subject to vesting. The Company will engage with Employee as an employee for federal and state tax purposes under the Internal Revenue Code ("I.R.C.") and applicable state law. The Company will report compensation paid to Employee on IRS Form W-2 as wages paid to an "employee" as that term is defined in I.R.C. § 3121(d).

6. **Employee Independent Status.** The Employee is contracted by the Company only for the purposes and to the extent set forth in this Agreement. Employee shall devote Employee's entire time, energy, and skill during regular business hours to the business of the Company, and shall not provide any services similar to the Duties to any other entity or person without prior written approval of the Company.

7. **Termination.**

(a) **Employment at-will.**

Employee and the Company mutually consent and acknowledge that Employee's employment with the Company is for a three (3) year term, but is terminable at will, with or without cause, by either Employee or the Company at any time and for any reason. Upon either party terminating Employee's employment hereunder, that party shall give written notice to the other party of the intention to terminate the employment. Such notice shall be hand delivered or sent by registered or certified mail, return receipt requested to the appropriate address as set forth in the first paragraph on the first page of this Agreement and shall be effective when received unless the notice provides a later date as the effective date of termination. If Employee is terminated by the Company without cause (defined below), Employee shall retain the rights to and the Company will provide Employee the compensation, family health coverage and vesting of membership interest as provided in Exhibits A and B for twelve (12) months after the date of termination. This paragraph will survive the expiration or termination of this Agreement.

For purposes of this Agreement, "cause" means: (i) Employee proves incapable of achieving written performance objectives agreed to between Employee and Company; (ii) any willful or gross misconduct or insubordination by Employee with respect to the business and affairs of the Company; (iii) following the date of employment, the conviction of Employee of a crime involving dishonesty or a false statement or a felony whether or not committed in the course

Initials Initials

of his employment by the Company (iv) Employee's neglect, failure or refusal to carry out his Duties hereunder; (v) the breach by Employee of any representation, warrant or covenant contained herein, which breach is materially adverse to Company; or (vi) violation of Company policy, such as described in paragraph 15 of this Agreement or excessive unexcused or unscheduled absenteeism as determined by the Company.

(b) **Return of Property**

Upon termination, with or without cause, by either party, and without regard to the time delay in the settling of accounts, the Employee shall immediately return to the Company all Company documents and property (intellectual, tangible and intangible) including, but not limited to, all literature, forms, manuals, policy manuals, marketing information, and all data records and writings, plus cell phones, projectors, computers and computer accessories. **This covenant, on the part of the Company and Employee, shall be constructed as an agreement independent of any other provision of this Agreement, and the existence of any claims or cause of action by the Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of this covenant.**

8. **Company Property.**

The Employee acknowledges and agrees that through employment with the Company, Employee will gain knowledge and possession of confidential information developed for or by the Company and utilized in its business. This information includes, without limiting the generality of the foregoing, trade secrets and other confidential property and work, such as future business plans, licensing agreements and strategies, advertising and promotional campaigns, information regarding proposed products and services, components thereof or improvements thereto, business forecasts, customer lists and information, source codes, object codes and computer services information, information about the Company, its executives, officers, directors, and employees, password and account information, and confidential information from third parties, all of which Employee will obtain from the Company or through the Company's employment of Employee in confidence, hereinafter collectively referred to as "Confidential Information". Confidential Information will be provided to Employee to assist Employee in the performance of his Duties and Employee acknowledges and agrees that notwithstanding Employee's aid or assistance in compiling, creating, researching, developing, distributing, marketing, or otherwise dealing with the Confidential Information, the knowledge and opportunity to do so will be gained from Employee's employment by the Company. All Confidential Information is the sole and exclusive property of the Company (or a third party providing such information to the Company). Except as required for performance of his Duties under this Agreement, Employee is prohibited from using any Confidential Information and nothing contained in this Agreement should be construed as granting, by implication, estoppel, or otherwise, any license or right for Employee to use any of the Confidential Information without the written permission of the Company.

Initials BM Initials

9. **Restrictive Covenants.**

The Company's Confidential Information, along with the goodwill in the industry and established with customers, is not readily available in the marketplace but is developed and nurtured over time at great expense. The Employee is engaged in the Company in a capacity in which Employee will become acquainted with, have access to and/or knowledgeable of all or part of this information. The existing Confidential Information, research, goodwill and reputation of the Company will greatly facilitate the Employee in the performance of Employee's employment with the Company. All such information, research, development and creation are the sole and exclusive property of the Company.

In order to guard the legitimate interests of the Company, it is necessary for the Company to protect its research, goodwill, reputation and customer lists and other Confidential Information by prohibiting disparagement of the Company, interference with its business, disclosure of its Confidential Information and preventing Employee from competing against the Company during employment and following termination. Therefore as a material inducement for the Company to employ the Employee, Employee covenants and agrees to fully comply with and abide by the following restrictive covenants.

(a) **Non-Disclosure; Non-Solicitation.**

Except in the performance of Employee's Duties hereunder, Employee will not, at any time during the term of this Agreement or any time thereafter, for the benefit of Employee or any third party, or for the harm or detriment of the Company, publish, disclose, use or authorize anyone else to publish, disclose or use, any Confidential Information. Further, during the term of this Agreement and for one (1) year after its termination or expiration, Employee shall not in any way, directly or indirectly, for himself or on behalf of or in conjunction with any other person or entity: solicit or divert away or attempt to solicit or divert away any employee or independent contractor of the Company or request or induce any employee or independent contractor of the Company to terminate his/her or its engagement with the Company, and accept employment or engagement with Employee or another person or entity. This paragraph shall survive after termination of this Agreement.

(b) **No Disparagement.**

The Employee shall not disparage the reputation of the business, the research, or the materials of the Company or the relationship of the Employee with the Company. The Employee will refrain from interfering with the Company's business, business relationships and the relationship of the Company with its personnel during the term of this Agreement and after its termination. If Employee is found liable by a court or other tribunal with proper jurisdiction of defamation, business disparagement or interference with the business or the reputation of the Company or its personnel, the Employee will be responsible for all costs and attorneys' fees incurred by the Company for the bringing of such action in addition to the damages awarded. This paragraph shall survive after termination of this Agreement.

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(c) **Protection of Confidential Information.**

Employee acknowledges and agrees that the Company's Confidential Information is proprietary, valuable confidential business information and trade secrets recognized in the statutes and laws of numerous states of the United States. Employee further acknowledges and agrees that this Confidential Information has substantial value to the Company and its ability to compete with similar businesses. Disclosure of this information would cause great loss and severe damage to the Company's value and competitive advantage.

To the extent Employee is involved in the research, development or creation of the Company's business materials, or any one or more portions or parts thereof, Employee transfers, sells, and assigns to the Company all Employee's work product, processes, and proprietary data created or developed by Employee or with Employee's assistance and all title and ownership thereof is hereby held by and vested in the Company. Employee further acknowledges and agrees that all work product, ideas, designs, documents or other data produced by, modified by, or disclosed, intentionally or inadvertently, to Employee during the term of Employee's employment with the Company that relates in any way to the Company's actual or anticipated business, research or development, including but not limited to, all copyrightable and patentable matter, and all other intellectual property shall be, to the extent allowed by law, deemed a work for hire, and shall be owned exclusively by the Company and Employee does hereby disclaim any right, title, interest or demand thereto. Employee will promptly disclose, grant, and irrevocably transfer, convey and assign to the Company for its sole use and benefit all intellectual property and execute and deliver such documents as may be necessary or proper in the Company's sole opinion to vest in the Company complete title, right and interest, to the intellectual property and to enable the Company to obtain and enforce its rights to the intellectual property in the United States and throughout the world.

Employee agrees to exercise caution and prudent measures to safeguard and protect the Company's Confidential Information from theft, loss, and inadvertent disclosure.

(d) **Non-Compete.**

During the term of this Agreement and for a continuous period of two (2) years thereafter, Employee shall not, individually or jointly with others, directly or indirectly, whether for Employee's own account or for that of any other person or entity, own or hold any ownership or voting interest in any person or entity (other than the Company) engaged in a business which directly competes with the Company (the "Business") in any manner whatsoever with the Business within the United States of America.

Further, Employee shall not act as an officer, director, employee, partner, independent contractor, consultant, principal, agent, proprietor, or in any other capacity for, nor lend any assistance (financial, managerial, professional or otherwise) or cooperation to, nor perform any services for, any such person or entity, which directly competes with the Company. Provided however, the geographic limitation described above shall not apply during the term of this Agreement, and during the term of this Agreement, Employee is prohibited from the foregoing activities and relationships with any person or entity which competes with the Company,

Initials Initials

regardless of the geographic location of such person or entity or the area within which such person or entity conducts business.

Employee may be fully or partially exempted from these non-compete restrictions only by written Addendum to this Agreement, executed by two officers of the Company.

(e) **No Conflicts.**

Employee shall not permit a conflict of interest between his obligations to the Company and any other interests to occur. Such a conflict is deemed to occur should Employee, or any member of Employee's family or any person or entity with whom Employee has a business relationship (other than with the Company) accepts gifts of more than token value, loans (other than from established banking or financial institutions) or other substantial favors from any outside concern or individual which does or seeks to do business with, or is or seeks to be a competitor of the Company.

These covenants are material inducements for the Company to enter into this Agreement. Employee acknowledges and agrees that these covenants shall each be construed as an agreement independent of any other provision of this Agreement, and the existence of any claims or cause of action by Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of these covenants. Nothing herein shall be construed as prohibiting the Company from pursuing any other remedies available to it for a breach or threatened breach of any of these covenants, including the recovery of damages from Employee, but Employee agrees that such a breach or threatened breach of the foregoing provisions will cause irreparable injury to the Company, which cannot be adequately compensated by monetary damages. If it becomes necessary for the Company to enforce any of the provisions of this paragraph 9, the Employee agrees to reimburse the Company for all costs and expenses in connection therewith, including reasonable attorneys' fees through both trial and appellate proceedings.

10. **Waiver of Breach.** The waiver by either party hereto of a breach of any of the covenants, restrictions or obligations of this Agreement shall not constitute or be construed as a waiver of any subsequent breach by either party.

11. **Successions and Assignability.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and upon their successors in interest of whatever nature. The Company may assign this Agreement, but it is not assignable by Employee and no duties hereunder may be delegated by Employee.

12. **Construction and Venue.** This Agreement shall be interpreted, construed and governed, according to the laws of the State of Arizona, without regard to any conflict of law rules. Any action based upon this Agreement or the performance thereof shall be brought in the State of Arizona. Employee and the Company stipulate that venue properly lies in the circuit court of Maricopa County, Arizona for any actions arising from or related to this Agreement.

Initials _____ Initials _____

13. **Entire Agreement.** This Agreement, together with its Exhibits, contains the entire and only agreements between the parties concerning the subject contained herein. Any and all other prior and/or collateral representations, promises and conditions in connection with the association of the parties hereto are merged in this Agreement in their entirety. Any representation, promise, or condition not expressly stated or incorporated by reference herein shall not be binding on either party. This Agreement shall not be extended, varied, changed, modified or supplemented, except by written instrument signed by each party.

14. **Compliance with Policies.** The Employee agrees to comply with the terms of any agency agreements or representations of the Company by its major suppliers, and by policies of the Company governing the conduct of its business and its employees. Policies of the Company, whether presently existing or made in the future, are not to be construed as a contract between the Company and the Employee. Language utilized in Company policies, handbooks and manuals is for expressing general policy statements that can be modified or revoked at the Company's discretion and is not to be construed as an offer to create a unilateral contract.

15. **Specific Prohibitions.** Certain conduct is strictly prohibited by the Company. The specific prohibitions stated below are not an exclusive or exhaustive list of prohibited conduct and activities and are not to be construed as such. This paragraph is not to be construed to conflict with any other provision of this Agreement. The following prohibitions are stated in this Agreement in order to expressly set forth Employee's acknowledgement of them and Employee's agreement not to violate any one of them.

(a) **Controlled Substances.**

The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited. Possession, use, or being under the influence of alcohol, while at work or on Company property or on Company business, is prohibited. "Under the influence" means that the Employee is affected by a drug or alcohol in any detectable manner. Employee's use of a legal drug can pose a significant risk to the safety of the Employee or others. The use of, or being under the influence of, any legal drug while at work or on Company property or on Company business is prohibited if such use or influence may affect the safety of the Employee, his co-workers, or members of the public. "Legal drug" means prescribed drugs and over-the-counter drugs which have been legally obtained and are being used for the purpose for which they are prescribed or manufactured. A "controlled substance" is any drug (i) which is legally obtainable but has not been obtained legally, including prescribed drugs not legally obtained and prescribed drugs not being used for the prescribed purposes, and (ii) any drug which is not legally obtainable.

(b) **Injury to Company's Reputation.**

In addition to the prohibitions against disparagement and defamation of the Company as stated in paragraph 9(b) above, Employee recognizes and acknowledges that off-the-job activities and conduct can injure the Company's reputation and be detrimental to its business, as well as effect Employee's on-the-job performance. Off-the-job activities that arise to a level of

disloyalty or anti-competitive behavior to the Company are prohibited. Any unlawful activity or conduct is prohibited.

16. **Personal Services.** This Agreement between the Company and Employee is for the personal services of Paul J. Meka. Employee represents and warrants to the Company that he will solely perform all duties and activities to be performed under this Agreement and that he shall dedicate his full time and attention to the performance of his Duties hereunder. A breach of this paragraph 16 shall be deemed and construed to be a material breach of this Agreement.

17. **Enforcement.** Should either party seek enforcement of this Agreement, the prevailing party shall be entitled to an award of the attorneys' fees and costs incurred, including but not limited to all fees and costs incurred on appeal or in bankruptcy proceedings.

EXECUTED as of the date first written above.

COMPANY:

USA BARCELONA REALTY ADVISORS, LLC

By: G.T. Simmons
Its: COO

Date: 1/31/14

EMPLOYEE:

Paul J. Meka

Date: 1/31/14

Initials Initials

EXHIBIT A

DUTIES AND RESPONSIBILITIES

Paul J. Meka has been primarily employed to act in the capacity of supporting new development projects and/or acquiring hotels, plus possibly, other income producing real estate (the "Permanent Position"). Those duties include, but are not limited to, the sourcing of properties, conducting due diligence activities, presentation to executive committee for approval or denial, and any other activities necessary for the Company to make an informed decision on whether to acquire or develop the property.

Until such a time the Company is in a position to acquire or develop properties, Mr. Meka will do whatever work is requested of him by the President which currently includes:

1. Assist in preparation of Private Placement Memorandums to include typing of document, proofing, printing and binding of the books, and preparation of mailing materials.
2. Accounting functions that include monitoring the Company's bank account, check writing for accounts payable, compensation paid to employees, consultants and independent contractors.
3. Managing office space and communications with property manager and landlord.
4. Coordinating expansion into additional office space to include lease negotiations and tenant improvements.
5. Acquiring the necessary office furnishings for expansion space.
6. Tracking Company's filing system.
7. Managing Company vendors and necessary office supplies.
8. Monitoring and maintaining the Company's investor's files.
9. Other similar oriented duties and tasks as required.
10. At such time as Mr. Meka is required to begin the duties and assume the Permanent Position responsibilities listed in the opening paragraph, the interim duties (1 thru 9) will be reassigned and this Exhibit A will be replaced.

EXHIBIT B

COMPENSATION AND BENEFITS

Current compensation is $7,500 per month, payable semi-monthly.

Management by Objectives ("MBO") program participation and specific related objectives and compensation features will be established at such time as Mr. Meka's interim role concludes and his Permanent Position begins.

There are no medical benefits available at this time.

Business related expenses are paid by the Company and need to be approved by the COO.

Company paid holidays, vacation and sick leave days, as per Company policy.

STATE OF ARIZONA

Corporation Commission

CERTIFICATION

I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of **10/01/2012** to **12/29/2015**, **Richard Harkins** has not registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 20 DAY OF JANUARY, 2016.

BY _____

Mark Dinell
Assistant Director
Securities Division

EXHIBIT
S-1a
ADMITTED

STATE OF ARIZONA

Corporation Commission

CERTIFICATION

I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of **10/01/2012** to **12/29/2015**, **USA Barcelona Realty Advisors, LLC** has not registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 20 DAY OF JANUARY, 2016.

BY _____

Mark Dinell
Assistant Director
Securities Division

EXHIBIT
S-16
ADMITTED

STATE OF ARIZONA

Corporation Commission

CERTIFICATION

I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of **12/24/08** to **08/04/15**, **Robert Kerrigan** has registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*) During the period of **08/05/15** to **12/29/15**, **Robert Kerrigan** has not registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has not made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 20 DAY OF JANUARY, 2016.

BY _____

Mark Dinell
Assistant Director
Securities Division

EXHIBIT
S-2a
ADMITTED

STATE OF ARIZONA

Corporation Commission

CERTIFICATION

I, Mark Dinell, certify that I am the Assistant Director of the Arizona Corporation Commission's Securities Division and that I have legal custody of the records of the Securities Division. I certify that I have directed a diligent search of the Securities Division records and the records reflect that during the period of **10/01/2012** to **12/29/2015**, **First Financial Equity Corporation** has been registered with the Arizona Corporation Commission as a securities salesman or dealer pursuant to Article 9 of the Securities Act of Arizona (A.R.S. § 44-1941 *et seq.*); and has made a notice filing or licensed with the Arizona Corporation Commission as an investment adviser or investment adviser representative pursuant to Article 4 of the Arizona Investment Management Act (A.R.S. § 44-3151 *et seq.*)

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 20 DAY OF JANUARY, 2016.

BY _____

Mark Dinell
Assistant Director
Securities Division

EXHIBIT
S-26
ADMITTED

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

The Executive Director of the Arizona Corporation Commission does hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION, 11/12/2010

consisting of 2 pages, is a true and complete copy of the original of said document on file with this office for:

USA BARCELONA REALTY ADVISORS, LLC
ACC file number: L-1639544-0

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 14, 2015.

Jodi A. Jerich, Executive Director

By: GEORGE MOYA

EXHIBIT
S-3a
ADMITTED

AZ CORPORATION COMMISSION
FILED

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FILE NO. L-1639540

ARTICLES OF ORGANIZATION
OF
BARCELONA ADMINISTRATION COMPANY, LLC

Pursuant to A.R.S. § 29-632 the undersigned states as follows:

1. The name of this limited liability company is:

BARCELONA ADMINISTRATION COMPANY, LLC

2. This limited liability company is organized to transact any and all lawful business for which a limited liability company may be organized under Arizona law.

3. The address of the known place of business located in Maricopa County, Arizona is as follows:

8723 E. Via de Commercio, Suite B-115
Scottsdale, AZ 85258

4. The name and address of the initial statutory agent of this limited liability company are:

National Registered Agents, Inc.
638 North 5th Avenue
Phoenix, AZ 85003

5. Management of this limited liability company is vested in a Manager or Managers.

6. The name and address of the person who is the initial Manager of this limited liability company and each Member who owns a twenty percent or greater interest in the capital or profits of this limited liability company at the time of its formation are:

BARCELONA REIT ONE, INC.
8723 E. Via de Commercio, Suite B-115
Scottsdale, AZ 85258

7. Except upon dissolution of this limited liability company as provided by law or under its Operating Agreement, if any, the duration of this limited liability company shall be perpetual.

BARCELONA REIT ONE, INC.

DATED: 11-11-10

By _____
Richard C. Harkins, President

2694473.01

CONSENT OF REGISTERED AGENT

RE: Barcelona Administration Company, LLC

National Registered Agents, Inc. hereby consents to serve as registered agent for the above-named entity in the state of Arizona.

Dated: November 12, 2010

NATIONAL REGISTERED AGENTS, INC.

By: _____
Sean L. Emerick, Assistant Secretary

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

The Executive Director of the Arizona Corporation Commission does hereby certify that the attached copy of the following document:

ARTICLES OF AMENDMENT,04/12/2013

consisting of 2 pages, is a true and complete copy of the original of said document on file with this office for:

USA BARCELONA REALTY ADVISORS, LLC
ACC file number: L-1639544-0

EXHIBIT
S 3b
ADMITTED

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 14, 2015.

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
1912

Jodi A. Jerich, Executive Director

By: GEORGE MOYA

AZ CORPORATION COMMISSION
FILED

APR 1 2 2013

FILE NO. L 1639544.0

04234564

ARTICLES OF AMENDMENT TO ARTICLES OF ORGANIZATION OF BARCELONA ADMINISTRATION COMPANY, LLC

Pursuant to Arizona Revised Statutes § 29-633, the undersigned states as follows:

I.

The current name of the limited liability company to which this amendment pertains is Barcelona Administration Company, LLC.

II.

The following amendment to the Articles of Organization was duly adopted by the Members of the Company:

Article 1 is hereby deleted in its entirety and replaced with the following:

"1. The name of the limited liability company is USA Barcelona Realty Advisors, LLC."

Article 3 is hereby deleted in its entirety and replaced with the following:

"3. The address of the known place of business of the limited liability company located in Maricopa County, Arizona is:

7025 North Scottsdale Road, Suite 160
Scottsdale, Arizona 85253"

Article 6 is hereby deleted in its entirety and replaced with the following:

"6 (A). Management of the limited liability company is vested in its managers. The names and addresses of the persons who will serve as the managers of the limited liability company are as follows:

Richard C Harkins
11419 N Century Lane
Scottsdale, AZ 85254

Robert J. Kerrigan
8062 E. Del Tornasol Drive
Scottsdale, AZ 85258

George T Simmons III
5334 E. Paradise Canyon Rd.
Paradise Valley, AZ 85253

Bruce Orr
c/o Net Development
3130 Airway Ave.
Costa Mesa, CA 96626

6 (B). The names and addresses of all of the members holding a 20% or greater interest in the capital or profits of the limited liability company are as follows:

Richard C Harkins 11419 N Century Lane Scottsdale, AZ 85254	George T Simmons III 5334 E. Paradise Canyon Rd. Paradise Valley, AZ 85253"

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment to the Articles of Organization on this 12 day of April, 2013.

By: _____
Richard C. Harkins, Manager

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

The Executive Director of the Arizona Corporation Commission does hereby certify that the attached copy of the following document:

ARTICLES OF ORGANIZATION, 01/15/2014

consisting of 3 pages, is a true and complete copy of the original of said document on file with this office for:

USA BARCELONA HOTEL LAND COMPANY I, LLC
ACC file number: L-1898160-4

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 14, 2015.

Jodi A. Jerich, Executive Director

By: GEORGE MOYA

EXHIBIT
S-4a
ADMITTED

AZ CORPORATION COMMISSION
FILED

JAN 1 5 2014

FILE NO. L-1898160-4

AZ Corp Commission

04523169

ARTICLES OF ORGANIZATION
OF
USA BARCELONA HOTEL COMPANY I, LLC

Pursuant to A.R.S. § 29-632 the undersigned states as follows:

1. The name of this limited liability company is:

USA BARCELONA HOTEL COMPANY I, LLC.

2. This limited liability company is organized to transact any and all lawful business for which a limited liability company may be organized under Arizona law.

3. The address of the known place of business located in Maricopa County, Arizona is as follows:

7025 N Scottsdale Road, Suite 160
Scottsdale, AZ 85253

4. The name and address of the initial statutory agent of this limited liability company are:

National Registered Agents, Inc.
2390 E. Camelback Road
Phoenix, AZ 85016

5. Management of this limited liability company is vested in a Manager or Managers. The name and address of the entity which will serve as Manager at the time of formation of the Company are as follows:

USA BARCELONA REALTY ADVISORS, LLC.
7025 N Scottsdale Road, Suite 160
Scottsdale, AZ 85253

6. The name and address of the only member holding a 20% or greater ownership interest in the capital or profits of the Company are as follows:

USA BARCELONA REALTY ADVISORS, LLC.
7025 N Scottsdale Road, Suite 160
Scottsdale, AZ 85253

7. Except upon dissolution of this limited liability company as provided by law or under its Operating Agreement, if any, the duration of this limited liability company shall be perpetual.

DATED: January 15, 2014

Richard C. Harkins, Organizer

CONSENT OF REGISTERED AGENT

RE: USA BARCELONA HOTEL COMPANY I, LLC

National Registered Agents, Inc. hereby consents to serve as registered agent for the above-named entity in the state of Arizona.

Dated: January 14, 2014

NATIONAL REGISTERED AGENTS, INC.

By: Sean L. Emerick

Sean L. Emerick, Assistant Secretary

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

The Executive Director of the Arizona Corporation Commission does hereby certify that the attached copy of the following document:

ARTICLES OF AMENDMENT, 05/12/2014

consisting of 1 pages, is a true and complete copy of the original of said document on file with this office for:

USA BARCELONA HOTEL LAND COMPANY I, LLC
ACC file number: L-1898160-4

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission on this date: December 14, 2015.

Jodi A. Jerich, Executive Director

By: GEORGE MOYA

EXHIBIT
S-46
ADMITTED

FILED

MAY 12 2014

FILE NO. L 1898160-4

ARTICLES OF AMENDMENT TO ARTICLES OF ORGANIZATION OF USA BARCELONA HOTEL LAND COMPANY I, LLC

I.

The current name of the limited liability company is **USA BARCELONA HOTEL LAND COMPANY I, LLC** (the "Company")

II.

The Articles of Organization for the Company were filed with the Arizona Corporation Commission on January 15, 2014.

III.

The following amendment to the Articles of Organization was duly adopted by the Members of the Company:

Article 5 is hereby deleted in its entirety and replaced with the following:

"5. Management of this limited liability company is vested in one or more managers. The name and address of the entity which will serve as Manager of the limited liability company is as follows:

USA Barcelona Hotel Holding Company, LLC
an Arizona limited liability company
7025 N. Scottsdale Road, Suite 160
Scottsdale, AZ 85253"

Dated this 9th day of May, 2014.

USA Barcelona Hotel Holding Company, LLC, an Arizona limited liability company, Manager

By: USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, Manager

By: _____
Richard C. Harkins, Manager

48092915.1

Barcelona
ADMINISTRATION COMPANY

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

Barcelona Administration Company, L. L. C.

$1,000,000

Four (4) Investment Units
$250,000 per Investment Unit
Minimum Purchase One (1) Investment Unit ($250,000)

One Investment Unit includes one Series A 12-6-12 Note and Twenty Five Class B Member Units

OFFERED ONLY TO:
ACCREDITED INVESTORS

AMENDED

February 1, 2013

EXHIBIT
S-5
ADMITTED

This is copy no. 11 of the PPM
RODNEY L. EAVES

ACC007203
File # 8503

ACC007204
File # 8503

Barcelona Administration Company, L. L. C.

an Arizona limited liability company

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

$1,000,000 MAXIMUM OFFERING; NO MINIMUM OFFERING

FOUR (4) INVESTMENT UNITS AT $250,000 PER INVESTMENT UNIT
An Investment Unit is comprised of one Series A 12-6-12 Note and twenty five Class B Units

This Offering is being made to provide Barcelona Administration Company, LLC. ("BAC", "Company", "us", "we") with working capital to fund the organization stage expenses of USA Barcelona Realty Trust, Inc. ("USA BRT") for which we are its advisor ("Advisor") and working capital requirements of the Company. We are organized as an Arizona limited liability company and intend to operate as an advisor ("Advisor") for our Affiliate Property funds ("Funds") each of which will be structured as either a limited liability company or a corporation. Any Fund structured as a corporation will elect to operate as a real estate investment trust ("REIT").

The Company is offering and selling, to accredited investors only, up to 4 Investment Units at $250,000 per Investment Unit. Each Investment Unit is comprised of one Series A 12-6-12 Note and one Class B Unit. There is no Minimum Offering for the Investment Units, and we will have immediate use of all Offering Proceeds. Purchasers must purchase a minimum of one Investment Unit at $250,000 per Investment Unit, except that we may permit investments of a lesser amount in our discretion. The Class B Units have limited voting rights. As a class, the four Class B Units have a ten percent (10%) interest in Company profit, loss, items of income, gain, credit or expenses (as defined hereafter). Each Class B Unit has a two and one half percent (2.5%) interest in Company profit, loss, items of income, gain, credit or expenses.

The Class A Units are held by our Manager, Affiliates, Advisors to the Company and other designees as described herein. As a class, the Class A Units have a ninety percent (90%) interest in Company profit, loss, items of income, gain, credit or expenses. Holders of Class A Units and Class B Units are collectively referred to herein as unit-holders ("Unit-holders"). Unit-holders share in Company profit, loss, items of income, gain, credit or expenses on a pro rata basis based on each Unit-holders respective percentage ownership interest in the Company. The Series A 12-6-12 Note will not be separately tradable from the Class B Unit that together comprises each Investment Unit. For interest computational purposes, the allocation of value of an Investment Unit is $250,000 to the Series A 12-6-12 Note and no value allocated to the Class B Unit.

The Investment Units are being offered by the Manager and Executive Members of the Company on a "best efforts" basis, who will receive no compensation related to their sale activities. Other persons who assist in sales, including registered investment advisors, licensed securities dealers and others subject to applicable State Of Arizona securities laws, may receive fees or commissions. Our Affiliates may purchase Investment Units. We expect to terminate the Offering when all of the Investment Units offered by this Memorandum have been sold or 120 days from the date of this Memorandum (whichever occurs sooner), unless extended by us for up to an additional 180 days ("Offering Period"), in order to achieve the maximum Offering of 4 Investment Units or such lesser amount as we may elect.

	Price to Investor	Commissions & Expenses	Proceeds to Company
Per Investment Unit [1,2]	$250,000	$12,500	$237,500
Total Offering [1]	$1,000,000	$50,000	$950,000

(1) See "Planned Use Of Proceeds" on following page.

INVESTMENT IN THE INVESTMENT UNITS IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK, AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL RESOURCES WHO MEET ACCREDITED INVESTOR QUALIFICATIONS, INVEST FOR THEIR OWN ACCOUNT, HAVE NO NEED FOR LIQUIDITY IN THESE INVESTMENTS, AND CAN BEAR THE ECONOMIC RISK OF A COMPLETE LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS." THE OPERATIONS OF THE COMPANY INVOLVE TRANSACTIONS BETWEEN THE COMPANY AND ITS AFFILIATES WHICH MAY INVOLVE CONFLICTS OF INTEREST. SEE "FEES TO MANAGER AND AFFILIATES".

- ACCREDITED INVESTORS ONLY-

THE OFFERING EFFECTIVE DATE OF THE CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM IS OCTOBER 18, 2012 (Amended February 1, 2013)

(Cover Sheet continued on the following page)

(Continued from cover page)

Planned Use of Proceeds

Planned Use Of Proceeds [4]	Percentage of Offering Proceeds	Maximum [4] $ 1,000,000
Offering Commissions & Expenses, Custodian Fee Payments [1,5]	5.0%	$ 50,000
Legal Expenses [2,5]	3.0%	30,000
Capital Contribution and Loans to USA BRT [3,5]	50.0%	500,000
Working Capital [3,6]	42.0%	420,000
Total Planned Uses Of Class B Units Offering Proceeds	100.0%	$ 1,000,000

(1) Fees and commissions of up to 4% may be paid by the Company and up to an additional 1% in Offering expenses may be paid by the Company on Investment Units sold in this Offering where sales are made through broker-dealers that are members of the Financial Industry Regulatory Authority ("FINRA"), registered investment advisors and others, subject to applicable state securities laws of the State of Arizona. The Company's estimation of its allocation of the net Proceeds of this Offering is based upon projections regarding the Company's proposed business operations, its plans and current economic and industry conditions, and is subject to a reapportionment of Proceeds. The maximum Offering commissions and expenses are assumed and included in the table. Additionally, regarding purchases of Investment Units by IRA's, the Company will pay a one-time fee to the associated IRA Custodian of up to $500, which payment will be deducted from any commission and expenses otherwise due on the sale of the associated Investment Unit(s). Offering commissions and expenses on Investment Units sales and IRA Custodian payments will be paid from Offering Proceeds based on sales of Investment Units accepted by the Company during the Offering period and any unused funds apportioned to this category will be reapportioned to Company working capital ("Working Capital").

(2) Legal expenses associated with the Offering are estimated to be $30,000 and will be paid from Offering Proceeds.

(3) Working Capital will be established from Offering Proceeds to address contingencies and operating requirements of the Company including loans made to USA Barcelona Realty Trust ("USA BRT") for its organization period requirements and for the purchase, as applicable, of USA BRT Class A Common stock.

(4) There is no minimum Offering ("Minimum Offering") and the Company will have immediate use of Offering Proceeds. We expect to terminate the Offering when all of the Investment Units offered by this Offering have been sold or 120 days from the Amendment Date of this Offering (whichever occurs sooner), unless extended by us for up to an additional 180 days, at the sole discretion of the Company.

(5) Any unused funds apportioned to this category will be reapportioned to Working Capital.

(6) Executive Members of the Company and Affiliates may receive a payment ("Organization Period Reimbursement Payments") in the aggregate amount of $50,000 payable from Offering Proceeds.

ACC007206
File # 8503

THE INVESTMENT UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), UNDER THE ARIZONA SECURITIES ACT, OR UNDER ANY OTHER STATE SECURITIES ACT IN RELIANCE UPON EXEMPTIONS FOR TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING.

THE INVESTMENT UNITS ARE SPECULATIVE SECURITIES THAT INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST.

THE OFFERING OF THE INVESTMENT UNITS AND OPERATION OF THE COMPANY INVOLVE SEVERAL ACTUAL AND POTENTIAL CONFLICTS OF INTEREST. THE MANAGER, AND THE EXECUTIVE MEMBERS, HAVE TOTAL MANAGERIAL POWERS OVER THE COMPANY. CLASS A MEMBERS AND CLASS B MEMBERS WILL HAVE LIMITED RIGHTS TO VOTE ON OR APPROVE ANY DECISIONS OF THE MANAGER.

THE COMPANY WAS FORMED ON NOVEMBER 12, 2010 AND HAS A LIMITED OPERATING HISTORY.

THERE IS NO PUBLIC MARKET FOR THE INVESTMENT UNITS, NOR IS SUCH A MARKET EXPECTED TO DEVELOP. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND OTHER DOCUMENTS PROVIDED BY THE MANAGER AND ANY INFORMATION NOT SET FORTH THEREIN MUST NOT BE RELIED UPON. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION MAY NOT LEGALLY BE MADE. THE STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE AMENDMENT DATE, AND NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN SINCE THE DATE OF THIS MEMORANDUM.

ANY REPRODUCTION OF THIS MEMORANDUM IN WHOLE OR IN PART, ITS DISTRIBUTION TO ANY PERSON OTHER THAN A PROSPECTIVE PURCHASER, OR THE DIVULGENCE OF ANY OF ITS CONTENTS OTHER THAN TO SUCH PERSON'S ADVISOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER, IS UNAUTHORIZED AND PROHIBITED.

EACH PROSPECTIVE PURCHASER AND HIS ADVISORS, IF ANY, ARE ENCOURAGED TO AVAIL THEMSELVES OF THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE MANAGER AND EXECUTIVE MEMBERS CONCERNING THE TERMS AND CONDITIONS OF THIS MEMORANDUM AND TO OBTAIN ADDITIONAL INFORMATION, TO THE EXTENT POSSESSED OR OBTAINABLE WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION IN THIS MEMORANDUM.

ACC007207
File # 8503

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

MANY OF THE STATEMENTS CONTAINED IN THIS MEMORANDUM DISCUSS FUTURE EXPECTATIONS, CONTAIN PROJECTIONS OF RESULTS OF OPERATION OR FINANCIAL CONDITION, OR STATE OTHER "FORWARD-LOOKING" INFORMATION. ALL STATEMENTS OF FORWARD-LOOKING INFORMATION ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS, CERTAIN OF WHICH ARE BEYOND OUR CONTROL THAT COULD CAUSE THE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE STATEMENTS. THE FORWARD-LOOKING INFORMATION IS BASED ON VARIOUS FACTORS AND WAS DERIVED USING NUMEROUS ASSUMPTIONS. IN LIGHT OF THE RISKS, ASSUMPTIONS, AND UNCERTAINTIES INVOLVED, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS MEMORANDUM WILL IN FACT TRANSPIRE OR PROVE TO BE ACCURATE.

Important factors that may cause the forecasted results to differ include, for example:

- Our ability to raise capital sufficient for us to conduct business according to our plans.
- Our ability to, on behalf of our Affiliates, acquire, invest in and make loans to apartments and hotels and other income-producing property ("Property" and "Properties") on a favorable basis, and to obtain a satisfactory income stream from those apartments, hotels other and other properties.
- Our ability to maintain sufficient liquidity and our access to capital markets.
- The effect of changing economic conditions, including the current U.S. recession which may be prolonged.
- Operating risks associated with the Property business, including potential terrorist attacks, which would affect occupancy and rates at our Properties and the demand for Properties products and services.
- Our relationships with property managers and franchisors.
- Our ability to cause our Affiliated Funds' Properties to be maintained in a first-class manner, including meeting capital expenditure requirements; our ability to cause our Affiliate's Properties to compete effectively in areas such as access, location, quality of accommodations and room rate structures.
- We have included a Forecast incorporating the Initial Company Budget. Our Forecast is based on a number of assumptions. Our assumptions may be wrong.
- Changes in the law and other risks which are described under "Risk Factors".

We do not promise to update forward-looking information to reflect actual results or changes in assumptions, to release publicly any revisions to any forward-looking statements, to report events or circumstances after the date of the Memorandum or to report the occurrence of unanticipated events, or other factors that could affect those statements.

Statements preceded by, followed by or that otherwise include the words, "believes," "expects," "anticipates," "intends," "estimates," "plans," "may," and similar expressions of future or conditional verbs such as "will," "should," "would," and "could" are generally forward-looking in nature and not historical. The factors discussed under "Risk Factors," in addition to those discussed elsewhere in this Memorandum, could affect the future results of the Company and could cause results to differ materially from those expressed in the forward-looking statements.

For any forward-looking statements contained in the Memorandum, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Reference to Industry Trademarks and Trade Names

"Marriott," "Courtyard by Marriott," "SpringHill Suites," "Fairfield Inn," "TownePlace Suites" and "Residence Inn" are each a registered trademark of Marriott International, Inc. or one of its Affiliates. All references below to "Marriott" means Marriott International, Inc. and all of its Affiliates and subsidiaries, and their respective officers, Directors, agents, employees, accountants and attorneys. Marriott is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, financial information, Marriott's relationship with Barcelona Administration Company, LLC, or otherwise. Marriott is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by Barcelona Administration Company, LLC and receives no Proceeds from the Offering. Marriott has not expressed any approval or disapproval regarding this Memorandum or the Offering related to this Memorandum, and the grant by Marriott of any franchise or other rights to Barcelona Administration Company, LLC shall not be construed as any expression of approval or disapproval. Marriott has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering related to this Memorandum.

"Hilton", "Hampton Inn," "Hilton Garden Inn" and "Homewood Suites" are each a registered trademark of Hilton Hotels Corporation or one of its Affiliates. All references below to "Hilton" mean Hilton Hotels Corporation and all of its Affiliates and subsidiaries, and their respective officers, Directors, agents, employees, accountants and attorneys. Hilton is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, financial information, Hilton's relationship with Barcelona Administration Company, LLC, or otherwise. Hilton is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by Barcelona Administration Company, LLC and receives no Proceeds from the Offering. Hilton has not expressed any approval or disapproval regarding this Memorandum or the Offering related to this Memorandum and the grant by Hilton of any franchise or other rights to Barcelona Administration Company, LLC shall not be construed as any expression of approval or disapproval. Hilton has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering related to this Memorandum.

ACC007208
File # 8503

BARCELONA ADMINISTRATION COMPANY, LLC

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

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ACC007210
File # 8503

THE OFFERING

The Offering pertains to a $1,000,000 Offering comprised of four (4) Investment Units at $250,000 per Investment Unit. Each Investment Unit is comprised of One Series A 12-6-12 Note and one Class B Unit.

The Company

Company Formation

The Company was formed on November 12, 2010 as an Arizona limited liability company. The Company is a Manager managed limited liability company. The Company's registered office is located at 11419 N. Century Lane, Scottsdale, Arizona 85254. Its telephone number is 602-796-3519.

Company Business Purpose

- The Company has been formed to be the Advisor to a series of private funds ("Fund(s)") and their affiliates ("Affiliates"), each designed to obtain equity capital through securities offerings ("Securities Offering(s)") which may be either exempt or registered, the proceeds of which will be used to acquire on a leveraged or unleveraged basis apartments, hotels and other qualified real estate ("Property" and "Properties").
- Hotels acquired by the Funds shall be predominately Marriott and Hilton select/focus service, franchised licensed hotels located in the US and Canada.
- Apartment communities of a location rating of B+ or better ("Apartment Location Rating") will be acquired from high quality apartment developers who typically will be retained as our manager under our strategic alliance manager ("SAM") program.
- The Funds may be in the legal form of limited liability companies or corporations, depending on the intent to operate a particular Fund as a REIT (in which case the structure will be a C corporation) or a LLC when REIT status is not required for the Fund.
- On behalf of the Funds, the Company will not invest in apartments, hotels or other types of properties requiring substantial unfunded capital expenditures.
- The Company will invest in hotels with franchises from recognized hotel brands including primarily Marriott International, Inc., and Hilton Hotels Corporation. Third-party management companies will manage Fund apartments under management agreement and only approved operators of the applicable hotel franchised brands will operate Fund hotels under hotel lease contracts or management contracts.
- The Company investment and operating platform for the Funds focuses on capital preservation, cash flow for payment of Dividends, Dividend growth and capital appreciation.

ACC007211
File # 8503

Business Plan Preparation and Introduction of USA Barcelona Realty Trust Stock Offering

- Several of our Company managers and advisors have operated together commencing in mid-2009 with the primary focus on engaging with long-standing personal relationships in the hotel and apartment industries to assemble a group of highly accomplished development/management companies that share a common vision as to the alignment of an investment company with the interests of property companies.

- From this extensive undertaking came our unique SAM program.

- The SAM program's primary objective is to align the acquisition and management objectives of USA BRT with the interests of the SAM's. For the SAMs, these common interests include (i) selling stabilized apartments and Marriott and Hilton hotels to us at current market values, (ii) continue the management of those properties for us, and, (iii) benefiting from the properties performance through operating incentives and sharing in certain value increases when we liquidate the assets. (*SAMs' share in gains that exceed our targeted IRR for properties they originally sold to a Fund*).

- We narrowed our review of dozens of high quality apartments and hotels we reviewed to a group of less than fifteen. For each of this group, we have completed financial reviews and in most cases on-site property due diligence analysis. In addition, with each owner we have established mutually acceptable terms and conditions of purchase and property management (*as a REIT, USA BRT cannot manage its hotels*).

- This is a large undertaking. Our investment through this period exceeds $1,500,000 in direct payments and contributed managers' and advisors' uncompensated time. (*Our compensation for this substantial cost is mostly in common stock rights in USA BRT and some scheduled reimbursements*).

- We're now fully engaged in getting the USA BRT Private Placement $70,000,000 stock offering completed and placed on the Fidelity Investments platform. (*The USA BRT offering will be sold through a group of independent registered investment advisers with the marketing of the offering headed up by Allen Weintraub*).

- In concert with our leverage plans for the properties, we will commence finalizing purchase agreements for the selected property portfolio with closings scheduled as the USA BRT offering is sold throughout 2013 and 2014.

- We are offering investors the opportunity to join with us at a point in time where we have put together the pieces of the plan and are ready to execute it. The risks are fully measurable. Each of these key questions are soundly addressed herein.

  - ✓ Do we have the right management team?
  - ✓ Do we have a solid property plan?
  - ✓ Have we appropriately planned for USA BRT's capital requirements?
  - ✓ Are the apartment and hotel sectors sound real estate investment sectors?
  - ✓ Are we acquiring properties in sound markets?

Company Ownership and Control

The Company is owned ninety percent (90%) by its Class A Members and ten percent (10%) by its Class B Members. We will have four executive members ("Executive Members") who approve major decisions ("Major Decisions") and instruct our Manager as to the action to take regarding Major Decisions. Otherwise, our Manager manages the Company on a day to day basis. Richard Harkins, one of our Executive Members, is the Company Manager ("Manager"). Additionally there are outside advisors ("Advisors") to the Company, the number of which and the individuals may change from time to time.

We have organized in this manner in anticipation of USA Barcelona Realty Trust, Inc. ("USA BRT") being the first in a series of Funds, with each Fund in the series being advised by us as the Advisor to the Fund. We believe that this structure will allow us to develop one management organization and operating support facility for multiple Funds, which should result in cost savings for the Funds and enhance our profitability.

ACC007212
File # 8503

Units Offered Under the Offering

Up to four (4) Investment Units are offered at $250,000 per Investment Unit. An Investment Unit is comprised of one Series A 12-6-12 Note and one Class B Unit

The benefits to one Unit of investment is shown in the chart on the following page.

Chart of Forecast of Cost and Benefits of One Investment Unit ($250,000)

Benefits to One Class B Unit			2013 Q1	2013 Q2	2013 Q3	2013 Q4
based on investment on 2/21/2013						
Investment Amount		$ 250,000				
Annual Interest, paid quarterly	*1*		$ 3,123	$ 7,500	$ 7,500	$ 7,500
December 31, 2013 6% bonus interest	*2*					12,863
Priority Class B Member Distributions	*4*					12,500
Total Payments - through 12/31/2013		***$ 50,986***	$ 3,123	$ 7,500	$ 7,500	$ 32,863

Benefits to One Class B Unit			2014 Q1	2014 Q2	2014 Q3	2014 Q4
Annual Interest, paid quarterly	*1*		$ 7,500	$ 7,500	$ 7,500	$ 7,500
December 31, 2014 12% bonus interest	*3*					30,000
Priority Class B Member Distributions	*2*					12,500
Return of Original Investment	*5*					250,000
Total Payments - through 12/31/2014		***$ 373,486***	$ 7,500	$ 7,500	$ 7,500	$ 300,000

*1 This is the Base Interest feature of the Note and is an 12% Annual Rate Of Return paid quarterly commencing 3-31-2013.
*2 This is the Year 1 Bonus Interest feature of the Note and is a one-time payment in the amount of 6% of the Note amount and is due 12-31-2013.
*3 This is the Year 2 Bonus Interest feature of the Note and is a one-time payment in the amount of 12% of the Note amount and is due 12-31-2014.
*4 Original Principal Investment amount of $250,000 is due on the Series A 12-6-12 Note Term of 12/31/2014.
*5 Each Class B Unit is entitled to receive an annual Cumulative Priority Distribution, as determined by the Company, of $12,500 commencing with 12/31/2013. Any Cumulative Priority Distributions and current Priority Distributions must be fully paid before any other Distributions can be made to any Member Class Based on the Forecast for USA Barcelona Realty Trust, additional Distributions to the Class B Units are forecast to occur annually commencing in 2015 and are not shown in the chart. Also not shown in this chart is our forecast of liquidation distributions to the Class B Units which exceed the initial Investment Unit cost.

Series A 12-6-12 Notes

Each Series A 12-6-12 Note, all of which will be issued in conjunction with the Investment Units under the Offering, will be identical, as to interest rate, conditions of payment of interest and principal and term date to all other Investment Units issued under the Offering; however, the date of issuance of each Note may be unique. Each Investment Unit is comprised of one Series A 12-6-12 Note and one Class B Unit. The Series A 12-6-12 Notes will earn interest, as follows:

(a) Interest will be paid quarterly and shall be based on a 12% annual rate; however, the initial interest payment shall be due and payable on 3-31-2013 with interest due and payable quarterly thereafter through the term date of the Note.

(b) A Year 1 Bonus Interest payment in the amount of 6% of the Note amount shall be paid on 12-31-~~2103~~ 2013;

(c) A Year 2 Bonus Interest payment in an amount equal to 12% of the Note amount shall be payable on 12-31-2014.

The principal amount of the Series A 12-6-12 Notes shall be due and payable on 12-31-2014 ("Series A 12-6-12 Note Term Date"); however, the principal amount may be paid at any time prior to the Series A 12-6-12 Note Term Date, either in whole or in part, without penalty, at which time all interest due to the date of said principal payment, shall be due and payable. Any principal reduction payments made on the Series A 12-6-12 Notes must be made on a pro rata basis to all holders of Series A 12-6-12 Notes. Any earned and unpaid interest due under the Series A 12-6-12 Notes shall be paid on or before December 31, 2014 (the "Note Term Date").

ACC007213
File # 8503

Class B Units

As a class, the four Class B Units have a ten percent (10%) interest in Company profits, losses, gains and distributions (as defined hereafter). Each Class B Unit has a two and one half percent (2.50%) interest in Company profit, loss, items of income, gain, credit or expenses.

Voting

Class A Members and Class B Members voting rights are limited to the following:

(i) The Class A Members shall each be entitled to cast one vote on any proposed action by the Company that if implemented would materially diminish Class A Members interest in Company profit, loss, items of income, gain, credit or expenses. A vote of the majority-in-interest of the Class A Members is required for approval of any such proposed action.

(ii) The Class B Members shall each be entitled to cast one vote on any proposed action by the Company that if implemented would materially diminish Class B Members interest in Company profit, loss, items of income, gain, credit or expenses. A vote of the majority-in-interest of the Class B Members is required for approval of any such proposed action.

(iii) Executive Members holding Class A Units or Class B Units are not entitled to vote on any proposed action under paragraphs (i) or ii) above.

As a result of the limited voting rights of Class A Members and Class B Members, and other than those matters on which the Class A Members and Class B Members have the right to vote, the Executive Members have control of the Company through their exclusive right to approve all Major Decisions. (see Exhibit B - Operating Agreement, Section V)

Organization of the Company

The Company is authorized by the Company Agreement to initially have two classes of Member Interests as follows: (a) up to 2,000 Class A Member Units, and (b) up to 4 Class B Member Units. Additional Member Interest and Classes of Member Interest may be authorized by majority vote of the Executive Members and as otherwise subject to the voting rights of the Members.

As a class, the Class A Units have a ninety percent (90%) interest in Company profit, loss, items of income, gain, credit or expenses. Holders of Class A Units and Class B Units are collectively referred to herein as Unit-holders. Unit-holders share in Company profit, loss, items of income, gain, credit or expenses based on each Unit-holders respective percentage ownership interest in the Company. (see Exhibit B, Operating Agreement, Articles III and IV). The Class A Units are held by our Executive Members, other members of management, Affiliates, Advisors to the Company and other designees as described herein.

The Class B Units in conjunction with the Series A 12-6-12 Notes comprise the Investment Units that are the subject of the Offering. Each Investment Unit is comprised of one Series A 12-6-12 Note and one Class B Unit. The Series A 12-6-12 Notes will not be separately tradable from the Class B Units that together comprise an Investment Unit. The allocation of the $250,000 stated value of an Investment Unit is (i) $250,000 to the Series A 12-6-12 Note and (ii) no value allocated to the Class B Unit.

Management of the Company

Except for the exercise of their approval rights set forth in Article VI of the Company Agreement, the Members shall not take part in the management of the affairs of the Company, or control the Company business, and the Members may under no circumstances sign for or bind the Company. Subject to the limitations set forth in the Company Agreement, or by non-waivable provisions of the Act, the Manager shall have complete authority and exclusive control to conduct any business on behalf of the Company in the sole and absolute discretion of the Manager without the consent of any Member, other than Major Decisions, which, Major Decisions must be approved by a majority vote of the Executive Members.

The day-to-day business and affairs of the Company shall be managed exclusively by its Manager. Richard Harkins is appointed by the Executive Members for an initial term as Manager expiring December 31, 2014. On an annual

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basis thereafter, our Manager shall be appointed by a majority vote of the Executive Members. Except as may be otherwise expressly provided in the Company Agreement, no Member, other than the Manager, has the actual or apparent authority to cause the Company to become bound to any contract, agreement or obligation, and no Member shall take any action purporting to be on behalf of the Company.

The Manager and Duties of the Manager

As Manager of the Company, the Manager is responsible for the implementation of the ordinary and usual business, affairs and purpose of the Company as more fully set forth in Article VI of the Company Agreement. The Manager shall devote such part of the Manager's time to Company business as is reasonably and prudently necessary for the conduct of such business, affairs and purpose.

Executive Committee

The Founders Class A Members ("Founders Class A Members") shall establish the Executive Member Committee ("Executive Committee"), and the Executive Committee shall determine overall policies, objectives, and procedures for the operation of the Company. As of the date of the Company Agreement, the Executive Members are Richard Harkins, George T. Simmons, Robert Kerrigan and Bruce Orr. The Executive Members shall thereafter be elected to the Executive Committee by vote of a Majority-in-Interest of the Executive Members. In the event of a vacancy on the Executive Committee, a new Executive Member shall be elected by an agreement of the remaining Executive Members. Any or all of the Executive Members may be removed with Cause at any time upon vote of a Majority-in-Interest of the Class A Members. The Executive Committee shall consist of three Executive Members. The Manager is appointed by the Executive Committee and oversees the day-to-day activities of the Company.

Fees to Manager and Affiliates

In addition to its participation in Distributions under Article III of the Company Agreement, the Manager and Affiliates will receive additional compensation described below. The Manager shall in good faith, but at the sole cost and expense of the Company, use the Manager's best efforts to implement or cause to be implemented and to conduct or cause to be conducted the ordinary and usual business, affairs and purpose of the Company in accordance with and as limited by the operating agreement ("Company Agreement"), including, but not limited to, the matters described below.

The Manager, in carrying on such activity, shall have all rights and powers generally conferred by law or which are necessary, advisable or consistent in connection therewith, and, in such capacity, shall have the specific rights and powers set forth below. In addition to any other rights and powers which it may possess, the Manager shall have all specific rights and powers required for or appropriate to the management of the Company's business, affairs and purpose which are outlined in Article VI and its sub-parts. (see Exhibit B – Company Agreement).

Organization Costs. Pre-Formation Period and Post-Formation Period activities led to the identification of the apartments and hotels, apartment and hotel company Affiliates, prospective investment advisors, prospective Property lenders, organizational structure for a series of Funds, budgets for the various Affiliates of the Company, development of economic evaluation models for apartments and hotels and investment offerings, due diligence programs to be employed when reviewing prospective Property acquisitions, financial analysis programs for Property financings, private placement memorandum formats for Fund private offerings, programs for bank financing requests and presentations, and identifying sources for providing third party appraisals of Properties, financial review and audit of the Company and its Affiliates, market research studies for internal and external uses, development of accounting systems to be employed by the Company and development of legal sources to handle all aspects of real estate, contract and securities work needed by the Company and its Affiliates. In aggregate, our Manager, Executive Members, Affiliates and Company Vendors shall be reimbursed ("Organization Period Reimbursement Payments"), for deferred compensation and payables carried for the period November 12, 2010 through October 1, 2012, in the aggregate amount of $50,000 payable from Offering Proceeds.

Executive Members Compensation. The Executive Members shall receive reasonable compensation for the performance of their services as Executive Members of the Company, provided that all Executive Members approve such compensation for each Executive Member. All Executive Members must approve any increase in the compensation payable to any Executive Members pursuant to the Company Agreement. Other than the Manager, commencing November 1, 2012 each Executive Member, based on their date of commencement as an Executive Member, shall accrue a base annual "Guaranteed Payment" as stipulated in the Agreement,

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Section 6.18(h)(i), or a lesser amount based on less than full-time service ("Full-Time Service") to the Company, as agreed by all Executive Members. The initial accrued base annual Guaranteed Payment may be increased or decreased on a calendar quarterly basis provided that all Executive Members approve any such increase or decrease. Our Initial Manager, appointed by the Executive Committee, is also one of our initial Executive Members and is a member of our Executive Committee. Our Manager may receive periodic bonuses as determined by our Executive Committee but otherwise is compensated under the Managers compensation plan as stipulated in the Agreement, Section 6.18(h)(i).

Class A Members - Capital Contributions and Credited Capital

The Class A Units – The Class A Units are held by our Class A Members which are comprised of our Manager, Executive Members, Affiliates, Advisors to the Company and other designees as described herein. Founders, Executive Members and Advisors have contributed $500,000 ("Agreed Value") of credited capital ("Credited Capital") over a period that included the Pre-Formation Period which commenced in July 2009 and the Post-Formation Period which commenced with the formation of the Company on November 12, 2010.

Credited Capital includes deferred compensation, services and property contributed to the Company for which no or partial cash compensation was paid as of the Amendment Date. As a result of capital contributions ("Capital Contributions") and Credited Capital, the aggregate capital accounts of the Class A Members is $500,000 as of the Amendment Date. As a class, the Class A Units have a ninety percent (90%) interest in Company profit, loss, items of income, gain, credit or expenses.

As of the Amendment Date, subject to final approval by the Executive Committee, the Class A Units are held as follows:

Class A Member Unit-holders	Units Held	Percentage Ownership of Class A Units
Richard Harkins	500.0	25.0%
George T. Simmons	300.0	15.0%
Robert Kerrigan	100.0	5.0%
Bruce Orr	100.0	5.0%
Reserved	1000.0	50.0%
Class A Member Units Authorized for Issuance	2000.0	100.0%

Distributions to Members

Distributions are specified in Article IV of the Company Agreement. Except as otherwise provided in Article X, as soon as practicable after the end of each year of the Company Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Company Year, the Company shall distribute and apply the net cash flow ("Net Cash Flow") for the previous year in the following order of priority:

(a) $12,500 Cumulative Priority Distribution to each Class B Unit.

(b) 100% (or such lesser amount as is required) to pay all accrued but unpaid interest on outstanding Initial Members loans and Members loans.

(c) 100% (or such lesser amount as is required) to repay the principal of any outstanding Initial Members Loans and Members Loans.

(d) 100% to the Members in proportion to the unreturned balance of their respective Capital Contributions Accounts until the Members receive aggregate distributions that reduce the balances of the Members' respective Capital Contributions Accounts to zero.

(e) The remaining Net Cash Flow, on a pro rata basis, shall be distributed to the Class A Members and Class B Members based on their respective ownership percentage of the Company.

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Manager Loans, Class A Members Loans and Additional Capital Contributions

The Manager has the obligation to make a best effort to arrange for loans based on the needs of the Company. The Manager has no obligation to make any such loans itself. The Class A Members are under no obligation to make loans to the Company but may elect to do so to meet needs of the Company. Neither the Manager nor any Class A Member is obligated to make additional Capital Contributions to the Company. (see Company Agreement, Article II and Article VII).

Allocations to Members

Each Member will be allocated a share of profit, loss, items of income, gain, credit or expenses for each fiscal year of the Company, in accordance with their respective capital accounts and as specified in Article III of the Company Agreement. (see Exhibit B, Company Agreement).

Limitation Of Authority

The Executive Members have the exclusive right to approve all Major Decisions which will be carried out by our Manager. Our Manager makes all the decisions other than Major Decisions for the Company. The Class A Members by majority vote have the right to approve any change in the Company that will materially diminish their pro rata economic rights under the Class A Units.

The Class B Members voting rights shall be limited to their right by majority vote to approve any change in the Company that will materially diminish their pro rata economic rights under the Class B Units.

COMPANY BUSINESS PLAN

Company Business Purpose

BAC has been formed to be the Advisor to a series of private Funds and their Affiliates. Each Fund will be designed to sell equity interest through exempt offerings ("Exempt Offering") or public offerings ("Public Offerings"), the proceeds of which will be used to acquire, on a leveraged or unleveraged basis, apartments and hotels. The hotels will be predominately Marriott and Hilton select/focus service, franchised licensed hotels located in the US and Canada.

Each Fund may be in the legal form of an LLC or a C Corporation. C Corporation Funds will elect to operate as REITs. The initial Fund which is being organized as of the Amendment Date is USA Barcelona Realty Trust ("USA BRT").

When formed and as planned, USA BRT will elect to operate as a real estate investment trust ("REIT") for federal income tax purposes beginning with its taxable year ending December 31, 2014. As a REIT, it will generally not be subject to federal income tax. It will, however, be subject to a number of organizational and operational requirements and limitations.

Organization of USA Barcelona Realty Trust and its Subsidiaries

USA BRT – We expect USA BRT to be capitalized through one or more private offerings of Units comprised of its Shares and through Borrowings.

Operating Partnership – USA BRT would be the general partner (or managing member) of a wholly-owned subsidiary, USA Barcelona Realty Trust Operating Partnership (or Operating Company if a limited liability company), also referred to as USA BRT OP. It will have three wholly-owned subsidiaries to hold our Property acquisitions, joint ventures, partnership investments and loans:

- USA Barcelona Realty Trust Residential to hold our apartment communities,

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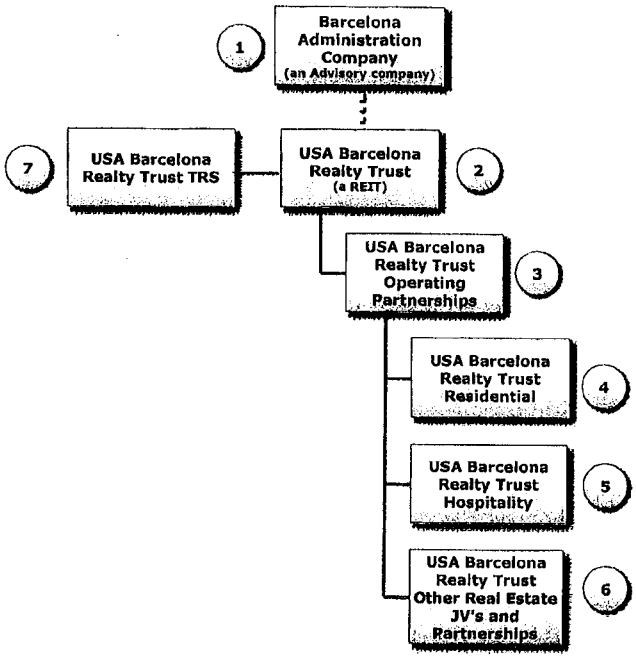
- USA Barcelona Realty Trust Hospitality to hold our hotels and
- USA Barcelona Realty Trust JVs and Partnerships will be the managing member or co-manager of each of a group of single purpose investment entities including partnerships and other forms of joint ventures that we may form to make loans to, co-invest in or co-own properties that may include apartments, hotels or other types of real estate.

Taxable REIT Subsidiaries - On or before the acquisition of a property, we expect that USA BRT will incorporate and own controlling interest in a TRS relative to that property. Each Single property LLC would be matched with a TRS ("Matched TRS"), and USA BRT would own a controlling interest in each Matched TRS.

As shown in the following chart, USA BRT anticipates having two primary subsidiaries, USA Barcelona Realty Trust TRS and USA Barcelona Realty Trust Operating Partnership. Barcelona Administration Company is the Advisor to USA BRT and to each of USA BRT's subsidiaries and affiliates.

1. Barcelona Administration Company ("BAC") – BAC is organized to be the Advisor to a series of Funds, including USA BRT, and the administrator of each of the Funds subsidiaries and Affiliates.
2. USA Barcelona Realty Trust - USA BRT is the initial Fund under Barcelona Administration Company's advisory. USA BRT is making the Offering of Units described in this Memorandum, and plans to elect REIT status
3. USA Barcelona Realty Trust Operating Partnership ("USA BRT OP") – We intend to form USA BRT OP as a wholly-owned Affiliate of USA BRT. It will have three wholly-owned subsidiaries to hold our apartment and hotel acquisitions, joint ventures, partnership investments and loans.
   USA BRT expects to be the general partner of USA BRT OP and provide it with its equity capital through general partner capital contributions. If USA BRT OP is a limited liability company USA BRT will be its managing member.
4. USA Barcelona Realty Trust Residential will be the managing member of each of a group of Single property LLCs that we expect to form to own our apartment communities that we plan to acquire. Under our plan, USA BRT Residential's Single property LLCs would be the property owners and USA BRT Residential would be the managing member of each Single property LLC. We may manage our apartment communities through a wholly owned Affiliate or enter into management agreements with third parties to operate our apartment communities.



5. USA Barcelona Realty Trust Hospitality will be the managing member of each of a group of Single property LLCs that we expect to form to own our hotels that we plan to acquire. As a part of the plan, each Single property LLC would lease its hotel to a Matched TRS which would operate each hotel under a triple net lease contract. The Matched TRS would have its hotel managed for it by an independent management company under a management contract (this structure meets certain REIT regulations restricting how hotels are managed).
6. USA Barcelona Realty Trust JVs and Partnerships will be the managing member or co-manager of each of a group of single purpose investment entities including partnerships and other forms of joint ventures that we may form to make loans to, co-invest or co-own properties that may include apartments, hotels or other types of real estate.
7. USA BRT Taxable REIT Subsidiary(s) ("USA BRT TRSs") – REIT regulations do not allow a property REIT to directly manage certain types of properties, including hotels but not including apartment communities. However,

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REIT regulations have a provision that allows a REIT's controlled taxable subsidiaries (the TRS's) to lease the REIT's Properties from the REIT's Single property LLCs, thereby assuring the REIT will have Good REIT Income from the leases.

In our proposed organizational structure, each Single property LLC will have an associated Matched TRS. Each TRS would have the related property managed through management contracts or leases with non-affiliated third party management companies. Income received by the TRS from the third party management companies would be passed through to the Single property LLCs in the form of lease payments, which, when distributed to USA BRT OP and then to USA BRT, would constitute Good REIT Income to USA BRT.

Acquisition Activities – Selection of Properties for our Funds

For both apartments and hotels, a candidate property is closely reviewed under underwriting guidelines designed to reveal both property and market strengths and weaknesses.

At the micro (property) level, a comprehensive review of a subject property's operations in context with its competitive environment

- For Apartments – Occupancy and rents history;
- For Hotels – Occupancy, room rate and other revenue and cost center history;
- Current loans in place;
- Apartment improvements, and location, are rated for direct comparison with properties of similar type.
- Physical characteristics;
- Prior sales;

At the macro (submarket/market) level

- Rental market conditions,
- Apartment supply – existing, and new construction.

Properties selected as qualified acquisition candidates, are presented by the Company to a Fund's Board Of Directors for its review and approval for investment or purchase. The Company then undertakes the negotiations with the Property owner on behalf of the Fund.

As of October 1, 2012, resulting from its organizational activities, the Company had reviewed over twenty five (25) Properties that meet our acquisition criteria. Information derived from three apartment development companies is currently being complied on over twenty apartment communities that meet our preliminary requirements.

We anticipate that the initial Fund (USA Barcelona Realty Trust) will acquire or invest in four to five apartment communities and four to six Marriott and Hilton brand hotels.

Property Portfolios

In creating the property portfolio for our Funds, we blend Apartments and Hotels to create diversification of current income, income growth and capital appreciation. Blending the investment expectation of apartments and hotels creates a base level of relative certainty of our ability to perform on dividend expectations while having a solid opportunity to realize substantial dividend growth.

- Apartments - We are acquiring apartments while the industry has achieved a high occupancy level but with a good upside for rent increases.
- Hotels - Hotels are still coming back from a downturn and offer an upside in both occupancy and total revenue growth. In both cases we are acquiring below current replacement value.

Apartments

Apartments - The apartments we acquire will be in suburban locations and cater to upper income renters seeking a high quality community experience.

Over the last 25 years, institutional investors in the United States have significantly increased their ownership of apartment Properties. The apartment sector now accounts for the second-largest share of institutional investors' real estate holdings, lagging only the office sector.

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During this period, the apartment sector established itself as having the best track record for risk-adjusted returns and recognized diversification benefits for real estate portfolios. Apartment Properties also present investors with a wide range of choices in terms of product, location and advantageous debt financing, allowing them to pursue a wide variety of successful investment strategies.

Professionally-managed apartment Properties in the United States are a highly liquid asset class that is attractive to institutional capital due to its stable cash flows, abundant debt financing, and unique diversification benefits.

Our apartments will fall in the range of B+ to A+ in two rating categories, Geographic and Improvements. Here are the definitions of these two categories as published by Pierce-Eislen:

Geographic

- **A+/A** - Defines the *Tiffany* of metropolitan area locations. The property occupies a site incorporating unique characteristics (i.e. view of, or from, mountains; golf course frontage; lake frontage; ocean view); very close access to a high concentration of high quality employment, high quality shopping, immediate area demographics emphasize upper income households.

- **A/B+** - Area employment sources are highly concentrated, and of good quality (high paying jobs – gray-collar/white-collar composition); shopping and entertainment is nearby, and of good quality; the neighborhood environment is attractive, but not as demographically upscale as the "A+" location; area housing is relatively new, or priced well-above the median of metropolitan area single-family housing pricing; area direction of change in quality is improving, and is currently among the most desirable metropolitan area submarkets.

  Note: Location factors are subject to evolutionary change. Adjustments in location ratings result from evolution in such factors as: Area access availability; changes in the employment base; area household demographic composition shifts resulting in a structural change due to economic changes, or city master plan changes related to gentrification.

Improvements

- **A+** Among the best of all metropolitan area apartment communities – superior amenities – both in degree and quality of inclusion; of condominium quality in finishing detail; architecturally attractive; large unit sizes; interesting floorplans; unusually attractive amenities; and of superior construction quality. The property sets a metropolitan area rental housing standard of superiority.

- **A** A very attractive apartment community. Architecture is distinctive; unit mix, unit sizes, and finishing detail that are similar to an "A+" rating are included. Deductions from ratings are associated with less attractive exterior finishes, interiors are good quality, but not inclusive of details associated with the best properties.

- **A-** An attractive apartment community, but details that will otherwise distinguish an "A", or "A+", rating are not included. Deductions from ratings are associated with less attractive exterior finishes, interiors are good quality, but not inclusive of details associated with the best properties. Development density may be higher than the higher rated properties.

- **B+** Of almost "A-" rating. Washer/dryer hook-ups are provided, but typically washers and dryers are provided by the resident, rather than the property, or washers and dryers are provided, but are stacked, half-sized. Architecture is satisfactory, but not striking; unit sizes are generally smaller than properties within the "A" quality category; recreational amenities are relatively complete, but not developed to the degree of detail associated with the "A-" quality community.

Hotels

The hotel Properties we acquire may be full-service or select/focus service (including extended-stay). Full-service Properties generally provide a full complement of guest amenities including restaurants, concierge, porter, room service and valet parking. Select/focus service Properties typically do not include all of these amenities. Extended-stay Properties offer residential style lodging with a comprehensive package of guest services and amenities for extended-stay business and leisure travelers.

The plan calls for USA BRT to acquire, invest in and lend to primarily select/focus service hotels, including extended-stay hotels. Select/focus service hotels typically do not include most of these amenities. Extended-stay hotels offer high-quality, residential style lodging with a comprehensive package of guest services and amenities for extended-stay business and leisure travelers. We may also acquire full-service hotels. Full-service hotels generally provide a

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full complement of guest amenities including restaurants, concierge and room service, porter service or valet parking.

Key Factors behind our selection of apartments and hotels

- Apartments have a long track record of having the highest risk-adjusted investment returns compared to other property types. The sector has proven to be most resilient during economic downturns, delivering superior returns during recessionary periods.
- Apartments have the most efficient cash distribution, due to low capital expenditures.
- Apartments have a lower cost of capital and wider availability of debt capital; apartment investments can support more debt than other property types with the same level of risk.
- Apartments have shorter leases (generally 12 months) than other property types, allowing them to adjust more quickly to changing market environments.
- Apartment and hotel market fundamentals are expected to remain positive on a cumulative basis over the next five-to-seven year period. Demand is expected to expand and new supply is expected to remain behind demand as "time to come to market" has been lengthened due to uncertainties in the capital markets, creating conditions for attractive rent and revenue growth in most locations.
- Hotels operate in a favorable, transparent, and market-driven regulatory and taxation environment.
- Hotels can generally adjust their rates on a daily basis giving them the greatest flexibility to react of demand and changing market conditions
- Hotels in the Marriott and Hilton brands enjoy industry branding. Such branding requires owners to constantly upgrade and periodically renovate the hotel to franchise standards or lose the franchise flag. This "franchise" control leads to a strong level of certainty for hotel customers as to their lodging experience. While our focus will be on Marriott and Hilton brands, we will have no limitation as to the brand of franchise or license with which USA BRT hotels will be associated.

Other Real Estate

Even though we intend primarily to acquire apartments and hotels, we may use a portion of the Offering Proceeds to purchase including golf properties and other real estate. We believe that less than 20% of the net proceeds raised in this **Offering** may be used to acquire real estate other than apartments and hotels.

Exit Strategies

We expect that within approximately 6 years our Funds may (i) merge and the resultant merged company's common shares to be listed on a national securities exchange or quoted on the NASDAQ National Market System, (ii) merge, consolidate or otherwise combine our Company with non-Affiliates in a manner where we retain control of the merged entity; or (iii) dispose of all of Funds' Properties in a beneficial manner for our Funds' shareholders.

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Business Opportunity

Since the decline of the national economy commenced in mid-2007, real estate industry, across most markets and product types, has suffered a 10% to more than 40% decline in revenue performance. This decline, together with severely restricted capital markets during the same period, depressed Property values to pre-2007 levels. Currently, emerging out of the bottom of this cycle, we see an unprecedented opportunity to execute our Property acquisition plan. With minimal new apartments and hotels coming online in the next few years, tight debt markets and economic recovery underway, we feel recovery in the apartment and hotel sectors will be rapid and strong.

The Unfolding Property Market Recovery

Our business plan is predicated on buying in the recovery portion of the current cycle (and we believe that we are out of the low point in the cycle and seeing recovery of values). Following our ownership period of approximately six years, we envision a Roll-Up of our Funds in an initial public offering, at which time we expect to extract the values for our Funds' Shareholders created from acquisition to stabilization. This projected holding period may be longer or shorter and other exit strategies may be more attractive.

In our opinion, herein lies the opportunity for BAC. As we experience the U.S. economic recovery, apartment occupancies are high and rents are rising. Hotel occupancies and average daily rates are also recovering. We believe that the current state of the apartment and hotel sectors allows the assemblage of a Property portfolio at historically advantageous prices. We further believe that apartment and hotel performance will continue to rebound over the next several years until new supply stabilizes demand. During this period, we predict a substantial improvement in revenue performance of apartments and hotels and a corresponding increase in the values of our Funds' Properties.

Business Strategies

Our primary initial business objective is to maximize share value of our Funds by maintaining long-term growth in cash dividends to our Funds. To achieve this objective, we will focus on maximizing the internal growth of Fund portfolios by selecting Properties that have strong cash flow growth potential.

We expect that within approximately 6 years we may:

- cause our Funds to merge and the resultant merged Company's common shares to be listed on a national securities exchange or quoted on the NASDAQ National Market System;
- merge, consolidate or otherwise combine our Funds with non-Affiliates in a manner where we retain control of the merged entity; or
- dispose of all of our Fund's Properties in a manner which will permit distributions of cash to our Funds equity interest holders.

Any of these actions will be conditioned on the controlling Members in the case of a partnership or limited liability company or Board of Directors in the case of a corporation of each Fund determining the action to be prudent and in the best interests of its equity interest holders. However, we are under no obligation to take any of these actions, and any action, if taken, might be taken before or after the 6 year period mentioned above. Certain of these transactions, such as a merger or sale of all of the Fund's assets, or our dissolution, will require our Fund's equity interest holders' approval, and this may be difficult to obtain.

Strategic Alliance Managers (SAMs)

The Company believes that the Strategic Alliance Managers ("SAMs") will be valuable partners in executing the Funds' overall business strategy. The initiative to match the Funds' interests with that of the SAMs' is met as the SAMs source Properties for the Fund's acquisition. Additionally, under a TRS structure, the SAMs manage the Properties they sell to the Funds and those they find for the Funds.

The SAMs benefit from a continuous management fee stream that provides for additional compensation based on performance. The SAMs have an immediate liquidity event from Properties sold to the Funds and receive fees for Properties found for and acquired by the Funds. The SAMs have a subordinated interest in profits from the sale of Properties comprising their SAM portfolio. The SAMs possess significant experience in developing and acquiring high-quality Properties as well as providing the Funds with top quality Property management services.

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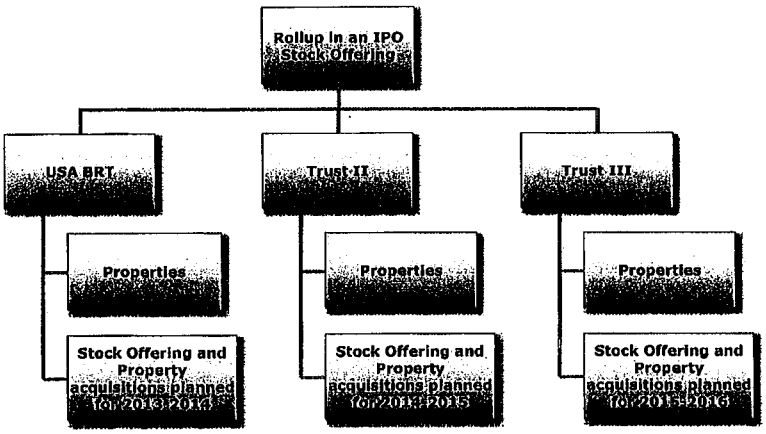
Funds' Dividends & Distributions

As planned for the Funds, dividends or distributions will be paid on a quarterly basis as declared by each Fund's board and will be based on an annual preferred dividend rate to a Fund's syndicated class of investors ("Syndicated Investor Class"). common dividends, as declared by the Fund's board are paid on an annual basis on a pro rata basis to the common shares. Distributions (at liquidation) are made in priority to the preferred stock shares within the Syndicated Investor Class at a specified IRR (internal rate of return). Any additional funds available for distribution from liquidation are paid to the common shares on a pro rata basis. Common shares in each Fund are planned to be owned 70% by the Syndicated Investor Class and 30% by the Company.

We envision a continuing pursuit of Property acquisitions as we strive to reach a Properties asset base that would be sufficient for conducting an efficient and attractive initial public offering. This could be achieved in a one of two ways, (i) building the capital base and Property portfolio of one Fund, or (ii) creating a series of Funds that combine in a Roll-Up. We favor the creation of series of Funds as our preference of Property types and scale may change as the economic cycle unfolds and supply and demand evolve among Property types and scale within each Property type.

The following chart demonstrates the organization of a series of private Funds that result in a Roll-Up ("Roll-Up") into a new public company. In this plan, the Roll-Up would be financed by proceeds of an initial public offering ("IPO").

Chart – Series of Funds



The steps contained in the plan to achieve this objective as outlined, as follows:

- By the end of fourth quarter 2013, we intend to have selected eight to nine Properties to be acquired by USA BRT requiring approximately $100,000,000 of equity and debt capital. We intend to acquire apartments, hotels and possibly other qualified income properties.
- Thereafter, we plan to acquire, on behalf of other Funds for which BAC is the advisor, approximately 10 to 15 Properties per year, requiring approximately additional debt and equity capital as shown in the chart.
- Between 2013 and 2018, we will strive to position USA BRT and the Funds that follow USA BRT, to which we will be the Advisor, to combine their Property portfolios in a Roll-Up IPO ("Roll-Up IPO"), thereby converting the Funds' investors into shareholders in the resultant public company. We further anticipate that certain of our Manager, Executive Members and Advisors would be officers of that public company and our Class A Members and Class B Members would liquidate their LLC Units for cash and/or shares in the public company.
- We have given considerable thought to an exit strategy for both the investors in the Company and in the Funds to which it will be an Advisor. We have concluded that by structuring the organizational steps to be compatible to an eventual business combination and to focus on a Roll-Up of all entities into a new public company offers the best or one of the best opportunities to maximize the value of the Funds' assets and the administrative value of the Company. All equity holders in the Company, including the Class B Members, would benefit from a successful execution of this Roll-Up strategy. Other exit strategies may be available, any one of which may be more equally or more attractive to the Company and the Funds than a Roll-Up IPO.
- No assurances can be given that we will accomplish the foregoing or at what time, if at all. (See "Risk Factors")

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Partnering Approach

Assuming we can execute our plan for USA BRT and the other planned Funds to follow during the current business cycle, in addition to, or in lieu of Property purchases, the Funds should have opportunities to partner with high quality Property owners. Such opportunities would include capital investment in Property ownership entities to (i) reduce debt, (ii) satisfy accrued financial requirements, (iii) establish cash reserves to assure the property meets its needs as economic recovery occurs, and (iv) provide cash to the existing owner for other Property purchases that may also involve the Funds.

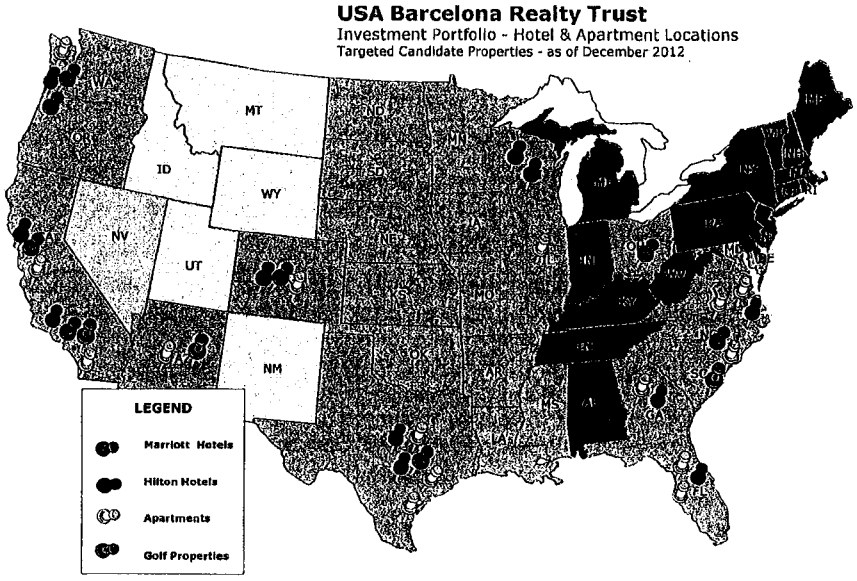
We anticipate that partnering would allow the Funds to acquire controlling interest in the same types of Properties that the Funds seek to acquire. It is an efficient method of deploying capital that creates portfolio investment opportunities, geographically disperses risk and in most cases will leave in place capable and knowledgeable management. We expect that this approach may also result in investment returns that are comparable to those achievable via acquisitions. In many cases, Properties that meet the Fund's investment criteria cannot be sold in today's market without substantial loss of owner equity. This partnering approach provides opportunities for investment in performing assets that are undervalued in current market conditions and where the transaction provides the sellers with benefits not offered by other buyers.

Targeted Property Markets

On behalf of our Funds, we intend to arrange to acquire apartments and select/focus service hotels. Currently, we have not established our initial Fund, USA BRT and therefore our Funds own no Properties.

Full service hotels generally provide a full complement of guest amenities including restaurants, concierge, porter and room service or valet parking. Select/focus service hotels typically do not include most of these amenities. Extended-stay hotels offer residential style lodging with a comprehensive package of guest services and amenities for extended-stay business and leisure travelers. We will own no Properties. The Funds to which we are Advisor, or one of their wholly-owned subsidiaries, will own all of the Properties we acquire.

We will seek associations with distinctive brands in the hotel markets. However, we do not anticipate affiliating our Funds with only one brand of franchise or license.



Negotiations For Property Acquisitions

We have reached agreements with several apartment and hotel companies to strategically align with us and are in discussions with other potential SAMs who collectively own and manage or manage for others over 500 apartments and hotels located in over 20 states. The SAM-managed Properties we have targeted for purchase by our initial Fund are operated under the industry's leading brands including Marriott's Courtyard, Fairfield Inn, SpringHill Suites, TownePlace Suites and Residence Inn; and Hilton's Hampton Inn and Hilton Garden Inn, and Homewood Suites. We intend to also acquire apartments and possibly other qualified income properties.

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Management Contracts and Lease Contracts

On behalf of the Funds, the Company intends to employ both management contracts and leases with its SAMs. The majority, if not all, contracts will be management contracts. Management contracts potentially allow for a greater share of property cash flow to accrue to the Company while leases provide a higher degree of certainty of income.

If a Fund elects to operate as a REIT, it is prohibited under the federal tax laws pertaining to qualifying as a REIT from operating its hotels directly. In this case, they intend to lease each of their hotels to a wholly-owned TRS, or another lessee for their management. If they elect to operate as a REIT, they anticipate that substantially all of their hotels will be leased to one of their wholly-owned subsidiaries.

A REIT can own up to 100% of the equity of a TRS. The REIT Modernization Act permits a REIT to lease the hotels that they own to a taxable subsidiary rather than requiring it to lease its hotels to a separate, unaffiliated entity. The hotels that they lease to a TRS will still need to be managed by an unaffiliated third party. Any net profit from the leases held by a TRS, after payment of any applicable corporate tax, will be available for distribution to the Fund as qualified REIT income.

Lease Characterization

In order that any lease could not be characterized as a service contract or joint venture in the guise of a lease, the Operating Company's and Affiliate's possessory rights will be subject to the tenant's leasehold rights, and the tenant will have both the benefits and risks of Property operations. We expect that the Funds leases will have the following provisions:

- Periodic fixed and percentage rent payments.
- Fixed rent payments would be payable without regard to the success or failure of operations. Percentage rent would be based on gross revenue, rather than profit or net income, although real estate-related costs, such as taxes, insurance and real estate operating costs, may be deducted before determining the Operating Company's percentage of gross revenues.
- Percentage rents would be set at lease execution, and would not be renegotiated if the changes are based on profit or net income.
- Lease term would be 5 to 10 years.
- In select transactions, a Lessee ("SAM") of one or more Company owned Properties may have a subordinated interest in distributions of funds generated from the sale or refinancing of such Company owned hotels leased by said participant.

Management Contract Terms and Conditions

We plan to have each of our Funds Properties managed by an independent manager under a separate management contract between the manager and the Fund (which is one of its wholly-owned subsidiaries, as specified in the previous section). The manager would be responsible for managing and supervising the daily operations of the Property.

All terms of these contracts would be the result of commercial negotiations between otherwise unrelated parties, and the fees and terms would be appropriate for the Property and the market in which it operates.

- Typical Term – Management Contracts to be used by the Funds - The term of the agreement is effective for an initial period of 5 to 10 years, with the option to renew at the Fund's sole discretion for one or more additional periods of five years each.
- Base Fee - The manager would be paid, within a range of 3% to 5% of the gross Property revenues received from the applicable property.
- Incentive Fee - The manager would receive an incentive management fee in a range of an amount equal to 3% to 12% of cash flow after all expenses included base fee, debt service and reserves.

Timing of Acquisitions of and Investments in Properties

We think the current state of the apartment and hotel industries allows the assemblage of a series of performing Portfolios at reasonable prices relative to replacement values but with a less than 24 month window of opportunity to execute the strategy of acquiring quality Properties below their replacement values. As the US economy recovers, apartment rents will rise and hotel occupancies and average daily rates will stabilize at their appropriate levels.

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According to leading apartment and hotel industry experts, due to rising occupancy levels and rate increases, apartment and hotel values started to rebound in 2010. There is still plenty of room to bring apartment rents and hotel occupancy and rate back to their pre-2008 levels. As this recovery unfolds, we have a timely opportunity for investment in and acquisition of apartments and hotels.

Broad Industry Relationship of Principals

The Company principals and outside Advisors have extensive long-standing relationships with apartment and hotel owners, management companies, franchisors, lenders, brokers and consulting companies. We think broad sets of relationships afford the Company high level access to numerous partnership investment and acquisition opportunities.

Risk Diversification

Risk diversification is achieved through deploying our Fund's capital for both (i) partnership investments and acquisitions, and (ii) involving a mix of apartments and hotel brands, locations and chain scale. The Fund's portfolios are forecasted to include numerous apartments and hotels with capital deployed through partnership investments and acquisitions. The Fund's portfolios will include apartments located in the United States and hotels located in the United States and Canada. We may also acquire other qualified income properties.

Franchise Relationships

The Company expects its Funds will own franchised hotels in the upscale chain scale such as Courtyard by Marriott, Residence Inn and Springhill Suites by Marriott, Hilton Garden Inn and Homewood Suites. To further diversify the Fund's portfolio, the Company will target upper midscale hotels with top-performing brands such Fairfield Inn by Marriott, TownePlace Suites by Marriott, and Hilton's Hampton Inn and possibly several key performing upper upscale hotels, such as Hilton and Marriott hotels.

We expect that each hotel will have a franchise license agreement between the lessee and a franchise Company providing for the payment of royalty fees and program fees to the franchisor based upon a percentage of gross room revenues. We anticipate that normally the management company will enter into a guarantee agreement in which it will guarantee the payment and performance of the lessee under the franchise license agreement.

The fees and other terms of franchise agreements will be the result of commercial negotiations between otherwise unrelated parties, and we believe that such fees and terms will be appropriate for each hotel and the market in which it operates. Normally, franchise agreements may be terminated for various reasons, including failure by the lessee to operate in accordance with the standards, procedures and requirements established by the franchisor.

Capital Structure of Affiliated Funds' Properties

The capital structure of the apartments and hotels may include leverage of up to 80% and 65% respectfully (more in select cases). Some Properties may be unleveraged at the time of acquisition. As debt markets allow, the capitalization plan is to incorporate appropriate leverage for the Property portfolio.

- For partnership investment in Properties, the Funds will be in a preferred equity position with priority return and participation return features (structured as payments from gross income to assure appropriate income for REIT).
- Acquisition Properties may be structured with individual debt and equity per Property or our leverage may be a credit facility with all owner Properties providing the collateral for the credit facility. While we see the possibility for some all-cash transactions at the time of acquisition, we anticipate all owned Properties will be individually or collectively leveraged. Some debt may be seller financing.
- Generally, each portfolio Property will be owned by a single property bankruptcy remote entity, typically a LLC. A Fund's Operating Partnership would be the managing member of each Property LLC and the Fund would be the managing member of the Operating Partnership. (see Chart under "Company Business Purpose").

The Funds as Lenders

The Funds may employ a part of their capital to make loans secured by senior or junior trust deeds on Properties. We would anticipate the Funds receiving base interest, plus participation interest on its loans. We anticipate that such loans would be short-term and would be used to facilitate Property acquisitions where there is no assumable debt in place at the time of purchase. Any such loan made by the Funds would be refinanced with institutional secured debt at such time as market conditions allow and subject to acceptable terms and conditions.

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Hotel Portfolio Objectives

One of our objectives is that the targeted mix of franchise hotels and market locations for Fund owned hotels will be comprised from among Marriott's Courtyard, Fairfield Inn, SpringHill Suites, TownePlace Suites and Residence Inn; Hilton's Hampton Inn, Hilton Garden Inn, and Homewood Suites.

Competition

We believe that we will differentiate our Funds from their competitors by adhering to five basic principles:

- Diversifying risk by operating as an owner of Properties and lending to only proven operators of Properties;
- Focusing on only the quality sectors of our targeted markets;
- Employing a conservative capital structure;
- Maintaining disciplined operational and asset management; and,
- Developing each Property portfolio with manageable geographic diversification foremost in mind.

Our business plan is based on our belief that our initial Fund, USA Barcelona Realty Trust ("USA BRT"), will raise up to $70,000,000 or more in equity capital and be leveraged at approximately 70%. We believe that, in concert with allowed leverage, this equity capital would allow USA BRT to invest in eight or more Properties. Subsequent Funds would have similar objectives but may raise more or less equity than we have planned for USA BRT. We can provide no assurance that we can meet these goals. (See, "Risk Factors")

Reserves

Fund reserves are expected to be funded in an amount equal to 4% to 5% of gross revenues for each year.

Competitive Advantage

Property Owner Interest – We believe our Company will be able to attract owners who own Properties situated in excellent markets, to do business with our Funds and us because:

- Excellent operators with well performing apartments and hotels may want to realize profits from the sale of their mature Properties while retaining property management (under our SAM program).
- We believe that we have assembled the right people required for the acquisition, operation, and management to execute our business plan. We have assembled the core of our management team from individuals with extensive real estate and REIT experience. We intend to continue to build our management team and Advisors as we progress in our business development.
- A Fund structured as an UP-REIT could acquire a property under a tax-deferred transaction (for the seller) using equity in the REIT's Operating Company in the form of its OP Units.
- A Fund could refinance a property owner's debt by providing a new loan to take out an existing loan. In this form of loan transaction, it would be likely that the Fund would also receive a percentage of ownership in the seller's property ownership entity.
- Where a property owner has lender issues, a Fund offer could offer the owner a "price" that pays off their lender, provides cash to the owner, and offers a potential future payment opportunity for the owner, based on a "forward looking performance based earn-out." Generally, these terms would only be available in the case where the property owner qualifies to remain the property manager under our SAM program.

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We are a Manager managed company ("Manager Managed"). We have an Executive Committee comprised of three Executive Members appointed from among our Class A Members. Our initial Executive Members are Richard Harkins, George T. Simmons, Robert Kerrigan and Bruce Orr. The Executive Members have the exclusive right to approve all Major Decisions which approvals will be carried out by our Manager. Our Manager makes all decisions for the Company other than Major Decisions. Our Manager and Executive Members function as our executive officers and conduct the affairs of the Company. Our Advisors are instrumental in providing oversight and guidance to our Executive Members. The following table sets forth the names and ages of those persons who comprise our Manager and Advisors to the Company.

Person	Position	Age	Affiliated With the Company Since
Richard Harkins	Executive Member	71	May, 2009
George T. Simmons	Executive Member	72	March, 2011
Robert Kerrigan	Executive Member	75	October 2012
Bruce Orr	Executive Member	51	April, 2010
George A. Santora	Advisor	51	April, 2010
Dawn Berry	Advisor	48	June, 2010
Allen Weintraub	Advisor	51	June, 2011
Thomas W. Lattin	Advisor	67	August, 2009
Steven Gold	Advisor	71	August, 2009
Not Used	na	na	na

MANAGEMENT AND ADVISORS

Richard Harkins – Manager and Executive Member - Through his leadership, Barcelona has been fostered from a concept to an operating company with a primary focus on acquiring and owning apartments and hotels. Mr. Harkins focus is on executive management, developing business relationships with major apartment developers and franchisees of Marriott, Hilton and other top brand hotels and the capital needs of the Company. Mr. Harkins' business career began with 13 years in equity finance, land acquisition and executive management with Gulf Oil Real Estate Development Corporation and Cardinal Industries. Since 1987, he has been involved in the real estate industry in the development of high-end daily fee golf courses, and over the period 2002 through mid-2009 in the creation and executive management of Arizona Village Communities Operating Company, Inc. ("AVC"), a land acquisition and investment company.

He has been involved as the responsible executive in the acquisition of sites and the financing of over 225 limited service hotels, over 550 Apartment Communities and the assembly of over $5 Billion dollars of public and private equity and debt capital. Mr. Harkins is a University of Alabama graduate with a degree in accounting. He served over nine years of active duty in the US Navy with specialties in radar, and related electronic warfare systems. He is proficient in the design and implementation of financial forecasting computer models and financial structures for complex organizations, including REITs. Mr. Harkins remains President of AVC, which exists in a state of inactivity, and continues to examine possible uses of AVC's loss carry forward tax asset.

George T. Simmons – He will serve as a member of the Executive Committee. Mr. Simmons is a self-employed business advisor, consultant, independent director, and private investor, with 45 years of business experience in semiconductor and electronic components industries, retail and restaurant establishments, and real estate holding companies. His background also includes substantial international business experience. Mr. Simmons is a graduate of the University of Nebraska and completed post-graduate work at both the University Of Nebraska and Arizona State University. Mr. Simmons has 22 years of executive management tenure in large corporations such as Intel, Motorola, Oki Electric (Japanese) and Daimler-Benz (German), as well as entrepreneurial experience from the co-founding of seven business enterprises between 1985 and 2005. Businesses co-founded by Mr. Simmons include

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two real estate holding companies, three restaurants, a small retail chain and a semiconductor manufacturing Company operating in Taiwan and mainland China. Mr. Simmons continues to maintain his original ownership position in four of these business enterprises that he co-founded; three have been sold.

Robert Kerrigan – Executive Member - Mr. Kerrigan will serve as an Advisor to the board of directors. Mr. Kerrigan is the President and sole share holder of Personal Wealth Management Group, Inc and the Sole Managing Partner of Wealth Legacy Consultants, LLC, which are both based in Scottsdale, Arizona. He holds a designation of Certified Wealth Consultant. Bob is a graduate of the University of Wisconsin Oshkosh with a degree in Economics and serves on the University Foundation Board. For the past (45) years he has been active in the financial services industry both as a provider of financial services to private clients and through ownership and management of several privately held companies both in manufacturing and service distribution. He also services on several Boards of For Profit businesses and Non Profit Philanthropic organizations. He also is currently on the Advisory Board for a local hospital and a Board member of the YMCA. Bob resides in Scottsdale, Arizona and has two grown sons and four grandchildren.

Bruce Orr – Executive Member - Mr. Orr is currently President of Bruce Orr and Associates, LLC and is a full Partner in District Development Partners, LLC. He has a background in Corporate Finance and Commercial Banking and has been an active consultant to businesses throughout the Western U.S. for the last 22 years. He earned his MBA from Pepperdine University and was trained in banking and finance while with Wells Fargo Bank. He also has experience as a general contractor building single family homes. He has consulted for housing as well as commercial and industrial real estate developers. He has vast experience in corporate finance, including merger and acquisition, ESOP and real estate financing. Mr. Orr has spent the last six years working within hotel development. He has relationships with Hilton, Choice and Marriott Hotels. He has spent four years developing relationships in Buena Park, California, where he and District Development Partners are currently working on an expanded redevelopment of the entertainment district.

ADVISORS TO THE COMPANY

George A Santora – Mr. Santora is currently an independent hotel consultant. He was previously the VP of Finance with Kimpton Hotels. In 2010, Mr. Santora served as a consultant to Barcelona Hotel Group, an Affiliate of the Company. He will serve as an Executive Member of the Company. From 2006 to 2009, he was the Chief Financial Officer of a $2B Private Equity REIT which at the end of his tenure owned 43 branded Marriott, Hilton, Intercontinental, and Starwood Hotels, and Diamond's Casino. He has a strong background in investor relations, debt compliance, refinancing and mezzanine debt, operations, treasury, budgeting, forecasting, tax, internal audits and capital planning for owned, managed and joint venture assets. From 1983 through 2006, he served in numerous accounting and finance positions with Starwood Hotels & Resorts. During his Starwood career, he was Vice President of Finance for Eastern US, Canada and USVI with responsibility for 96 hotels. Mr. Santora holds an MBA from Western International University and is a Boston College graduate with a degree in accounting.

Dawn Berry – Ms. Berry is President and CEO of PHD Hospitality and Development Company. She will serve as an Advisor to the Company. Ms. Berry received a Bachelor's Degree in Business Administration at the University of Stevens Point. She is A 21 year veteran of the hospitality industry, Berry's resume includes but is not limited to executive management of hotels in Focused Service, Full Service, Destination Resort hotels and Franchise Brand Management ranging from 125-2,000 guest rooms in Urban, Unionized, Suburban and Destination markets across the United States. Prior to co-founding PHD Hospitality, Berry served as Vice-President Brand Management for Hilton Hotels Corporation for the Hilton Garden Inn brand for 6 years. During that time, the brand experienced a JD Power award winning stretch for 5 of those 6 years and Berry was a contributing Member in taking the brand from 58 hotels to 310 prior to leaving the company. As hotel owners, PHD understands the importance of and has proven results in Customer Satisfaction, Profitability and overall Asset Management in maximizing investor returns.

Allen Weintraub - Mr. Weintraub had a long and distinguished career in the financial services industry. Over the course of 18 years he managed over $120 million of assets for retail investment clients for Merrill Lynch, UBS, and Prudential Securities. In 2005 Mr. Allen branched out on his own, consulting with several real estate, healthcare, and technology companies to help them in their efforts to build brand and name recognition, market and raise capital. In these last six years he has raised over $70,000,000 for private ventures in these industries. A native of Reading PA, Mr. Weintraub has spent the last 29 years, and all of his business life in metropolitan Phoenix. He has served on the board of directors of various charitable organizations. Mr. Weintraub will facilitate the fund raising, marketing, and investor relations functions for USA Barcelona Realty Trust, Inc. He has had significant success as an employee of several companies, assisting them in raising capital and has raised over $100,000,000 in the past three years.

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Thomas W. Lattin – Mr. Lattin is currently the managing Director of Lattin & Associates, a hospitality industry management consulting firm, and a professor of accounting, finance and advanced lodging management at the Conrad N. Hilton College. He will serve as an Advisor to the Company. He joined the faculty of the College in August of 2000 after serving as the managing Director of the PKF Capital Markets Group and the global leader of New Services for the PricewaterhouseCoopers Hospitality & Leisure Group. Prior to PricewaterhouseCoopers, he had a distinguished career with Patriot American Hospitality, which became Wyndham International, Inc. Mr. Lattin joined Patriot as president and chief operating officer before the Company's initial public offering in October 1995, the largest ever for a hospitality REIT and the largest REIT IPO in 1995. More recently, Mr. Lattin served as executive vice president of Wyndham International and president of WHC Inc., Wyndham International's franchise Company Affiliate. Prior to joining Patriot American, Mr. Lattin served as a senior vice president of Hospitality Real Estate Investment Trusts for PaineWebber Incorporated. He was also a former partner in the National Hospitality Consulting Practice of Coopers & Lybrand, L.L.P. and former national hospitality partner of Laventhol & Horwath. Mr. Lattin has also served as president of the Mariner Corporation, a Texas-based hotel development and management Company. While president of Mariner, the Company grew from two to 27 hotels with franchisee agreements with Marriott, Hilton, Sheraton and Holiday Inn. His expertise in the Hotel Industry covers Hotel Development, Hotel Financial Management, Hotel Management Contracts and Hotel Asset Management. Mr. Lattin education and professional accomplishments include a BS, MS, School of Hotel Administration, Cornell University; Certified Public Accountant, State of Texas; General Securities Registered Representative, New York. He is a Visiting Assistant Professor, Managing Director of the Hall of Honor and Curtis L. Carlson Fellow. Mr. Lattin has several academic works published, including: Lattin, G. W., Lattin, J. E. & Lattin T. The Lodging and Food Service Industry (5th ed.); Educational Institute of the American Hotel & Lodging Association; and, DeFranco, A. & Lattin, T. (2006).

Mr. Steven Gold – Mr. Gold is Managing Director for Hotel Financial Strategies, responsible for development of debt and equity programs, where he has been involved in over $20 billion in real estate Financing. He will serve as an Advisor to the Company. He also has been the Chairman of the Real Estate Advisory Board at UCLA, Founder of the UCLA Hotel Conference (ALIS) and a Member of the Dean's Council of the UCLA School of Architecture and Urban Planning. He has been a director of a public REIT, as well as numerous civic and charitable organizations. Mr. Gold has served as chairman of Center Financial and was an adjunct professor at the UCLA Business School. He specializes in the Financing of major real estate developments and originates many joint ventures for developers with institutional partners. Mr. Gold holds an MBA from UCLA.

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RISK FACTORS

THE INVESTMENT UNITS BEING OFFERED INVOLVE A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS, PRIOR TO MAKING AN INVESTMENT, SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS AND SPECULATIVE FACTORS INHERENT IN AND AFFECTING THE BUSINESS OF THE COMPANY AND THIS AGREEMENT.

Investment Risks

- *Members will not have the benefit of reviewing our past performance.*

The Company was recently organized, has limited assets and no operating history. Company Affiliates have limited experience together covering a period of two years dating back to July 2009. As a result, Investors will not be able to review our past performance to evaluate the likelihood of our achieving our investment objectives.

- *Investment in the Company by Management and Affiliates*

Company Affiliates have loaned and invested over $650,000 in cash and have deferred over $1,000,000 in compensation during the 39 month period which commenced in July 2009 and led to the organization of the Company and its Affiliates. Several of our management and staff have devoted over 29 months to the fulltime undertaking of the organization of the Company and Affiliates. These loans, investments and deferred compensation by our management and Affiliates may be repaid in ensuing periods from the profits of the Company and Affiliates and such repayments may reduce amounts otherwise available for Distribution to our Class B Members.

- *The Company will rely on the management and personnel of its Affiliates.*

The management and other personnel of the Company will also be the management and personnel of Affiliates. Our management and personnel intend to devote their full business time to the Company.

Our ability to achieve our investment objectives and to make distributions to Members will depend upon our ability to execute the Company's business plan. Members must rely on the judgment of the management and personnel of the Company (who will also be employed by Affiliates) to apply the Proceeds of this Offering and manage the Company's business. Members will not have an opportunity to evaluate the qualifications of outside advisors who may provide the Company with guidance, and we cannot assure you that any such advisors engaged by the Company will render prudent advice not mitigated by the knowledge and experience of the management and personnel of the Company's Manager and Affiliates. The Company's future success depends in large part upon the ability of its Affiliates to hire and retain additional highly skilled managerial, operational and marketing personnel. The Company may require additional real estate, finance, operations and marketing people who have experience in the apartment and hotel industry. The Company cannot guarantee that it or its Affiliates will be successful in attracting and retaining skilled personnel. Should the Company or its Affiliates be unable to attract and retain key personnel, the ability of the Company to make prudent decisions for its Funds may be impaired.

Real Estate Business Risks

- *The Company's success will be subject to its ability to accurately evaluate relevant markets.*

Until the Company has established its initial Fund and subsequent Funds, it Company will have no operational cash flow at its disposal and must depend on implementing its cash plan, which includes the employment of funds received from this Offering and possibly other financings, if applicable.

- *The Company will have numerous competitors.*

There are numerous entities engaged in the purchase of apartments and hotels, many of which have greater assets than the Company's Funds will have. The Company believes it will be able to compete favorably in this business, but cannot assure success.

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- *The business will be subject to risks generally associated with Land acquisition, improvement and sales, and residential development.*

The Company will be subject to the risks generally associated with Land acquisition, entitlement, improvement and resale, including the effect on the Company of the uncertainty of cash flow to meet its obligations, including distributions to its Members. Adverse local market conditions due to changes in general or local economic conditions, regional characteristics, interest rates, changes in real estate taxes, changes in governmental rules, and other factors which are beyond our control, may affect the ability of our goals.

- *By becoming the owner of Land, the Company may become liable for unforeseen environmental obligations.*

Under applicable environmental laws, any owner of real property may be fully liable for the costs involved in cleaning up any contamination by materials hazardous to the environment. Even though the Company and its Funds might be entitled to indemnification from the person that caused the contamination, there is no assurance that the responsible person would be able to indemnify the Company and its Funds to the full extent of the Company's liability. Furthermore, the Company and its Funds would still have costs and administrative expenses for which it may not be entitled to indemnification. The Company will undertake to mitigate such risks for unforeseen environmental obligations by performing appropriate due diligence on the Properties it acquires for its Funds, including obtaining soil reports and environmental reports.

Debt Financing Risks

- *The Company's Funds results are subject to fluctuations in interest rates and other economic conditions.*

The Company's Funds results of operations will vary with changes in interest rates and with the performance of the Funds' hotels surrounding real estate markets. A slowdown in business and vacation travel may reduce revenues to the Company's Funds resulting in reduced fees paid by the Funds to the Company and the distribution Members receive.

The Company's Funds Bank Loans will generally have interest rates tied to a reference prime rate with periodic adjustments both up and down as the prime reference rate fluctuates. To offset this risk to the Company's Funds, the Company intends to negotiate restrictive rate change terms in all Bank Loans employed by Company Funds.

- *Any borrowing by the Company may increase Members' risk and may reduce the amount of earnings available for Distributions to Members.*

The Company cannot guarantee that it will not require future bank borrowings to meet Company cash requirements and in the event that it does that it will be successful in arranging any Bank Loans or in the event the Company does, that such Bank Loans will be a positive factor in executing the Company's business plan.

Should the Company be unable to repay the indebtedness and make the interest payments on any such Bank Loans, the lender will likely declare the Company in default and require that it repay all amounts owing under the loan. Even if the Company is repaying the indebtedness in a timely manner, interest payments owing on the borrowed funds may reduce the Company's income and the distributions Members receive.

The Company may borrow funds from several sources, and the terms of any Loan may vary substantially from others. However, some lenders may require as a condition of making a loan that the lender will receive a priority on revenues received by the Company. As a result, the first revenues received by the Company may go to those lenders and that may decrease amounts available to meet the Company's other obligations, and distributions available to be made to Members.

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Conflicts of Interest Risks

The risk factors below describe material conflicts of interest that may arise in the course of the management and operation of the Company's business. The list of potential conflicts of interest reflects the Company's knowledge of the existing or potential conflicts of interest as of the date of this Offering. The Company cannot guarantee that no other conflicts of interest will arise in the future.

- *Affiliates will be paid fees and expenses from Company operations.*

Such payments include (See "Related Party Transactions"):

Organization Costs Reimbursement,
Management Fee, and,
Acquisition And Disposition Bonuses,

- *Certain compensation arrangements are non-arm's length agreements.*

The Company's Agreements and arrangements for compensating and Affiliates are not the result of arm's length negotiations.

- *Competition may exist between the Company, its Funds and other Affiliates.*

The Company's Funds and Affiliates, may engage in businesses which are or will be competitive with the Company or which have the same objectives as those of the Company. However, the Company must use its best efforts to resolve conflicts of interest with its Affiliates in the best interest of the Company.

- *Affiliates lack separate legal representation.*

The same counsel represents the Company and its Affiliates, and the Company anticipates that this multiple representation by attorneys will continue in the future.

- *Company Affiliates may own Investment Units.*

Any director or officer of the Company or any Affiliate may acquire, own, hold and dispose of Investment Units for that individual's account and may exercise any of his or her rights to the same extent and in the same manner as if he or she were not an Affiliate of the Company.

- *The Company and its Affiliates will face conflicts of interest concerning the allocation of personnel's time.*

The Company anticipates that it will engage in the business activities described in the section "The Company's Business" in this Memorandum. Although management and personnel of the Company devote their full-time efforts to the business of the Company, other Affiliates will not do so. As a result, the Company and its Affiliates may have conflicts of interest in allocating time and resources between the business of the Company and those other activities. During times of intense activity in other programs and ventures, key personnel of Affiliates may devote less time and resources to the business of the Company than required by the needs of the Company.

- *The Company's Affiliates will face conflicts of interest arising from the Company's fee structure.*

Affiliates may receive certain fees in connection with the Offering and certain fees for services performed for the Company. These fees are quantified and described in greater detail under "Fees to Managers and Affiliates" and in the compensation table contained in this Offering. The Company's interests may diverge from those of the Affiliates to the extent that the Affiliates benefit from fees that are paid by the Company.

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Retirement Plan Risks

- *An investment in the Company may not qualify as an appropriate investment under all retirement plans.*

There are special considerations that apply to pension or profit sharing trusts or IRAs investing in our Investment Units. If Members are investing the assets of a pension, profit sharing, 401(k), Keogh or other qualified retirement plan or the assets of an IRA in the Company, Members could incur liability or subject the plan to taxation if:

(1) the investment is not consistent with fiduciary obligations under ERISA and the Internal Revenue Code.
(2) the investment is not made in accordance with the documents and instruments governing the plan or IRA, including the plan's investment policy.
(3) the investment does not satisfy the prudence and diversification requirements of Sections 40(a)(1)(B) and 404(A)(1)(C) of ERISA.
(4) the investment impairs the liquidity of the plan.
(5) the investment produces "unrelated business taxable income" for the plan or IRA.
(6) Members will not be able to value the assets of the plan annually in accordance with ERISA requirements.
(7) the investment constitutes a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

FEES TO AFFILIATES

The table below describes all the compensation, fees, reimbursement and other benefits which our Funds will pay to, or which may be realized by, Barcelona Administration Company, and Affiliates.

In addition, each Member of the senior management team and certain staff Members will provide certain services to us. For administrative convenience, these persons will all be employed by Barcelona Administration Company. From the reimbursement compensation received by Barcelona Administration Company under an Administration Agreement with a Fund, the Fund will reimburse Barcelona Administration Company for a portion of the compensation paid to its senior managers and staff, based on the amount of time they devote to activities required by the Fund.

Person Receiving Compensation	Type of Compensation	Amount of Compensation
Barcelona Administration Company	Commission or Fee for acquiring and selling a Fund's Properties and related acquisition and disposition expenses.	A percentage (up to 2.0%) of the gross purchase price of the Properties purchased and sold by BAC for a Fund.
Barcelona Administration Company	Advances and reimbursements of overhead costs of Barcelona Administration Company.	Estimated to be an annual amount of .75% to 1.25% of the cost of properties acquired by a Fund, paid monthly.
Barcelona Administration Company	Reimbursement for certain deposits and costs incurred on our behalf.	Not estimable, but subject to the limits described below under "Reimbursements to Barcelona Administration Company".

Specific Amounts of Compensation Payable to Barcelona Administration Company

Except as otherwise indicated in the above table, the specific amounts of certain compensation or reimbursement payable by a Fund to Barcelona Administration Company are not now known and generally will depend upon factors determinable only at the time of payment. Compensation payable by the our Funds to Barcelona Administration Company may be shared or allocated to the our Affiliates. However, compensation and reimbursements which would

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exceed specified limits or ceilings cannot be recovered by Barcelona Administration Company through reclassification into a different category.

Administration Agreement between Barcelona Administration Company ("BAC") and its Funds

An Administration Agreement between each Fund and Barcelona Administration Company will delineate the procedures for determination of the budget and terms and conditions under which BAC serves the Fund its Affiliates.

Reimbursements to Barcelona Administration Company

Barcelona Administration Company will be reimbursed by each Fund for certain direct costs incurred on the Fund's behalf for organization, acquisition, conducting asset management of the Fund's Properties and for goods and materials used for or by the Fund and obtained from entities that are not affiliated with BAC, although whenever possible the Funds and BAC will attempt to have costs incurred on a Fund's behalf to be charged to the Fund's taxable subsidiaries, rather than charged to BAC and thereafter reimbursed by the Fund. Possible reimbursable costs and expenses include, but are not limited to, interest and other costs for money borrowed on a Fund's behalf, taxes on a Fund's Properties or business, fees for legal counsel and independent auditors engaged for a Fund, expenses relating to a Fund's Shareholders communications, costs of appraisals, non-refundable option payments on Property not acquired, and title insurance. These expenses also include ongoing accounting, reporting and filing obligations of a Fund that are provided to a Fund by BAC and payments made to third parties that are made by BAC on a Fund's behalf. These expenses will not include any amounts for overhead of BAC. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to BAC are subject to the overall limitation on operating expenses stipulated in the Advisory Agreement.

PLAN OF DISTRIBUTION

The Company is offering the Investment Units directly through Members of management on the terms and conditions set forth in this Memorandum. No commissions or other remuneration will be paid in connection with the sale of Investment Units directly by the Company. Fees of up to 4% in selling fees (up to $40,000) and up to an additional 1% in due diligence fees (up to $10,000) may be paid by the Company on Investment Units sold in this Offering where sales are made through Members of the Financial Industry Regulatory Authority, Inc, ("FINRA"), Registered Investment Advisors and others subject to applicable Arizona state securities laws.

Sales commissions on Unit sales will be paid from Offering Proceeds at the time Proceeds are received by the Company. Up to $50,000 of the Proceeds raised from the Offering may be reimbursed to our management for time and expenses incurred in the organization of the Company. An additional $30,000 will be used to pay expenses to third party professionals for expenses relating to the organization of the Company and conducting this Offering including, among other expenses, printing and mailing, legal and accounting fees. After deduction of those expenses, all other Proceeds will be used by the Company to pursue the business plan outlined in this Memorandum. The Company is Offering the Investment Units on a "best efforts" basis. (see "Planned Use Of Proceeds" on the Cover Page).

There is no minimum Offering amount, and the Company will have the use of all sales Proceeds as they are received. We cannot assure that all or any of the Investment Units offered will be sold.

The Company is offering Accredited Investors an opportunity to purchase an aggregate of $1,000,000 of Investment Units comprised of four (4) Investment Units, each of which is comprised of one Series A 12-6-12 Note and one Class B Unit. Purchasers must purchase a minimum of one Investment Unit at $250,000, which comprises one Series A 12-6-12 Note and one Class B Unit, except that we may permit investments of a lesser amount in our discretion.

We expect to terminate the Offering when all of the Investment Units offered by this Memorandum have been sold or 120 days from the date of this Memorandum (whichever occurs sooner), unless extended by us for up to an additional 180 days, in order to achieve the maximum Offering of four (4) Investment Units.

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FEDERAL TAX CONSIDERATIONS

Investors must look to their own tax advisors regarding the tax implications inherent in investment in the Company, the income or deductions generated by the Company and allocated to its Unit-holders, and the impact of owning Investment Units comprised of Series A 12-6-12 Notes and Class B Member Units will have on their personal tax situations.

This Memorandum does not include tax advice and is not intended as a substitute for careful tax planning. Each prospective purchaser of Investment Units is advised to consult with his or her own tax advisor regarding the specific tax consequences to him or her of the purchase, ownership and disposition of Investment Units comprised of Series A 12-6-12 Notes and Class B Member Units in an entity electing to be taxed as a limited liability company, including the United States federal, state, local, foreign and other tax consequences of the purchase, ownership, and disposition of Investment B Units and of potential changes in applicable tax laws.

This Memorandum does not discuss the various aspects of federal income taxation that may be relevant to a particular Unit-holder in light of his personal investment circumstances or to certain types of Investment Units subject to special treatment under the Code (for example, insurance companies, banks, dealers in securities, foreign persons and tax-exempt organizations) and does not discuss any aspects of state, local, or foreign tax laws which may be applicable to a Unit-holder. Accordingly, a prospective Unit-holder is urged to consult his or its own tax advisors regarding an investment in the Company and its consequences.

The tax consequences of holding Series A 12-6-12 Notes and Class B Member Units will depend, in part, on each Unit-holder's financial and tax circumstances. You must determine whether the tax implications of this investment would be appropriate for you as a Unit-holder. Accordingly, each prospective Unit-holder must consult with his or her own tax advisor concerning the effects of the tax laws on an investment in the Company.

SALES LITERATURE

The Offering is made only by means of this Memorandum. We have not authorized the use of any other supplemental literature in connection with the Offering.

REPORTS TO INVESTORS

Financial information contained in all reports to Investors will be prepared in accordance with generally accepted accounting principles. An annual report, which will contain audited financial statements, will be furnished within 120 days following the close of each fiscal year commencing with year ending December 31, 2014. The annual report will contain a complete statement of compensation and fees paid or accrued by us to Barcelona Administration Company, together with a description of any new agreements. We also intend to send to our Investors quarterly reports after the end of the first three calendar quarters of each year. Quarterly reports will include unaudited financial statements prepared in accordance with generally accepted accounting principles. Under applicable law our Investors also have the right to obtain other information about the Company.

FINANCIAL STATEMENTS

The unaudited Financial Statements for Barcelona Administration Company, LLC at December 31, 2012, which have been prepared by management, is set forth as Exhibit C. The Company is a start-up entity, and does not yet have financial statements that have been compiled, reviewed or audited by independent accountants. We intend to have reviewed annual financial statements ("Reviewed Statements") commencing with the year ending December 31, 2013.

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The Company's Operating Agreement (the "Company Agreement") authorizes the Company to issue and sell up to $1,000,000 of Investment Units. (see "Exhibit B, Company Agreement.") We expect to terminate the Offering when all of the Investment Units offered by this Memorandum have been sold or 120 days from the date of this Memorandum (whichever occurs sooner), unless extended by us for up to an additional 180 days ("Offering Period"), in order to achieve the maximum Offering of 4 Investment Units or such lesser amount as we may elect.

Fees of up to 4% in Selling Fees may be paid by the Company and up to an additional 1% in due diligence fees may be paid by the Company's Manager on Investment Units sold in this Offering where sales are made through Members of the National Association Of Securities Dealers, Inc, registered investment advisors and others subject to applicable state securities laws of the states in which the Units are being offered. The Company's estimation of its allocation of the net Proceeds of this Offering is based upon the current and projected state of its business operations, its projected plans and current economic and industry conditions, and is subject to a reapportionment of Proceeds. The maximum sales commissions are included in the table on page 2. Sales commissions on Unit sales will be paid from Offering Proceeds at the time sales Proceeds are qualified to be used by the Company. Additionally, regarding purchases of Investment Units by IRA's, the Company will pay a one-time fee to the associated IRA Custodian of up to $500, which payment will be deducted from any commission and expenses otherwise due on the sale of the associated Investment Unit(s). The Units sold under the Offering will be offered directly by Members of the Company, for which no commission will be paid, and may be offered through Members of Financial Industry Regulatory Authority ("FINRA"), registered investment advisors and others, subject to applicable state securities laws of the State of Arizona, to qualified Investors meeting Accredited Investor standards as defined in Rule 501(a) of Regulation D. The Company's estimation of its allocation of the net Proceeds of this Offering is based upon the current and projected state of its business operation, its projected plans and current economic and industry conditions, and is subject to a reapportionment of Proceeds. Executive Members of the Company and Affiliates may be paid a fee ("Organization Period Reimbursement Payments") in the aggregate amount of $50,000 payable from Offering Proceeds.

Offering expenses, in addition to selling expenses, of up to 3.0% of gross Offering Proceeds will be expended for material and services related to the creation, duplication and distribution of the Offering documents, and legal expenses. Investment Unit Capital may be used by the Company for (i) meeting the Company's requirements, (ii) establishing operating reserves; and, (iii) any other use authorized in the Company Agreement. ("Exhibit B – Company Agreement").

Restrictions on Transferability

There will be no public market for the Investment Units, and there will be significant restrictions on the transferability of the Units. The Investment Units have not been registered under the Securities Act or the laws of any other jurisdiction and cannot be sold or otherwise transferred by investors unless they are subsequently registered under applicable law or an exemption from registration is available. The Company is not obligated to register the Investment Units and is not required to register them or to make any exemptions from registration available.

The Series A 12-6-12 Note will not be separately tradable from the Class B Unit that together comprises each Investment Unit.

The Investor Questionnaire and Subscription Agreement contains substantial restrictions on the transferability of the Investment Units. No transfer of Investment Units may be made without the transferor furnishing the Company with an opinion of counsel, satisfactory to the Company, that the transfer is exempt from the registration requirements of applicable securities laws. Documents representing the Investment Units will bear legends required by the State Of Arizona, as follows:

THE INVESTMENT UNITS OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), UNDER THE ARIZONA SECURITIES ACT, OR UNDER ANY OTHER STATE SECURITIES ACT IN RELIANCE UPON EXEMPTIONS FOR TRANSACTIONS NOT INVOLVING A PUBLIC OFFERING.

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SUBSCRIBER INFORMATION AND QUALIFICATIONS

Any qualified Offeree who wishes to purchase any of the offered Investment Units should deliver the following items to the Company:

One executed copy of the Investor Questionnaire and Subscription Agreement (Exhibit "A"), with all blanks properly completed; and purchase of a minimum of $250,000 of Investment Units (One Investment Unit), or in such other amount as approved by the Company, by payment of the applicable purchase price made payable to "Barcelona Administration Company, LLC"; and, as stipulated in the instructions located in the Subscription Instructions for Investment Units, contained in Exhibit A..

Tender of the purchase price and the Investor Questionnaire and Subscription Agreement shall be made to the Company. Upon acceptance by the Company, subscribers for the Investment Units will be admitted to the Company as Class B Members.

Additional Information

This Memorandum has been prepared from information available to the Company. The summaries of, and references to, various documents in this Memorandum do not purport to be complete, and in each instance reference should be made to the copy of such documents which is either an exhibit to this Memorandum of which will be made available to Offerees and their professional advisors upon request.

During the course of the Offering, representatives of the Manager will answer questions from, and provide information to, Offerees and their professional advisors concerning the Company and the terms and conditions of the Offering and will, on request, make available additional information, to the extent the Company possesses such information or can acquire it without unreasonable effort or expense, which is necessary to verify the accuracy of the information contained in this Memorandum or which an Offeree or his professional advisors desire in evaluating the merits and risks of an investment in the Securities.

Prospective Investors and their representatives and agents are specifically invited and encouraged to:

- examine all books and records of the Company;
- review the Company Agreement (attached hereto as Exhibit B);
- ask questions of representatives of the Manager of the Company material to this investment;
- seek any other information from the Manager of the Company material to this investment which is in the possession or is reasonably available to the Manager;

Prospective Investors should retain their own professional advisors to review and evaluate the economic, tax and other consequences of ownership of the Investment Units, and are not to construe the contents of this Memorandum, or any other information furnished by the Company, as investment, tax or legal advice.

The Company's estimation of its allocation of the net Proceeds of this Offering is based upon the current and projected state of its business operations, its projected plans and current economic and industry conditions, and is subject to a reapportionment of Proceeds. The Company's projected use of the Proceeds from this Offering is described in the Cover Page. As allowed by the Company Agreement, the Company may attempt to raise additional capital if the need arises.

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HOW TO SUBSCRIBE

Any qualified Offeree who wishes to purchase Securities shall deliver the following items to the Company:

Investment Units – – make check payable to **Barcelona Administration Company**.

1. **Investor Questionnaire and Subscription Agreement** - completed and signed Investment Unit Investor Questionnaire and Subscription Agreement;

2. **Payment** for Investment Unit(s) in a minimum amount of $250,000. Each $250,000 purchase (One Investment Unit) entitles purchaser to receive 25.0% of the Investment Units offered in the Offering.

Deliver to:

Barcelona Administration Company, LLC

11419 N. Century Lane

Scottsdale, AZ 85254

602-796-3519

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"Accredited Investor" means an investor must meet certain qualifications within the meaning of Rule 501 of Regulation D, promulgated under the ACT, as amended, and applicable state law, and as follows:

- Any entity in which all of the equity owners are "Accredited Investors" (Entity Test); or
- Any natural person who had an individual income in excess of $200,000 (or joint income with that person's spouse in excess of $300,000) in each of the two most recent years, and has a reasonable expectation of reaching the same income level in the current year (Income Test); or
- Any natural person whose individual net worth, or joint net worth with that person's spouse, less the value of the personal residence, at the time of his purchase exceeds $1,000,000 (Net Worth Test); or
- Any trust with total assets in excess of $5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a "sophisticate person" within the meaning of Rule 506(b)(2)(ii) of Regulation D (Trust Test); or

Other entities may qualify as Accredited Investors.

"ACT" means the Arizona Limited Liability Company Act, as the same may be amended from time to time.

"Additional Capital Contributions" means any Capital Contributions to the Company other than an Initial Capital Contributions made pursuant to Section 2.1.

"Administration Agreement" means the agreement between a Fund and Barcelona Administration Company calling for Barcelona Administration Company to provide management services for the Fund and other Fund Affiliates.

"Advisors" mean those individuals described herein in the section: Management & Advisors to the Company.

"Advisory Agreement" means the contract between the Company and an Affiliate which delineates the duties of the Company and the Company's compensation arrangements with the Affiliate.

"Affiliate" of any specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) any Person owning or controlling 12% or more of the outstanding voting securities of such other Person, (iii) any officer, director, partner of such Person, and (iv) if such other Person is an officer, director or partner, any Company for which such Person acts in any such capacity. For the purposes of this definition, "control" when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreed Value" Refer to the Appendix to Exhibit B of the Operating Agreement for definition.

"All Cash" means a purchase of a Hotel where no debt is employed.

"Amendment Date" means the date on the cover page of this Memorandum.

"Bankruptcy Remote Entity" is a term that describes the relative position of one company as it relates to bankruptcy vis-à-vis others within a corporate group, whereby the insolvency of the bankruptcy remote entity has as little economic impact as possible on other entities within the group. A bankruptcy remote entity is often a single-purpose entity. Commercial mortgage loans often require that the properties financed be placed in special limited liability companies or corporations which are bankruptcy remote from their owners, to allow the lender to seize the property in the event of loan payment failures and not be stopped by the owner's filing bankruptcy.

"Barcelona Administration Company" and "BAC" means Barcelona Administration Company, LLC.

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"BHG" means Barcelona Hotel Group.

"USA BRT" means USA Barcelona Realty Trust.

"USA BRT OP" means USA Barcelona Realty Trust Operating Partnership.

"USA BRT Residential" means USA Barcelona Realty Trust Residential.

"USA BRT Hospitality" means USA Barcelona Realty Trust Hospitality.

"USA BRT JV and Partnerships" means USA Barcelona Realty Trust JV and Partnerships.

"USA BRT TRS" means USA Barcelona Realty Trust Taxable REIT Subsidiary.

"C Corporation" means a Chapter C corporation in the IRS code and merely refers to a regular, state-formed corporation. A corporation is owned by shareholders and is managed and controlled by the board of directors who elect the president and are responsible for the management and policy decisions of the corporation. The dealings of the corporation are carried out by the officers and employees of the corporation under the authority delegated by the directors of the corporation.

"CAPEX" means reserves set aside for Property improvements, either (i) discretionary on the part of Property owner, or (ii) a standard requirement within a franchise agreement.

"Capital Contribution" means the total amount of cash and the Agreed Value of property contributed to the capital of the Company as an Initial Capital Contribution or an Additional Capital Contribution net of the liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code §752.

"Capital Distribution Event" means an event that will occur from time to time in our business if and when we dispose of one or more of our Fund's assets. We expect that from time to time when we believe that a Fund can realize the best return on its investments, we will sell Properties, assign leases, and sell Fund Properties to others. We anticipate that we will cause the selling Fund to distribute the net proceeds from these transactions to Fund equity-holders.

"Cause" means something that precedes and brings about an effect or a result. A reason for an action or condition. A ground of a legal action. An agent that brings something about. That which in some manner is accountable for a condition that brings about an effect or that produces a cause for the resultant action or state.

"Class A Units" means the 2,000 Class A Units authorized in the Company's Operating Agreement.

"Class B Units" means the 4 Class B Units offered in concert with 4 Series A 12-6-12 Notes, together comprising the 4 Investment Units offered under the Offering, as authorized in the Company's Operating Agreement.

"Code" means the Internal Revenue Code of 1986 (or any successor), as amended from time to time.

"Company" means Barcelona Administration Company, LLC.

"Company Agreement" means the Company Operating Agreement, (see Exhibit A, "Operating Agreement").

"Company Budget" means the budget approved from time to time by the Executive Committee.

"Credited Capital" means the Agreed Value credited to a Class A Member's Capital Account in consideration of time, talent and resources provided to the Company in its Pre-Formation and Post-Formation stages for which no cash compensation was paid.

"Cumulative Priority Distribution" means the right of each Class B Member Unit to receive an annual Priority Distribution of $12,500 payable of 12/31 of each year commencing on 12/31/2013 and as payable at the discretion of

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the Company and to receive any such Distributions not made in prior periods and the applicable current period prior to any other Class of Member receiving any Distribution.

"Debt" and "Debt Financing" means loans made by banks or other institutions secured by a lien on a Property.

"Debt Service" means the periodic scheduled payment on debt.

"Distribution" means the cash payments made to Unit-holders.

"Effective Date" has the meaning set forth in Section 1.1.

"ERISA" means Employee Retirement Income Security Act.

"Exchange Act" means the Securities Act of 1934. "Properties" means Properties acquired by the Company for a Fund.

"Executive Members" mean Richard Harkins, George T. Simmons, Robert J. Kerrigan and Bruce Orr.

"Exempt Offering" means a securities offering that does not require a registration statement to be filed with the SEC.

"Financing" means any form of capital employed in the purchase of a Fund's Property.

"FINRA" means Financial Industry Regulatory Authority.

"Founder Class A Members" mean Richard Harkins and George T. Simmons.

"Good REIT Income" means the form of income, received by a REIT from an Affiliate, takes the same form as received by the Affiliate for purposes of satisfying the 75% and 95% income tests.

"Hotel Portfolio" means all of the hotels owned directly by a Fund.

"Hotels" means hotels acquired for a Fund and owned by a Fund(s).

"Initial Manager" means the Company's first appointed Manager as appointed by the Executive Committee as of the Effective Date.

"Investment Units" means one of four (4) $250,000 units wherein each unit is comprised of one Series A 12-6-12 Note and one Class B Unit.

"Investment Unit Subscription" means the Investor Questionnaire and Subscription Agreement that is attached to the Memorandum as Exhibit A and is titled "Investor Qualifications and Subscription Agreement".

"IPO" means initial public offering.

"Leverage" has the same meaning as Debt.

"Liquidation Distributions" means Distributions made to Company shareholders at the time of Liquidation of the Company.

"LLC" means Limited Liability Company.

"LLC Units" mean the Class A Units and the Class B Units of the Company.

"Loans" mean loans made by the Company to a Fund during the organization stages of a Fund.

"Manager Managed" means in manager managed LLC, the members, by virtue of being members, do not have authority to manage and operate the business of the limited liability company. Instead, the members elect a

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Manager and it is the Manager who has this authority. Our Operating Agreement has specific rules and processes for the Manager to follow when managing the LLC. The Manager has a duty to act in the best interests of the Company.

"Manager" means the Manager of the Company as elected by a majority vote of the Executive Members that are in good standing with the Company.

"Materials" means the Memorandum.

"Maximum Offering" means the $1,000,000 of Investment Units offered under the Offering.

"Members" mean the Class A Members and the Class B Members of the Company.

"Memorandum" means this Offering Memorandum.

"Minimum Offering" means an amount of an offering that must be sold before the company making the offering can use the Offering Proceeds.

"Net Cash Flow" means the gross cash proceeds from Company operations from whatever source derived, including without limitation gross cash proceeds from the sale, exchange, or other disposition, or refinancing of Company Assets either in or outside the ordinary course of Company business, reduced by such other amounts determined by the Member to be used to pay, or establish reserves for, any other Company expenses, principal and interest payments on Company indebtedness including without limitation, working capital loans but not including Member Loans, capital improvements, replacements, and contingencies, and increased by any reductions of previously established reserves reasonably determined by the Member to no longer need to be held in reserve and to be available for distribution.

"Net Income and Net Loss" of the Company or items thereof shall, for each Company Year or other relevant period of the Company, be an amount equal to the Company's taxable income or loss for such period, as determined for federal income tax purposes in accordance with the accounting method followed by the Company and in accordance with Code §703, and for this purpose, all items of income, gain, loss or deduction required to be separately stated pursuant to Code §703(a)(1) shall be included in taxable income or loss, subject to the following modifications:

a. Any income of the Company that is exempt from federal income tax, including without limitation, interest income which is exempt from tax under Code §103, and the proceeds of insurance policies which are exempt from income under Code §101, and not otherwise taken into account in computing Net Income and Net Loss pursuant to this definition, shall be added to such taxable income or loss;

b. Any expenditures of the Company described in Code §705(a)(2)(B), including without limitation, expenses and interest to which Code §265 applies, and insurance premiums which are nondeductible pursuant to Code §264 or treated as Code §705(a)(2)(B) expenditures pursuant to Regulations §1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, including without limitation, syndication expenses, shall be subtracted from such taxable income or loss; and

c. If the Agreed Value of any Company Asset differs from its adjusted tax basis for federal income tax purposes, Net Income and Net Loss of the Company shall be determined in conformity with this Agreement and applicable Treasury Regulations, by reference to the Depreciation deductions, if any, allowable with respect to such Company Asset, and by the gain or loss attributable to such asset as computed by reference to such Company Asset's Agreed Value and not, if different, by reference to such Company Asset's adjusted tax basis.

"Note Term Date" means the date the principal of the Series A 12-6-12 Notes is due, which date is December 31, 2014.

"Offering" means the 4 Investment Units offered at $250,000 per Investment Unit.

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"Offering Effective Date" means that date which is on the front cover of the Memorandum.

"Offering Period" means that period during which the Investment Units may be offered for sale which is 120 days from the Amendment Date plus an additional 180 days if so determined by the Company.

"Operating Company" means a REIT subsidiary setup to own, or its Affiliates to own, properties.

"Organization Period Reimbursement Payments" means a payment payable to Executive Committee Members and Affiliates which may be paid from Offering Proceeds in the aggregate amount of $50,000.

"Portfolio Hotel" means a hotel owned by a Fund.

"Post-Formation Period" means the period following the Company's filing of its Articles of Formation which date was November 12, 2010.

"Pre-Formation Period" means that period commencing July 1, 2009 and up to the date the Company filed its formation documents with the State of Arizona which date was November 12, 2011.

"Proceeds" means funds raised under the Offering.

"Pro Rata" means, as used herein, an equal amount per Unit within a Class of Units.

"Property LLC" means an LLC that owns one Property.

"Purchasers" mean investors who purchase Investment Units.

"Regulations" mean the regulations promulgated by the Department of the Treasury under the Code. Where followed by the symbol "§," such reference shall be to the particular section of the Regulations promulgated under the Code. Where preceded by the symbol "§" and a Code number, such reference shall be to the Regulations promulgated under that particular section of the Code.

"REIT" means Real Estate Investment Trust.

"Reviewed Statements" means a Certified Public Accountant (CPA) conducting the work necessary to obtain a reasonable basis for expressing limited assurance that the financial statements meet the requirements of the US GAAP and are free of material misstatements or false/missing information.

"Roll-Up" means the combination of two or more legal entities into one legal entity.

"Roll-Up IPO" means a public offering of a company's securities conducted to finance a Roll-Up.

"SAM" means Strategic Alliance Manager.

"Securities" mean the Investment Units.

"Securities Offering" means the financial statements resulting from a securities offering that is either (i) exempt from federal registration with the Securities and Exchange Commission and State Securities Commissions, or, (ii) is registered with the Securities and Exchange Commission and/or one or more State Securities Commissions.

"Series A 12-6-12 Note(s)" means the 4 Notes, each in the face amount of $250,000, that in concert with 4 Class B Member Units, comprise the 4 Investment Units offered under the Offering. The features are:

- Base Interest based on a 12.0% Annual Rate Of Return paid quarterly commencing 3-31-2013.
- Year 1 Bonus Interest is a one-time payment in the amount of 6.0% of the Note amount and is due 12-31-2013.
- Year 2 Bonus Interest is a one-time payment in the amount of 12.0% of the Note amount and is due 12-31-2014.

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- Original Face Amount of $250,000 is due on the Series A 12-6-12 Note Term of 12/31/2014.

"Subscription Agreement" means when an Investment Unit Subscription is accepted by the Company and the Unit-holder's signature is affixed to the Company Articles of Organization.

"Subscription Agreement" and "Investor Questionnaire and Subscription Agreement" means the agreement under which an investor subscribes to acquire the Company's Investment Units.

"Syndicated Investor Class" means the investor(s) who acquire a Fund's securities.

"TRS" means taxable Real Estate Investment Trust (REIT) subsidiary.

"UBTI" means Unrelated Business Taxable Income.

"Unit" and "Units" means a stated increment of value of equity ownership of a company; for the Company, means Units of Class A Member interest and Class B Member interest.

"Unit-holders" means the holder of any Class A and Class B Units.

"Vendors" means suppliers, attorneys, accountants and other who provide services to the Company.

"Working Capital" means the cash reserves of the Company.

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ADDITIONAL INFORMATION

Prospective Investors may review any materials available to the Manager relating to the Company, proposed Company operations, and any other relevant matters. You may examine all materials at the office of the Company during normal business hours after reasonable prior notice. You may ask questions and receive answers from Richard Harkins, George T. Simmons, Robert Kerrigan or Bruce Orr concerning the terms and conditions of the Company, and they will obtain any additional information to the extent that the Company possesses such information, or can acquire it without unreasonable effort or expense.

To request specific additional information, please contact:

Richard Harkins

Barcelona Administration Company, LLC

11419 N. Century Lane

Scottsdale, Arizona 85254

Phone: 602-796-3519 (for Offering information)

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BARCELONA ADMINISTRATION COMPANY, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. _____ of the Private Placement Memorandum dated October 18, 2012 and amended February 1, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of Barcelona Administration Company L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

____ A. CHECK the appropriate Accredited Investor category on page __ and the "Purchaser Representative" question in Paragraph 2(c).

____ B. COMPLETE all information on pages __ and __, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

____ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

____ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page __. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

____ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to BARCELONA ADMINISTRATION COMPANY in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

Barcelona Administration Company, LLC.
Attention: Offering Administration
11419 N. Century Lane
Scottsdale, Arizona 85254
Company telephone number is 602-796-3519

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $_____;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of _____ Class B Unit(s).

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BARCELONA ADMINISTRATION COMPANY, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

Barcelona Administration Company, L.L.C.
11419 N. Century Lane
Scottsdale, Arizona 85254

Purchaser:

You have informed the undersigned (the "Purchaser") that **BARCELONA ADMINISTRATION COMPANY, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

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1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

___ $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

___ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ Manager of Issuer
Any Manager of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not ___, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's Manager and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

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(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that

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fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement .

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ _____

NAME(S): 1) _____

2) _____

SOCIAL SECURITY #(S): 1) _____

2) _____

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Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
_____ IRA
_____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:

_____
Street Address

_____
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

_____
Street Address (If P.O. Box, include address for surface delivery if different than residence)

_____
City State Zip

PHONE: Home: (_____) _____

Business: (_____) _____

Facsimile: (_____) _____

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9. Date and Signatures.

Dated _____, 201__.

Purchaser Signatures: Purchaser Name: (Print)

_____ _____

_____ _____

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

BARCELONA ADMINISTRATION COMPANY, L.L.C.

By:_____

Its:_____

DATED: _____, 201__

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SPECIMEN DOCUMENT – NOT FOR EXECUTION

BARCELONA ADMINISTRATION COMPANY, L.L.C.

Series A 12-6-12 Note
PROMISSORY NOTE

This Series A 12-6-12 Note in concert with Class B Units in Barcelona Administration Company comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 to which Payee subscribed to acquire _____ Investment Units thereby Payee is acquiring _____ Series A 12-6-12 Notes.

FOR VALUE RECEIVED, BARCELONA ADMINISTRATION COMPANY, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of _____ ("Payee"), at the mailing address of Payee, or at such other place as the holder may from time to time designate, the principal sum of _____ Thousand Dollars ($_____), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Series A 12-6-12 Note will earn interest at a twelve percent (12%) annual interest rate. Interest will accrue from the date of issuance, and will be paid as follows:

(a) Interest will be paid quarterly and shall be based on a 12% annual rate; however, the initial interest payment shall be due and payable on 3-31-2013 with interest due and payable quarterly thereafter through the term date of the Note.

(b) A Year 1 Bonus Interest payment in the amount of 6% of the Note amount shall be paid on 12-31-2103;

(c) A Year 2 Bonus Interest payment in an amount equal to 12% of the Note amount shall be payable on 12-31-2014; and,

(d) Principal, any earned and unpaid Interest shall be paid on or before 12-31-2014 (the "Note Term Date"). The principal amount of the Note may be paid at any time prior to the Note Term Date, either in whole or in part, without penalty, at which time all interest due to the date of said principal payment, shall be due and payable. Any principal reduction payments made on the Series A 12-6-12 Note must be made on a pro rata basis to all holders of the Series A 12-6-12 Note.

2. Default. The failure by Maker to pay principal and interest due under this Series A 12-6-12 Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payee may exercise any and all rights and remedies available at law or in equity.

3. Owner; Corporate Liability Only. The Maker may treat the Payee as the owner of this Series A 12-6-12 Note for any purpose whether or not this Series A 12-6-12 Note is overdue, and neither the Maker nor any such agent shall be affected by notice to the contrary. No recourse shall be had for the payment of principal or interest on this Series A 12-6-12 Note, or for any claim based on this Series A 12-6-12 Note, against any Member or Manager of the Maker.

4. Attorneys' Fees. Maker, any endorsers, guarantors, sureties, or accommodation parties, and all other persons liable or to become liable on this Series A 12-6-12 Note, jointly and severally agree to pay all fees and costs incurred in connection with the collection of the amounts due and owing under this Series A 12-6-12 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This Series A 12-6-12 Note is made pursuant to, and shall be construed and governed by, the laws of the State of Arizona. Maker submits to the exclusive jurisdiction of the courts of Maricopa County, Arizona. If any provision of this Series A 12-6-12 Note is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such determination shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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6. Time of Essence. Time is of the essence of this Series A 12-6-12 Note.

7. Notices. All notices under this Series A 12-6-12 Note shall be in writing and shall be deemed delivered upon personal delivery to the authorized representatives of either party or 48 hours after being sent by certified mail (registered mail if to an address outside of the United States), return receipt requested, postage prepaid, addressed to the respective parties at the addresses set forth below.

8. Waiver. Maker for itself and for its successors, transferees and assigns, hereby waives presentment and demand for payment, protest, notice of protest and nonpayment. Maker agrees that this Series A 12-6-12 Note and any or all payments coming due hereunder may be extended or renewed from time to time without in any way affecting or diminishing Maker's liability under this Series A 12-6-12 Note.

IN WITNESS WHEREOF, Maker has executed this Series A 12-6-12 Note as of the date set forth below.

"MAKER"

BARCELONA ADMINISTRATION COMPANY, L.L.C.

By:_____

Its:_____

Dated: _____

Address:
11419 N. Century Lane
Scottsdale, Arizona 85254

ADDRESS OF PAYEE:

_____

_____

_____

OPERATING AGREEMENT
OF
BARCELONA ADMINISTRATION COMPANY, LLC

THIS OPERATING AGREEMENT (this "Company Agreement") is made as of October 18, 2012 by **BARCELONA ADMINISTRATION COMPANY, L.L.C.,** a Arizona limited liability Company.

ARTICLE I
FORMATION, NAME, PURPOSE

1.1 Formation. Barcelona Administration Company, L.L.C. ("Company", "BAC", "us", "we") was formed as an Arizona limited liability Company under the Arizona Limited Liability Company Act (the "Act"), effective upon the filing of the Articles of Organization of the Company with the Arizona Corporation Commission on November 12, 2010 (the "Effective Date") under the name of Barcelona Administration Company, LLC. The Company shall immediately, and from time to time, as may be required by law, execute all amendments of the Articles of Organization, and do all filings, recordings and other acts as may be appropriate to comply with the operation of the Company under the Act.

1.2 Intent. BAC intends to operate the Company in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. BAC also intends that the Company not be operated or treated as a "partnership" for purposes of Section 303 of the federal Bankruptcy Code. No Member shall take any action inconsistent with the express intent of the parties.

1.3 Name. The name of this Company shall be: Barcelona Administration Company, LLC.

1.4 Place of Business. The principal place of business of the Company shall be at 11419 N. Century Lane, Scottsdale, Arizona 85254, or such other place as all the Member shall determine.

1.5 Purpose.

(a) The Company has been formed to be the "Advisor" to a series of private "Funds" and their Affiliates ("Affiliate(s)"), each designed to sell equity interest through exempt offerings, the Proceeds of which will be used to acquire on a leveraged or unleveraged basis predominately Marriott and Hilton select/focus service, franchised licensed hotels located in the US and Canada. The Funds may be in the legal form of LLC's or C Corporations, depending on the intent to operate a particular fund; (1) a Limited Liability Company ("LLC") when REIT status is not required under the plan, or (2) as a real estate investment trust ("REIT"), in which case the structure will be a "C Corporation".

(b) Except as otherwise provided in this Company Agreement, without the unanimous consent of all Members, the Company shall not engage in any other activity or business, and no Member acting in its capacity as a Member or Manager shall have any authority to obligate the Company or any other Member, or to hold itself out as a Member or Manager of the Company, with respect to any transaction or activity other than those entered into or carried out within the scope and business purpose of the Company as provided in Section 1.5(a) above.

1.6 Term. This Company commenced upon the filing of its Articles of Organization with the Arizona Corporation Commission, and shall continue until such time as it shall be terminated under the provisions of Article X below.

1.7 Member. The name and address of each of the Member ("Member") of this Company are set forth on Schedule 1 hereto.

1.8 Agent for Service of Process. The name and business address of the agent for service of process for the Company is Richard Harkins, 11419 N. Century Lane, Scottsdale, AZ 85254, or such other Person ("Person") as the Manager shall appoint from time to time.

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1.9 Definitions. Whenever used in this Company Agreement, defined terms shall have the meanings set forth in the Appendix set forth at the end of, incorporated in, and made a part of this Company Agreement.

ARTICLE II
CAPITALIZATION OF THE COMPANY; LOANS; FEES AND OTHER PAYMENTS DUE AFFILIATES

2.1 Initial Authorized Capital and Capital Contributions.

(a) Initial Authorized Capital. The Company is authorized by the Company Agreement to initially have two classes of Member Interests as follows:

i. 2,000 Class A Member Units, and

ii. 4 Class B Member Units.

iii. Additional Member Interest and Classes of Member Interest may be authorized by majority vote of the Executive Members and as otherwise subject to the voting rights of the Class A Members and Class B Members under Section 6.9(e).

(b) Capital Contributions.

i. Each Class A Member will make an Initial Capital Contribution of $.10 per Class A Unit received.

ii. Class B Member Units received by Subscribers to the Investment Units shall have no capital contribution credited to their Capital Account ("Capital Account"). The full value of each Investment Unit is credited to the Series A 12-6-12 Note(s).

2.2 Subsequent Capital Contributions. The Class A Members and other Classes of Members that are contemplated to be added through amendment to this Company Agreement from time to time (the "Investment Members") subsequent to the Offering Effective Date shall contribute Capital ("Capital") to the Company at times and in amounts as shall be determined by the Company and as approved by the Investment Members to the extent they have a Vote under provisions herein (Investment Members shall collectively be referred to in this Company Agreement as the "Members" and "Unit-holders").

2.3 Credits To Member Capital Accounts.

(a) Organization Services. As agreed among the Manager and Executive Members, the select Executive Members ("Executive Members") shall have credited to their Capital Accounts an aggregate amount of $500,000 for organization services pertaining to the Pre-Organization Period startup of the Company, as follows:

Member	Amount of Capital Account Credit
Richard C. Harkins	$400,000
George T. Simmons	$100,000

(b) Other Authorized Payments And Fees. Executive Members may elect to have amounts due to them under agreements between them and the Company, other than Capital Account under Section 2.3(a) and Guaranteed Payments under Section 6.18(h)(i), classified as Member Loans.

2.4 Member Loans. Class A Members ("Class A Members") may make one or more Member Loan(s) to the Company (the "Member Loans") to enable the Company to meet its obligations. The Company shall repay Member Loans as to principal and interest, from the Net Cash Flow of the Company as otherwise allowed under this Company

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Agreement. The oldest Member Loan shall be repaid first, and others will be paid in chronological order of their respective origination dates. Member Loans will bear an annualized 12% rate of interest.

2.5 Member Loans and Capital Contributions. If the Manager ("Manager"), and with approval of the Executive Members, determines that the Company needs additional funds, then it shall give notice to the Members, setting forth the amount of funds needed, the proposed use of the funds, and the timing for funding, together with its recommendation as to whether the Company should seek third-party loans or Member loans. If the Executive Members unanimously decide to seek third-party loans for such additional amounts, and such loans cannot be obtained by the Company from one or more lenders (other than the Executive Members) under terms and conditions acceptable to the Executive Members unanimously, then the Company shall allow any Member to make a Member Loan to the Company. No Class A Member or Class B Member shall be obligated to make any loan or advance to the Company, or to personally guarantee any loan or other obligation of the Company, without such Member's consent, which consent may be withheld in the Member's sole and absolute discretion.

2.6 Capital Contributions in General. Except as otherwise expressly provided for in this Company Agreement: a) no part of the Capital Contributions of any Member may be withdrawn except as otherwise approved in writing by all Non-Defaulting Member, ("Non-Defaulting Member ") and b) no Member shall be entitled to demand or to receive property other than cash in return for its Capital Contributions to the Company. An individual Capital Account will be established and maintained for each Member on the books of the Company.

2.7 Managers Compensation. Our Manager is also a Class A Member and one of our three Executive Members ("Executive Member(s)"). Our Manager may receive periodic bonuses as determined by our Executive Committee ("Executive Committee"), but otherwise is compensated under the Manager's compensation plan as stipulated in Section 6.18(h)(i).

2.8 Interest Earned on Company Capital. Interest earned on Company funds shall inure to the benefit of the Company, and no Member shall be entitled to receive interest, as such, on funds contributed as a Capital Contribution. The Series A 12-6-12 Notes acquired as a part of an Investment Unit do not constitute a Capital Contribution and there is no Capital Contribution attributed to the Class B Units which are a part of an Investment Unit.

2.9 Provisions Not for Benefit of Creditors. The foregoing provisions of this Article II are not intended to be for the benefit of any creditor or other Person; and no such creditor or other Person shall obtain any right under any such foregoing provision against the Company or any of the Member by reason of any debt, liability or obligation, or otherwise.

ARTICLE III
ALLOCATIONS

3.1 Allocation of Net Income and Net Loss. After giving effect to the allocations set forth in Section 3.2 below, Net Income and Net Loss shall be allocated as follows:

(a) Net Income. Net Income for the Company Year shall be allocated in the following order and priority:

(1) First, to the Members until the aggregate Net Income allocated pursuant to this Section 3.1(a)(1) for all Company Years equals the aggregate Net Losses allocated (in the same amounts, but in reverse order) to the Member pursuant to Section 3.1(b)(1) and Section 3.1(b)(2).

(2) Second, to the Members according to their Capital Accounts.

(b) Net Loss. Net Loss for the Company Year shall be allocated in the following order and priority:

(1) First, to the Members until the aggregate Net Loss allocated pursuant to this Section 3.1(b)(1) for all Company Years equals the aggregate Net Income allocated to the Member pursuant to Section 3.1(a) in the same amounts but in the reverse order of priority.

(2) Next, to the Members according to their Capital Accounts.

3.2 Tax Allocation Provisions:

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(a) Allocations of Certain Tax Items. If any asset contributed to the Company is subject to the provisions of Code §704(c), the Members' distributive shares of income, gain, loss and deduction as computed for federal income tax purposes with respect to such asset shall be determined in accordance with Code §704(c) by reference to the Members, distributive shares of the corresponding book items with respect to such asset, as determined under this Article III, Code §704(b) and Regulations §l.704-1(b)(1)(vi). If Code §704(c) is not applicable, depreciation, amortization or other cost recovery and gain or loss as computed for federal income tax purposes, with respect to any Company Asset ("Company Asset") which has an Agreed Value ("Agreed Value") greater or lesser than its adjusted tax basis, shall be allocated among the Members in a manner that takes into account the variation between the adjusted tax basis and the Agreed Value of such asset in the same manner as variations between the adjusted tax basis and Fair Market Value ("Fair Market Value") of property contributed to the Company are taken into account in determining the Members' share of tax items under Code §704-(c), as required by Regulations §1.704-1(b)(2)(iv)(f)(4) and Regulations §1.704-1(b)(4)(i).

(b) Nonrecourse Deductions: Minimum Gain Charge-back:

(1) Allocation of Nonrecourse Deductions. Nonrecourse Deductions ("Nonrecourse Deductions") for any Company Year or other period shall be specially allocated to the Members in the same proportion that Net Income and Net Loss are allocated to them.

(2) Allocation of Members Nonrecourse Deduction. Members Nonrecourse Deductions shall be allocated to the Members to whom the Members Nonrecourse Debt ("Members Nonrecourse Debt ") is attributable in accordance with Regulations §1.704-2, and any loss or deduction attributable to such Members Nonrecourse debt shall not be treated as a Nonrecourse Deduction under provisions of this Company Agreement.

(3) Minimum Gain Chargeback. Notwithstanding anything herein to the contrary, if in any Company Year there is a net decrease in Company Minimum Gain ("Company Minimum Gain") for such year and, if necessary, for subsequent years, each Members shall be allocated in accordance with Regulations §1.704-2(f), items of Company income and gain, as computed by reference to the adjusted Agreed Values of Company Assets for such year and, if necessary, for subsequent years, in proportion to, and to the extent of, that Member's share of the net decrease in the Company Minimum Gain within the meaning of Regulations §1.704-2(g)(2). If Members Nonrecourse Deductions have been allocated to a Members pursuant to Section 3.2(b)(2), Members Nonrecourse Debt Minimum Gain shall be charged back to such Members having a share of Members Nonrecourse Debt Minimum Gain ("Members Nonrecourse Debt Minimum Gain") in accordance with Regulations §1.704-2(i)(4) in any Company Year and, if necessary, subsequent years, in which there has been a net decrease in Members Nonrecourse Debt Minimum Gain.

This Section 3.2(b) is intended to comply with the minimum gain chargeback requirement of Regulations §1.704-2(f) and (i)(4) and shall be interpreted in a manner consistent with such Treasury Regulations.

(c) Gross Income Allocation. In the event any Members has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Members is obligated to restore pursuant to any provision of this Company Agreement, and (ii) the amount such Members is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, such Members shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 3.2(c) shall be made only if and to the extent that such Members would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 3.2 have been tentatively made as if this Section 3.2(c) were not in the Company Agreement.

(d) Curative Allocations:

(1) The "Regulatory Allocations" consist of the "Basic Regulatory Allocations," as defined in Section 3.2(d)(2) hereof and the "Nonrecourse Regulatory Allocations," as defined in Section 3.2(d)(3) hereof.

(2) The "Basic Regulatory Allocations" consist of the allocations pursuant to this Section 3.2(d)(2). Notwithstanding any other provision of this Company Agreement other than these Regulatory Allocations, the Basic Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Basic Regulatory

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Allocations to the Members shall be equal to the net amount that would have been allocated to each such Members if the Basic Regulatory Allocations had not occurred.

(3) The "Nonrecourse Regulatory Allocations" consist of all allocations pursuant to this Section 3.2(d)(3). Notwithstanding any other provision of this Company Agreement, other than these Regulatory Allocations, the Nonrecourse Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Nonrecourse Regulatory Allocations to the Members shall be equal to the net amount that would have been allocated to the Members if the Nonrecourse Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence: (a) no allocations pursuant to this Section 3.2(d)(3) shall be made prior to the Company Year during which there is a net decrease in Company Minimum Gain, and then only to the extent necessary to avoid any potential economic distortions caused by such net decrease in Company Minimum Gain, and (b) allocations pursuant to this Section 3.2(d)(3) shall be deferred with respect to allocations pursuant to Section 3.1(b)(1) hereof to the extent the Manager reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 3.2(b)(3) of this Company Agreement.

(4) The Manager shall have reasonable discretion, with respect to each Company Year, to: (a) apply the provisions of Section 3.2(d)(2) and Section 3.2(d)(3) hereof in whatever order is likely to minimize the economic distortions that might otherwise result from the Regulatory Allocations; and (b) divide all allocations pursuant to Section 3.2(d)(2) and Section 3.2(d)(3) hereof among the Members in a manner that is likely to minimize such economic distortions.

(5) In any Company Year that the Company has a net decrease in Company Minimum Gain, if the minimum gain chargeback requirement under Section 3.2(b)(3) hereof would cause a distortion in the economic arrangement among the Members, and it is not expected that there will be a sufficient amount of other Company income to correct that distortion, the Company shall apply, pursuant to Regulations §l.704-2(f)(4), to the Internal Revenue Service for a waiver of the minimum gain chargeback requirement under Regulations §l.704-2(f)(1).

ARTICLE IV
DISTRIBUTIONS

4.1 Distribution of Net Cash Flow. Except as otherwise provided in Article X, as soon as practicable after the end of each quarter of the Company Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Company Year, the Company shall distribute and apply the Net Cash Flow for the previous quarter in the following order of priority:

(a) First, $12,500 Cumulative Priority Distribution to each Class B Unit.

(b) Second, 100% (or such lesser amount as is required) to pay all accrued but unpaid interest on outstanding Members Loans and Members Loans.

(c) Third, 100% (or such lesser amount as is required) to repay the principal of any outstanding Initial Members Loans and Members Loans.

(d) Fourth, 100% to the Members in proportion to the unreturned balance of their respective Capital Contributions Accounts until the Members receive aggregate distributions under this Section 4.1(c) that reduce the balances of the Members' respective Capital Contributions Accounts to zero.

(e) Fifth, the remaining Net Cash Flow on a pro rata basis to the Class A Members and Class B Members based on their respective ownership percentage of the Company.

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4.2 Income Tax Advances. The Company will advance to each Member, to the extent of available cash and without borrowing additional funds, an amount equal to the federal and state income taxes that would be payable by such Members as a result of the recognition of Company income by such Members to the extent such Members has not received distributions pursuant to Section 4.1 for any taxable year sufficient to pay such income taxes. All advances pursuant to this Section 4.2 will be loans from the Company to the Members receiving such advances, will bear interest at the annual rate of twelve percent (12%), and will be repaid out of the next available distributions to the Members pursuant to Section 4.1.

ARTICLE V
RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Liability. Each Member's liability for the debts and obligations of the Company shall be limited as set forth in Section 29-651 of the Act and other applicable law.

5.2 General. The Company is organized as a Member-managed limited liability Company. The overall management and control of the business and affairs of the Company shall be vested in the Executive Members. Initially, each Executive Member shall have one vote, and a unanimous vote shall be binding on the Members and the Company with respect to all decisions concerning the Company and its business, unless a different voting percentage is specifically provided for herein or by applicable law which may not be modified by agreement. The Class A Members and Class B Members voting rights are limited to the following:

(i) The Class A Members shall each be entitled to cast one vote on any proposed action by the Company that if implemented would materially diminish Class A Members interest in Company profit, loss, items of income, gain, credit or expenses. A vote of the majority-in-interest of the Class A Members entitled to vote under this Section is required for approval of any such proposed action.

(ii) The Class B Members shall each be entitled to cast one vote on any proposed action by the Company that if implemented would materially diminish Class B Members interest in Company profit, loss, items of income, gain, credit or expenses. A vote of the majority-in-interest of the Class B Members entitled to vote under this Section is required for approval of any such proposed action.

(iii) Executive Members holding Class A Units or Class B Units are not entitled to vote on any proposed action under Section 5.2(i) or 5.2(ii).

5.3 Other Activities of the Manager. No Member, including the Manager and the Executive Members, shall be required to devote its whole time or any specified time to that Person's duties under this Company Agreement, but the Manager and Executive Members shall devote as much time to Company's business and affairs as is reasonably necessary to achieve the purpose of the Company and to discharge such Member's respective duties and responsibilities set forth herein. The Manager and the Executive Members may engage in other businesses and activities of every nature and description, independently or with others, specifically, any such Person may engage in the real estate business in all its aspects, which shall include, without limitation, the construction, ownership, operation, management, syndication, development, marketing and sales of all types of real estate, any or all of which may be in competition with the business of the Company, and neither the Company nor any Member shall by reason of this Company Agreement have any rights in any such ventures or in the income or profits derived from such business, and no such Member shall be liable to the Company or any other Member as a result of any such business.

5.4 Fees and Expenses. Except as otherwise set forth in this Company Agreement, no Manager or Executive Member shall be entitled to receive any salary or other compensation for services rendered in its capacity as a Manager or Executive Member or on behalf of or to the Company.

5.5 Meetings and Minutes. Any Executive Member may, upon 30 days prior written notice to the Manager, call for a meeting of the Class A Members. The Manager shall then determine the time and date for such meeting (to be within 30 days) and the Manager shall give at least 15 days notice of the meeting to all of the Class A Members. Any such meeting shall be held at the principal office of the Company, or at such other location as the Manager shall designate in the notice. The Manager shall keep minutes of all such meetings, and shall provide copies of such minutes to all Members within five business days from the conclusion of the Company meeting. The

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Manager shall notify the Class A Members as to the business to be conducted at any such meeting in the notice of meeting.

5.6 Action Without a Meeting. Any action that may be taken at a meeting of the Members may be taken without a meeting if all of the Executive Members so agree in writing and a consent in writing setting forth the action so taken is signed by all of the Executive Members.

5.7 Restrictions on Withdrawal. No Member may withdraw from the Company unless such withdrawal is approved in the same manner as a permitted Transfer of an Interest in accordance with the provisions of Section 9.2(a) below. Any Member withdrawing in violation of this provision shall be treated in the same manner as a "Defaulting Member" and immediately expelled in accordance with Section 7.7 below. The occurrence of a "Withdrawal Event" with respect to a Member shall not result in the dissolution of the Company, and the Manager and remaining Member shall have the right to continue the Company.

ARTICLE VI
RIGHTS AND DUTIES OF MANAGER; EXECUTIVE COMMITTEE MANAGEMENT

6.1. Management of Company. Subject to the limitations set forth elsewhere in this Company Agreement, the right to manage, control and conduct the business and affairs of the Company shall be vested in the Manager which shall initially be Richard Harkins. Except for the exercise of their approval rights set forth in Section 6.3, Section 6.9 and elsewhere in this Company Agreement, the Members shall not take part in the management of the affairs of the Company, or control the Company business, and the Members may under no circumstances sign for or bind the Company. Subject to the limitations set forth in this Company Agreement, or by non-waivable provisions of the Act, the Manager shall have complete authority and exclusive control to conduct any business on behalf of the Company in the sole and absolute discretion of the Manager without the consent of any Member except for the exercise of the Executive Members authorities set forth in Section 6.18. Except as may be otherwise expressly provided in this Company Agreement, no Member other than the Manager has the actual or apparent authority to cause the Company to become bound to any contract, agreement or obligation, and no Member other than the Manager shall take any action purporting to be on behalf of the Company.

6.2. Duties of the Manager.

(a) The Manager shall be responsible for the implementation of the ordinary and usual business, affairs and purpose of the Company as more fully set forth in Section 1.5 hereof. The Manager shall devote such part of the Manager's time to Company business as is reasonably and prudently necessary for the conduct of such business, affairs and purpose; provided, however, that it is expressly understood and agreed that the Manager shall not be required to devote its entire time or attention to the business, affairs and purpose of the Company.

(b) The Manager shall in good faith, but at the sole cost and expense of the Company, use the Manager's best efforts to implement or cause to be implemented and to conduct or cause to be conducted the ordinary and usual business, affairs and purpose of the Company in accordance with and as limited by this Company Agreement, including, but not limited to, the matters described below. The Manager, in carrying on such activity, shall have all rights and powers generally conferred by law or which are necessary, advisable or consistent in connection therewith, and, in such capacity, shall have the specific rights and powers set forth below. In addition to any other rights and powers which it may possess, the Manager shall have all specific rights and powers required for or appropriate to the management of the Company's business, affairs and purpose which, by way of illustration but not by way of limitation, shall include (subject to the limitations set forth elsewhere in this Company Agreement) the following rights and powers:

(1) Protect and preserve the titles and interest of the Company Assets;

(2) Render for taxation and pay all taxes, assessments, and other impositions applicable to the Company Assets;

(3) Endeavor to enforce by all reasonable means the obligations of any third parties to the Company;

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(4) Keep all books of accounts and other records of the Company;

(5) Pay all debts and other obligations of the Company;

(6) Maintain all funds of the Company held or controlled by the Manager in a Company account or accounts in a bank or banks determined by the Manager;

(7) Make distributions periodically to the Members in accordance with the provisions of this Company Agreement;

(8) Insure or cause the Company Assets and the Company to be insured in such amounts and against such risks as the Manager may approve;

(9) Perform other normal business functions and otherwise operate and manage the Company's interest in Company Assets and the business, affairs and purpose of the Company in accordance with and as authorized or limited by this Company Agreement;

(10) Perform other obligations provided elsewhere in this Company Agreement to be performed by the Manager.

(11) Enter into and execute agreements and related documents in connection with the Property;

(12) Employ attorneys, accountants, and other professionals and consultants on behalf of the Company;

(13) Pay, collect, compromise, arbitrate, resort to legal action for or otherwise adjust claims or demands of or against the Company;

(14) Establish, from income derived from the Company's operations, such reserves as the Manager, in its reasonable discretion, shall deem reasonably necessary to meet anticipated Company expenses;

(15) Enter into and execute such additional agreements or other documents on behalf of the Company as the Manager reasonably deems necessary to effectuate the foregoing.

6.3 Major Decisions. Notwithstanding any other provision hereof, the Manager shall not take any action or incur any obligation binding on the Company within the scope of any of the Major Decisions listed below (the "Major Decisions") unless such action is expressly authorized elsewhere in this Company Agreement or until the Major Decision has the Approval of a majority of the Executive Members. The Major Decisions include:

(a) Create, incur, assume, refinance, extend, modify, amend or otherwise become liable with respect to any obligation for borrowed money (including without limitation guarantees of the indebtedness or other obligations of any Person or of any Affiliate of the Company), issue any bonds, debentures, notes or other evidences of indebtedness, in any transaction or series of transactions.

(b) Pledge, mortgage, hypothecate or otherwise encumber any of the Company Assets, other than as security for loans permitted by this Company Agreement.

(c) Acquire any real property.

(d) Cause the Company to enter into or amend any agreement between the Company and any Member or any Affiliate of a Member.

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(e) Not Used

(f) Amend in any material respect, or waive any material rights in, any agreement the entering into of which was a Major Decision.

(g) Dissolve or wind up the Company except as otherwise provided in this Company Agreement or authorize any act that would make it impossible to carry on the ordinary business of the Company.

(h) Engage in business combination transactions, including any merger, or enter into any joint venture, partnership or limited liability Company, corporation, trust or other entity with any Person.

(i) Extend the term of the Company.

(j) Consent to, or file for any bankruptcy, custodianship, receivership or trusteeship of the Company.

(k) Make any distributions of property in kind by the Company or accept any contributions by any Company of property other than cash.

(l) Admit any other Member to the Company except as otherwise provided herein or redeem Company Interests.

(m) Determine any Agreed Value.

(n) Authorize any Additional Capital Contributions.

(o) Adopt or modify each budget hereafter approved by the Executive Members.

(p) Incur any liability or obligation not contemplated in a Budget except de minimis amounts incurred in the ordinary course of business.

(q) Cause the Company to (A) fail to be taxable as a partnership for federal income tax purposes, including, without limitation, causing the Company to file an election with the Internal Revenue Service on Form 8832 (or any successor form) electing, pursuant to Treasury Regulations Section 301.7701-3, to have the Company treated as a corporation for federal income tax purposes, or (B) take a position inconsistent with such treatment except as required by law.

(r) Cause the Company to settle any lawsuit that materially affects the ability of the Company to carry on its business as contemplated by this Company Agreement.

(s) Enter into any transaction with a Manager or Affiliate of a Manager at a cost to the Company of $50,000 or more.

(t) Authorize the increase of Units in any Class of Member interest or the creation of an additional Class of Member Interest.

At the time the Manager requests approval of any Major Decision by the Executive Committee, the Manager shall furnish to each of the Executive Members such information and documentation as is reasonably necessary for each of the Executive Members to make an informed decision to approve or disapprove the particular Major Decision in writing in a prompt and timely manner and not exceeding five (5) business days. Failure to approve or disapprove a Major Decision in writing within such five (5) day period shall constitute an irrevocable approval of such Major Decision.

6.4. Other Business Ventures. The Members agree that the Manager shall not be in violation of the duty of loyalty to the Company if it engages in the following acts: The Manager, and any shareholder, Member, officer, director, employee, agent, Affiliate or other Person holding a legal or beneficial interest in any entity which is a Manager, may engage in or possess an interest in other business ventures of every nature and description, independently or with

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others, whether such ventures are competitive with the Company or otherwise, and whether such business ventures are located in the market area or vicinity of the Property; and neither the Company nor the Manager shall have any right by virtue of this Company Agreement in or to such independent ventures or to the income or profits derived therefrom.

6.5. Manager's Duty of Care. In performing its duties hereunder, the Manager shall refrain from engaging in grossly negligent conduct, intentional misconduct, or a knowing violation of the law.

6.6. Indemnities.

(a) Indemnity for Transferors. Should any Member's "Company Interest" be purchased by another Member under any provision of Article IX or XII hereunder, the selling Member shall be indemnified and held harmless by the purchasing Member from any and all liabilities or payment of debts of the Company, whether incurred prior to or subsequent to the sale of such Company Interest; provided, however, that such indemnity shall not apply to: (i) Company debts incurred by the selling Member in violation of any term of this Company Agreement, or (ii) any liability resulting, directly or indirectly, from any action taken by such Member in violation of any term of this Company Agreement, or (iii) any Member who withdraws from the Company in violation of Section 5.7 hereof.

(b) Indemnity for Manager. The Company shall indemnify and make advances for expenses to the Manager, its officers, Members, directors, agents, partners, and employees, and any other person or entity serving at the request of the Company as a manager, Manager, Member, officer, director, agent, partner, trustee, or employee of another limited liability Company, corporation, partnership, joint venture, trust or other enterprise, to the fullest extent allowed by the Act, which indemnity shall include, without limitation, liability, loss or damage, including costs, expenses and attorneys' fees expended in the settlement or defense of any claim. Notwithstanding the foregoing, the Manager shall not be indemnified for any action or inaction on its part which constitutes gross negligence, intentional misconduct, or a knowing violation of the law.

6.7. Tax Matters Partner. The Manager shall act as the Tax Matters Partner for federal income tax purposes. The "Tax Matters Partner" shall have meaning found in Section 6231(a)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) whose responsibilities as Tax Matters Partner include, where appropriate, commencing on behalf of the Company certain judicial proceedings regarding Company federal income tax items and informing all Members of any administrative or judicial proceeding involving federal income taxes. The Tax Matters Partner shall have final decision making authority with respect to all federal income tax matters involving the Company, except that the Tax Matters Partner shall not enter into a final settlement of any federal income tax proceeding without the Approval of the Members. Any direct out-of-pocket expense incurred by the Tax Matters Partner in carrying out its obligations hereunder shall be allocated to and charged to the Company as an expense of the Company for which the Tax Matters Partner shall be reimbursed.

6.8. Member Representatives.

(a) For purposes of meetings of the Executive Members and for all decisions, actions and communications on behalf of such Executive Members in connection with the making of Major Decisions by the Executive Members, each Executive Member may appoint and designate one individual to act as its Representative.

(b) The initial Representative of the Manager, is George T. Simmons II.

(c) The Representative(s) shall, within 15 days of such final determination of the makeup of the Representative, elect a Representative.

(d) Each Representative, when appointed and designated, and until terminated, will have full and complete authority to act on behalf of the Executive Member he represents and to bind such Executive Member in all matters relating to, arising out of, or in connection with this Company Agreement.

(e) No Representative will be personally liable (i) to the Executive Member who appoints such Representative, by reason of his acts as a Representative, except in the case of his gross negligence or intentional misconduct or a knowing violation of the law, or (ii) to any third party for the debts and obligations of the Company.

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6.9. Meetings of Members.

(a) Call and Place. The Manager has no obligation to hold meetings. Meetings of the Members, for any purpose or purposes, may be called by the majority of the Executive Members by giving written notice to the Class A Members in the manner provided in Article VI. Meetings may be held at any place agreed upon by the Executive Members, and in the absence of such agreement, the place of a meeting shall be the registered office of the Company. Representatives of the Executive Members may participate in a meeting of the Executive Members by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear one another, and such participation will constitute presence in person at the meeting.

(b) Notice. Notice of a meeting of the Class A Members, unless waived by attendance at the meeting or by written consent, must be given by written notice at least fourteen days before the date of the meeting or hand delivered or sent by facsimile at least ten days before the date of the meeting. Such notice must state the purpose of the meeting and the matters to be acted upon.

(c) Waiver of Notice. Attendance of a Class A Member (through its Representative) at a meeting constitutes waiver of notice of the meeting; provided, however, that no such waiver will occur if the Executive Member objects at the beginning of the meeting because the meeting is not lawfully called or convened; and provided further, that attendance at a meeting is not a waiver of any right to object to the consideration of any matters required to be included in the notice of the meeting, but not so included, if the objection is expressly made at the meeting.

(d) Quorum. The presence of a majority of Executive Members, represented in person or by proxy, will constitute a quorum at a meeting of the Executive Members.

(e) Voting. Class A Members and Class B Members voting rights are limited to the following:

(i) The Class A Members shall each be entitled to cast one vote on any proposed action by the Company that if implemented would materially diminish the Class A Members economic rights as provided under the Offering. A vote of the majority-in-interest of the Class A Members is required for any such approval.

(ii) The Class B Members shall each be entitled to cast one vote on any proposed action by the Company that if implemented would materially diminish the Class A Members economic rights as provided under the Offering. A vote of the majority-in-interest of the Class B Members is required for any such approval.

As a result of the limited voting rights of Class A Members and Class B Members, the Executive Members have control of the Company through their exclusive right to approve all Major Decisions.

(f) Majority Vote Required for Action. With respect to any matter upon which the Class A Members are requested to vote or to give their consent for which the required vote for approval is not otherwise specified in this Company Agreement, such matter will be considered approved upon the affirmative vote of a majority of the Class A Members.

(g) Conduct. At such meeting of the Members, the Executive Members may adopt such rules for the conduct of the meeting as they deem appropriate. In addition to a Class A Member's Representative, any number of agents of a Class A Member will be entitled to attend a meeting of the Members as long as such attendance is reasonably related to the business of the Company.

6.10. Action Without a Meeting. Any action that may be taken at a meeting of the Class A Members, requiring a vote of the Class A Members, may be taken without a meeting a majority of the Class A Members so agree in writing, and a consent in writing setting forth the action so taken is signed by a majority of Class A Members.

6.11. No Delay. Each Class A Member agrees not to unreasonably delay its response to any action or decisions proposed by the other Class A Members, requiring approval by a majority of Class A Members, and each Class A Member agrees to make itself available (through its Representative) at reasonable times and on reasonable notice.

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6.12 Approved Budget. Initial Operating Budget – The uses of Company capital including Company Capital raised under the Offering are included in the budget (the "Initial Operating Budget") attached hereto as Exhibit D. The Company hereby adopts and approves the Initial Operating Budget.

6.13 Authority. Without limiting the provisions elsewhere in this Company Agreement requiring a higher percentage vote for approval, or the approval authority of the Executive Committee regarding Major Decisions, no Members, other than the Manager, may sign, endorse, execute, acknowledge, deliver, receive, or possess any applications, contracts, agreements, options, covenants, deeds, conveyances, deeds of trust, security agreements and instruments, bills of sale, leases, mortgages, assignments, insurance policies, documents of title, bills, bonds, debentures, checks, drafts, bills of exchange, notes, stock certificates, warrants, commercial paper, receipts, withdrawal receipts and deposit instruments relating to accounts or deposits in or certificates of deposit of banks, savings and loan or other institutions or associations, proofs of loss, evidences of debt, releases, satisfactions of mortgages, judgments, liens, security agreements or other debts or obligations or other written instruments without the specific consent of the Manager.

6.14 Removal of the Manager.

(a) Replacement by Executive Members Vote. Executive Members owning at least a "Majority-in-Interest" of the Executive Member Units may replace the Manager or hire an independent party or Person to take over the duties as Manager where the Manager has engaged in (i) grossly negligent conduct, (ii) intentional misconduct, (iii) a knowing violation of the law, or has (iv) not managed the Company to the satisfaction of the Executive Members. The removal of the Manager shall have no effect on or alter any other interests of the Manager, other than its right to a future management fee.

(b) Manager Bankruptcy. In the event of Bankruptcy by the Manager, the Non-Defaulting Class A Members constituting at least a Majority-in-Interest may elect another Person to serve as the new Manager.

(c) Death of Principals of Manager. In the event of the death or mental incapacitation (as determined by two qualified physicians) of an individual Manager or the principals of a Manager that is not an individual, a Majority-in-Interest of the Non-Defaulting Class A Members may elect a new Manager for the Company.

6.15 Resignation. The Manager of the Company may resign as the Manager of the Company at any time by giving at least thirty (30) days written notice to the Members pursuant to Section 13.1. The resignation of the Manager shall take effect thirty (30) days after the receipt of notice thereof or at such other time as may be agreed to between the Manager and the Executive Members; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not affect the Manager's rights and liabilities as a Class A Member.

6.16 List of Members. Upon written request of any Member, the Manager shall promptly provide a list showing the names, last known addresses and Interests of all Members in the Company.

6.17 Company Books. The Manager shall maintain and preserve at the Company's registered office, during the term of the Company, and for five (5) years thereafter, all accounts, books, and other relevant Company documents, including, without limitation, a copy of the Articles of Organization initially filed with the Arizona Corporation Commission, copies of this Company Agreement, together with any supplements, modifications or amendments, any prior operating agreements no longer in effect, all written agreements by Members to make Capital Contributions to the Company, copies of the Company's federal, state and local income tax returns and reports and copies of all financial statements and other records required to be kept by A.R.S. §29-607. Each Member shall have the right, during ordinary business hours, to inspect and copy such Company documents at the requesting Class A Member's expense.

6.18 Executive Committee.

(a) Organization. The Founder Class A Members shall establish the Executive Member Committee ("Executive Committee"), and the Executive Committee shall determine overall policies, objectives, and procedures for the operation of the Company. The Executive Committee shall be comprised of no fewer than three members, each of whom shall be referred to as an Executive Member. As of the date of the Company Agreement, the Executive Members are Richard Harkins, George T. Simmons, Robert Kerrigan and Bruce Orr. The Executive

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Members shall thereafter be elected to the Executive Committee by vote of a Majority of the Executive Members. In the event of a vacancy on the Executive Committee, a new Executive Member shall be elected by an agreement of the remaining Executive Members. Any or all of the Executive Members may be removed with Cause at any time upon vote of a Majority-in-Interest of the Members and no Executive Member in his capacity as a Member shall be entitled to vote. The Manager shall oversee the day-to-day activities of the Company, make all decisions other than Major Decisions and carryout Major Decisions which are made under the authority of the Executive Committee.

(b) Decisions. Each Executive Member shall have one vote. Unless otherwise provided in the Company Agreement, the vote of a Majority-In-Interest of the Executive Committee shall determine the decisions of the Executive Committee which are limited to Major Decisions. The decisions of the Executive Committee shall be made in the best interest of the Company, but need not, reflect the best interests of the Members. If the Executive Committee is deadlocked on any issue, the Executive Committee shall immediately call a meeting of the Advisors (or obtain the consent of the Advisors without a meeting) to determine the action to be taken by the Company and the Advisors shall resolve the deadlock. Unless otherwise provided in the Company Agreement, all actions, approvals and other authorizations of the Executive Members may be undertaken only by the Manager who has sole authority to manage, control and conduct the business and affairs of the Company, as stipulated in Article VI.

(c) Meetings. The Executive Committee shall not be required to hold regular meetings but shall hold meetings as required to provide guidance to the Manager and to make Major Decisions. Meetings may be held at the principal office of the Company or at other mutually agreed places. Any Executive Member may call a special meeting upon three days notice to the other Executive Members. However, in case of emergency, reasonable notice of a special meeting shall suffice.

(i) Quorum. There shall be a quorum of the Executive Committee if a Majority-in-Interest of Executive Members is present, in person or by proxy. However, if at the date, time and place stipulated in the notice of a meeting of the Executive Committee a quorum is not present, such meeting shall be deemed to have been called for the fifth business day following such date and at the same time and place. Each notice of a meeting of the Executive Committee shall include an itemized agenda prepared by the Executive Member calling the meeting.

(ii) Minutes. The Executive Committee shall prepare minutes of all meetings of the Executive Committee and shall distribute copies of such minutes to all Executive Members within 5 days after the meeting. The minutes shall be the official record of the decisions made by the Executive Committee. The Executive Members acknowledge that personnel employed by the Company may be required to attend a meeting of the Executive Committee, but no such personnel shall have a vote at the meeting.

(iii) Telephone. Executive Members may participate in a meeting of the Executive Committee by means of telephonic communication or other means whereby each Executive Members can hear each of the other Executive Members, and such participation in the meeting shall constitute presence in person at the meeting.

(iv) Action Without a Meeting. The Executive Committee, in lieu of deciding any matter at a meeting or by telephone conference, may act by instrument in writing signed by all of the Executive Members.

(d) Powers and Duties of Executive Committee. Except as provided elsewhere in this Company Agreement to the contrary, and subject to the limitations of Section 6.18, the Executive Committee shall have all powers and duties to make Major Decisions as described in Section 6.3 and to instruct the Manager to implement the Major Decisions of the Executive Committee to make such expenditures as may be necessary to carry out such decisions, and promptly advise the Executive Members if the Company lacks sufficient funds to carry out such decisions.

(e) Authority. The Executive Member are agents of the Company and shall not have the power and authority to act for and bind the Company. The Executive Committee shall have the power and authority to authorize the Manager to execute, acknowledge and deliver, in the name and on behalf of the Company, all documents, agreements, contracts and instruments the Executive Committee deems necessary to effect its Major Decisions under Section 6.3.

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(f) Limits on Executive Member Authority. No Executive Member of the Company shall have any power or authority to bind the Company in any way, or to pledge its credit or to render it liable for any purpose.

(g) Other Activities. Although each Executive Member shall use his best efforts to further the interests of the Company, no Executive Member shall be required to provide his services to the Company as such person's sole and exclusive function. Each Executive Member, so long as the Company engages him as set forth in Section 6.18, shall not be required to spend his full business time performing his services for the Company. In the absence of gross negligence or intentional misconduct, the Company shall indemnify the Executive Members to the fullest extent permitted by Arizona law. Each Executive Member may have other business interests and may engage in other activities in addition to those of or related to the Company. Neither the Company, nor any Executive Member, shall have any right, by virtue of the Company or this Company Agreement, to share or participate in other non-competing businesses, investments or activities of an Executive Member, or to the income or proceeds derived there from.

(h) Compensation of Manager and Executive Members. The Manager and Executive Members shall receive reasonable compensation for the performance of their services as Manager and Executive Members of the Company, provided that all Executive Members approve such compensation for the Manager and each Executive Member. All Executive Members must approve any increase in the compensation payable to the Manager and any Executive Members pursuant to the Company Agreement.

(i) With respect to the Manager, commencing November 1, 2012, the Manager shall accrue an annual "Guarantee Payment" of $150,000 which shall be paid on any periodic basis but no less than $6,000 per month and as otherwise agreed to by the Executive Members of the Company. Commencing November 1, 2012, other than the Manager, each Executive Member, based on their date of commencement as an Executive Member, shall accrue a base annual "Guaranteed Payment" of $50,000, which shall be paid on any periodic basis agreed to by the Executive Members of the Company, or a lesser amount based on less than full-time service ("Full-time Service") to the Company, as agreed by all Executive Members. The initial accrued base annual Guaranteed Payment may be increased or decreased on a calendar quarterly basis provided that all Executive Members approve any such increase or decrease.

(ii) Base annual Guaranteed Payments shall be treated as Guaranteed Payments within the meaning of Code Section 707(c) and not as distributions. It shall be deducted as expenses of the Company in the calculation of "Net Cash Flow".

ARTICLE VII
DELINQUENT AND DEFAULTING MEMBERS

7.1 Failure to Pay Amounts Due. If any Member fails to pay any amount due under this Company Agreement within ten (10) days of the due date, the Manager shall send a written notice thereof to the Member, and if the Member fails to pay the entire required amount within ten (10) days of the date of such notice, the Member shall be considered a Non-Contributing Member. If a Member becomes a Non-Contributing Members, the Manager shall immediately give written notice of such fact to each Members and for a period of five (5) business days after the date of such notice each other Members shall have the right to advise the Manager in writing of such Member's desire to advance directly to the Company, on behalf of the Non-Contributing Members, the funds required from the Non-Contributing Members (a "Contribution Loan"). If within the five (5) day period more than one Member advises the Manager of the Member's desire to make a Contribution Loan, such Member shall lend the funds to the Non-Contributing Member in proportion to their respective Percentage Interests. At the expiration of the five (5) day period, the Manager shall advise each Members indicating a desire to make a Contribution Loan of the amount such Members is to advance to the Company and the date on which the funds are due and payable to the Company. If any Members make a Contribution Loan, such Members shall be considered a Contributing Member. The Contribution Loan shall be considered a loan to the Non-Contributing Member and neither the Company nor any other Member shall have any liability or obligation for the repayment of the Contribution Loan. The Contribution Loan shall mature and be due and payable in full on the date which is ninety (90) days after the date the Contribution Loan is made. Within ten (10) days after the date a Contributing Member makes a Contribution Loan, the Manager shall give written notice of the Contribution Loan to the Non-Contributing Member and such notice shall also specify the maturity date of the Contribution Loan.

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7.2 Default. If no Members elects to advance the funds required from the Non-Contributing Member as specified in Section 7.1, then the failure of the Non-Contributing Member to make the Additional Capital Contribution or assessment shall constitute a default and the Non-Contributing Member shall be a Defaulting Member.

7.3 Contribution Loan. In the event a Contributing Member elects to make a Contribution Loan, then the Contribution Loan shall bear interest at a rate equal to the greater of eighteen percent (18%) per annum, or the "Prime Rate" in effect from time to time plus three (3) percentage points (adjusted monthly on the first day of each month), from the date the Contribution Loan is made until paid in full.

(a) Repayment of the Contribution Loan(s) shall be secured by the Non-Contributing Member's Interest.

(b) The Non-Contributing Member hereby grants a security interest in its Interest to the Contributing Members(s) who advances a Contribution Loan(s) and irrevocably appoints the Contributing Members(s) as the Non-Contributing Member's attorney-in-fact with full power to prepare and execute any reasonable documents, instruments and agreements, including but not limited to, reasonable Uniform Commercial Code Financing and Continuation Statements, and other reasonable security instruments as may be appropriate to perfect and continue such security interest(s) in favor of the Contributing Members(s). If there is more than one Contributing Member, each Contributing Member's security interest in the Non-Contributing Member's Interest shall be a pro rata portion based upon the ratio the original principal amount of the Contributing Member's Contribution Loan bears to the aggregate original principal amount of all the Contribution Loans to such Non-Contributing Members. Copies of any such documents shall be mailed to the Non-Contributing Members.

7.4 Defaulting Members. If any Contribution Loan (which shall include all reasonable attorney fees, interest, and costs incurred by the Contributing Members) has not been repaid in full within ninety (90) days of the date the Contribution Loan is made, then without further notice or demand (all of which are expressly waived), the Non-Contributing Member shall be considered a Defaulting Members and the Contributing Members shall have, with respect to the Non-Contributing Member and his Interest, the rights and remedies of a secured party as against a defaulting debtor under the provisions of the Arizona Uniform Commercial Code, including but not limited to, the right and power to offer for sale and to sell the Non-Contributing Member's Interest. A Non-Contributing Member whose Interest is foreclosed upon and sold shall remain liable to the Company and the Contributing Members for any deficiency in the amount of the Contribution Loan and shall not be relieved from any personal liability for any outstanding indebtedness, liabilities, liens and/or obligations, if any, relating to the Property or the Company which may exist on the date of such foreclosure.

7.5 Loan Repayment. Until such time as a Non-Contributing Member becomes a Defaulting Member, the Contributing Member's Contribution Loan shall remain in place and shall bear interest and be repaid as provided above. Until a Contribution Loan is repaid in full, any distributions which would otherwise be payable to the Non-Contributing Member shall be paid to the Contributing Members and be applied as a credit against the Contribution Loan.

7.6 Loss of Right to Vote. A Defaulting Member shall not be entitled to attend Company meetings nor receive information relating to the Company business and shall have no further voice in the management of the Company business and no right to vote on Company matters, until such time as such Member cures any situation resulting in such Member being a Defaulting Member.

7.7 Additional Rights and Remedies. If a Member becomes a Defaulting Member by reason of no other Members electing to make a Contribution Loan, the Manager shall provide the Defaulting Member with written notice that such Defaulting Member will be expelled from the Company if, by the date specified in the notice, the Defaulting Member does not fully cure the default by contributing to the Company the full amount of the delinquent required contribution plus all of the fees, costs, and expenses incurred by the Company by reason of such default. An expelled Member shall not be entitled to withdraw any capital from the Company and shall have no right to participate in the affairs of the Company or to make any further Capital Contributions. The expulsion of a Member shall not dissolve or terminate the Company. In lieu of, but not in addition to, the rights and remedies provided in this Article VII for the Company and/or Non-Defaulting Members against a Defaulting Member, the Company and/or any Non-Defaulting Member(s) may elect to invoke and pursue any and all other remedies against any such Defaulting Member, whether provided at law or in equity, including, but not limited to, bringing suit for damages, for specific

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performance, or for the appointment of a receiver or specific master, in the discretion of the Company and/or such Non-Defaulting Member(s).

ARTICLE VIII
BOOKS, RECORDS, REPORTS AND ACCOUNTING

8.1 Nature of Books and Records. The Company shall maintain or cause to be maintained complete and accurate records and books of account appropriate for the Company's business and affairs. Such books and records shall be kept on a basis consistent with the accounting methods followed by the Company for federal income tax purposes (which shall be on a cash basis) applied in a consistent manner and a manner consistent with other provisions of this Company Agreement.

8.2 Audit. The books of the Company shall not be audited unless upon a vote of a Majority-in-Interest of Class A Members.

8.3 Capital Accounts. An individual Capital Account shall be maintained for each Member, to which Capital Contributions and Profits shall be credited and distributions and Losses shall be charged.

8.4 Tax Returns. The Manager shall cause the preparation for filing of all federal, state and local Company tax returns at Company expense, and shall make such tax elections and determinations as appear to be appropriate. Such tax returns shall be prepared by the Manager or an independent public accounting firm to be designated by the Manager. The Manager shall endeavor to deliver to each Member its Form K-1 and any other required tax information by March first of each year.

8.5 Bank Accounts. All receipts, funds and income of the Company shall be deposited into one or more bank accounts to be established by the Manager. Check signing and other authority to transact business with respect to the accounts shall be vested with the Manager.

8.6 Tax Matters Members. The Members hereby designate the Manager to act as the "tax matters partner" under the Code and in any similar capacity under state or local law. The tax matters partner shall not have the authority to compromise claims or otherwise enter into agreements with the I.R.S. without the unanimous consent of the Class A Members.

ARTICLE IX
RESTRICTIONS ON TRANSFERABILITY

9.1 Restrictions on Transfer of Interests. No Members shall "Transfer" any Interest or any portion thereof, including, without limitation, a Transfer of a right to receive profits, losses, or distributions (and any and all such attempted or purported Transfers shall be null and void), unless permitted by and in accordance with the provisions of Section 9.2 below. In consideration of the mutual covenants and conditions set forth herein, each Members grants to the Company and all other Members the exclusive first refusal purchase rights more fully set forth below except as noted within this Section 9.1.

9.2 Permitted Transfers. A Transfer of any Interest or any portion thereof individually without limitation or a Transfer of a right to receive Profits, Losses, or distributions may be made only under any of the following circumstances:

(a) All Executive Members have consented to such Transfer; or

(b) The Transfer is made to the estate, personal representative, executor, heirs, or devisees of a deceased Member; or

(c) The Transfer is made to a Member's revocable family living trust; or

(d) The Transfer is made by a Member in accordance with the following procedures:

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(1) The Member shall have received a bona fide offer (the "Offer") from a third party to purchase all, but not less than all, of the Member's Interest;

(2) The Member shall have offered to sell to the other Members all, but not less than all, of such Member's Interest at the price and under the terms contained in the Offer, such Offer to remain open for a thirty (30) day period following delivery of the notice;

(3) The Member shall have failed to tender an agreement, within thirty (30) days from the date the Member received written notice of their right to purchase, to purchase all of the selling Member's Interest at the price and under the terms contained in the Offer, and the Member desiring to make such Transfer shall have consummated such Transfer on the terms and conditions specified in the Offer, including the proposed closing date;

(4) The transferee complies with the provisions of Section 9.4 hereof.

(5) If a transfer is requested by a Member pursuant to paragraph 9.2 (a) above, the Member shall pay a transfer fee of five hundred dollars ($500) to the Manager to cover administration expenses associated with the transfer.

9.3 Special Provision Respecting Transfer of an Interest.

(a) Upon death of a Member or a divorce of a Member resulting in the ex-spouse receiving any part of the Member's Interest, if the remaining Members do not agree by a vote of a Majority-in-Interest to permit the Member's heirs and/or devisees or ex-spouse to become a "Substituted Member", the Company and all the remaining Members shall have the right and option for thirty (30) days from receiving written notice of such event to purchase all, but not less than all, of the Interest of the Member which is owned by the heirs, devisees or ex-spouse. If more than one Member so elects, the Interest shall be divided among the electing Members according to their relative Percentage Interests. A Member shall be responsible for notifying the other Members should such Member become divorced during the term of this Company Agreement when the divorce results in an ex-spouse receiving any portion of the Member's Interest. The total purchase price for such deceased or divorced Member's Interest shall be computed by taking: (i) the Fair Market Value of the assets of the Company; less (ii) the total liabilities of the Company as of the valuation date, multiplied times (iii) the Percentage Interest of the deceased Member or the Percentage Interest of the divorced Member which was acquired by the ex-spouse; less (iv) the amount of any obligations owed by the deceased or divorced Member to the Company.

(b) Upon Bankruptcy of a Member, if the remaining Members do not agree by a vote of a Majority-in-Interest to permit the trustee (or other legal representative) of the bankrupt Member to become a Substituted Member, the Company and all the remaining Members shall have the right and option for thirty (30) days from receiving written notice of such event to purchase all, but not less than all, of the Interest of such bankrupt Member. The total purchase price for such bankrupt Member's entire Interest in the Company shall be computed by taking: (i) the Fair Market Value of the assets of the Company; less (ii) the total liabilities of the Company as of the valuation date, multiplied times (iii) the Percentage Interest of the bankrupt Member; less (iv) the amount of any obligations owed by the bankrupt Member to the Company.

9.4 Requirements for Transferee Becoming a Substituted Member. No transferee shall become a Substituted Member in the Company unless all of the following conditions are satisfied:

(a) Each non-transferring Executive Member shall have consented to the substitution;

(b) The Person to whom the Transfer is to be made shall have assumed any and all of the obligations and executed any and all necessary documents to effect the Transfer under this Company Agreement with respect to the Interest to which the Transfer relates;

(c) All expenses (including reasonable legal fees) incurred in connection with the Transfer shall have been paid by or for the account of the Person to whom the Transfer is to be made (the Company will bear no expenses); and

(d) All agreements, certificates and all other documents shall have been executed and filed and all other acts shall have been performed which the Manager or the Company's counsel deem reasonably necessary

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to make the Person to whom the Transfer is to be made a Substituted Member in the Company, to preserve the status of the Company, and to comply with all applicable governmental statutes, rules and regulations and requirements, if any, of Company creditors.

9.5 Settlement and Purchase Price. The settlement for the purchase of the Interest pursuant to Sections 9.2(d) or 9.3 above shall be held thirty (30) days from the exercise of any option relating to such settlement at 10:00 a.m. Phoenix time at the principal office of the Company or at such other date, time and place as shall be agreed upon by the parties to the settlement.

(a) In the case of a purchase pursuant to Section 9.2(d) above, the purchase price shall be paid in accordance with the terms of the Offer; provided, however, that notwithstanding any of the terms of the Offer, the closing shall not occur any sooner than the settlement date provided for in this Company Agreement. If the closing date of the Offer is later than the settlement date, the settlement shall take place upon the settlement date provided for in this Company Agreement or the closing date set forth in the Offer, as may be elected by the purchasing Members.

(b) In the case of a purchase pursuant to Section 9.3 above, the purchase price of the deceased or bankrupt Member's Interest shall be payable as follows.

(1) A down payment of twelve percent (12%) of the purchase price shall be payable at the settlement;

(2) The balance of the purchase price shall be paid in six (6) equal annual principal installments, the first installment to be due one (1) year following the settlement date, and subsequent annual principal payments shall be due on the same day of each successive year thereafter.

(3) Interest on the deferred balance of the purchase price shall bear interest at the then Prime Rate from the settlement date until paid in full (adjusted monthly on the first day of each month). Accrued interest shall be payable at the same time as installments of principal.

(4) If not sooner paid in full, the unpaid principal plus accrued interest shall be paid in full upon the winding up of the Company's business and affairs. In the event of default in the payment of principal or interest pursuant to the provisions hereof, the party entitled to payment, at its option shall have the right to declare the unpaid balance of principal and accrued interest immediately due and payable.

(5) The deferred balance of such purchase price plus such accrued interest shall be secured by a security interest in the transferring Member's Interest.

9.6 Termination of the Company for Tax Purposes. Notwithstanding anything to the contrary contained in any other provision of this Company Agreement, the sale or exchange of all or any part of an Interest in the capital and/or the Profits of the Company may not be made (and will be null and void) if the Interest sought to be sold or exchanged, when added to all other Interests in the Company's capital and/or Profits transferred within the twelve (12) consecutive month period ending on the date of such proposed sale or exchange, would cause the termination of the Company for federal income tax purposes.

9.7 Restraining Order. If any Member shall at any time Transfer or attempt to Transfer all or any part of its Interest in violation of the provisions of this Company Agreement, then any other Member, in addition to all other available rights and remedies, shall be entitled to a decree or order restraining and enjoining such transfer.

ARTICLE X
DISSOLUTION AND TERMINATION

10.1 Dissolution. The Company shall be dissolved upon the first to occur of any of the following events:

(a) upon the entry of a decree of dissolution under A.R.S. § 29-785;

(b) a unanimous vote of the Executive Members to dissolve;

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(c) the appointment of a receiver, trustee or liquidator of the assets of the Company, or the attachment, execution or other judicial seizure of all or a portion of the assets of the Company, unless such seizure is discharged within one hundred twenty (120) days thereafter; or,

(d) December 31, 2036.

10.2 Effect of Filing of Dissolving Statement. Upon the dissolution of the Company, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until Articles of Termination have been filed with the Arizona Corporation Commission or until a decree dissolving the Company has been entered by a court of competent jurisdiction.

10.3 Termination and Winding Up. In the event of the dissolution of the Company: (i) the Company shall cease to engage in any further business, except to the extent necessary to perform existing obligations, (ii) the affairs of the Company shall be terminated and wound up, (iii) an accounting shall be made, (iv) the liabilities of the Company (including without limitation, those owed to the Members and their Affiliates in respect of funds advanced, property sold and services rendered to the Company) shall be paid or adequately provided for, and (v) the remaining assets of the Company shall be distributed to the Members in the same manner as provided in Section 3.1 above. The Manager shall have the sole authority and control over winding up and liquidating the affairs of the Company. Distributions of non-cash assets will be based on the Fair Market Value of such assets at the time of distribution, each item going to the respective Members as the Members unanimously shall agree; provided that if the Members cannot agree unanimously on the method of distribution, then all non-cash assets shall be sold for cash at public auction after publication of notice of the time and the place of sale and describing the property has been accomplished at least once in a newspaper of general circulation in the city and county in which said assets are located and at least ten (10) days prior to such sale. In the event of such auction, all sales shall be for cash, and the Members shall have the right to bid thereon.

10.4 Compensation and Reimbursement. The Class A Members or Manager acting as liquidator of the Company's assets shall be entitled to reimbursement for out-of-pocket expenses incurred and reasonable compensation (in an amount determined by one hundred percent (100%) (excluding any Members acting as liquidator) of the Percentage Interests owned by Non-Defaulting Class A Members) for services rendered in connection with the winding up and liquidation of the Company. Such reimbursement shall be paid as an expense of the Company after all debts to third parties have been repaid or adequately provided for but before any repayment of liens or advances by the Members.

10.5 Articles of Termination. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefore and all of the remaining property and assets have been distributed to the Members, Articles of Termination shall be executed and filed with the Arizona Corporation Commission.

10.6 Return of Contribution Non-recourse to Other Members. Except as provided by law, upon dissolution, each Members shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash or other property contribution of one or more Members, such Members or Members shall have no recourse against any other Members.

ARTICLE XI
NO PARTITION

11.1 Waiver of Partition. Each Member hereby waives any right to partition or the right to take any other action which might otherwise be available to such Members for the purpose of severing its relationship with the Company or its interest in the assets and Properties held by the Company from the interest of the other Members until the dissolution of the Company. Each Member specifically agrees not to institute any action therefore and each Member agrees that this section may be pled as a bar to the maintenance of any such action. A violation of this provision shall entitle the non-violating Members to collect, from the Members violating this provision, reasonable attorney's fees, costs and other damages those non-violating Members and the Company incur in connection therewith.

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ARTICLE XII
INDEMNIFICATION

12.1 Members Indemnification. Each Members and the Manager shall indemnify the other Members for, from and against any and all claims, demands, losses, damages, liabilities, suits and other proceedings, judgments and awards, costs and expenses (including but not limited to reasonable attorney's fees) arising directly or indirectly out of any breach of the covenants contained herein, by such Members, its Affiliates, officers, agents or employees.

12.2 Indemnity for Transferors. Should any Member's Company Interest be purchased by another Members under any provision of Article IX hereunder, the selling Members shall be indemnified and held harmless by the purchasing Members from any and all liabilities or payment of debts of the Company, whether incurred prior to or subsequent to the sale of such Company Interest; provided, however, that such indemnity shall not apply to: (i) Company debts incurred by the selling Members in violation of any term of this Company Agreement, or (ii) any liability resulting, directly or indirectly, from any action taken by such Members in violation of any term of this Company Agreement, or (iii) any Members who withdraws from the Company in violation of Article IX.

12.3 No Liability For Investment Tax Credits or Capital Gains. Anything herein to the contrary notwithstanding, no Members or Manager shall have any liability to the Company or any other Members by reason of failure to quality for investment tax credits or long term capital gains.

ARTICLE XIII
GENERAL

13.1 Notices. All notices and other communication required or permitted to be given pursuant to this Company Agreement shall be in writing and shall be deemed to have been duly given, made and received only when personally delivered against receipt or five (5) days after being (i) sent by telegram or facsimile to an address provided to the Company or (ii) deposited in the United States mails, certified or registered, postage prepaid, return receipt requested, addressed to the addressee at its address as shown from time to time in the records of the Company. Any Members may alter the address to which communications are to be sent by giving notice of such change of address to the other Members in conformity with the provisions of this Section 13.1.

13.2 Successors and Assigns. This Company Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

13.3 Controlling Law. This Company Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Arizona.

13.4 Provisions Severable. If any provision of this Company Agreement shall be or shall become illegal or unenforceable in whole or in part, for any reason, the remaining provisions shall not be affected thereby but shall be deemed valid, binding and enforceable to the greatest extent permitted by law.

13.5 Indulgences Not Waivers. Neither the failure nor any delay on the part of any party to exercise any right, remedy, power or privilege under this Company Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of any other right, remedy, power or privilege with respect to any occurrence or be construed as a waiver of such right, remedy power or privilege with respect to any subsequent occurrence.

13.6 Gender. Words used herein, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

13.7 Execution in Counterparts. This Company Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any Persons to be signatory hereto may execute this Company Agreement by signing any such counterpart.

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13.8 Amendment. This Company Agreement may be amended only by an agreement in writing executed by all Members.

13.9 Attorney's Fees. If any party institutes a suit or other proceeding against any other party in any way connected with this Company Agreement or its enforcement, the prevailing party to any such action shall be entitled to recover from the other party reasonable attorney's fees (not to exceed the actual attorney's fees incurred), witness fees and expenses and court costs in connection with said suit or proceeding at both trial and appellate levels, regardless of whether any such action or proceeding is prosecuted to judgment.

13.10 Number of Days. Unless the subject provision references "business days," in computing the number of days for purposes of this Company Agreement, all days shall be counted, including Saturdays, Sundays, and holidays; provided however, that if the final day of any time period falls on a Saturday, Sunday or recognized United States holiday, then the final day shall be deemed to be the next date which is not a Saturday, Sunday, or holiday. If the subject provision references "business days," then in computing the number of days for purposes of this Company Agreement, all days shall be counted except Saturdays, Sundays, and holidays.

13.11 Captions. Captions are not intended to convey any meaning or be a part of this Company Agreement but are merely used for assistance in identifying paragraphs and Sections.

IN WITNESS WHEREOF, the parties have executed this Company Agreement effective as of the day and year first above written.

Manager:

Richard C. Harkins

By: _____

Print _____

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SCHEDULE "1"

Member's Name	Class (A or B)	Number of Units	Address
KELLY BAIR	B	8.0% OF I UNIT	
RICHARD C. HARKINS	A	500	
GEORGE T. SIMMONS	A	300	
BRUCE ORR	A	100	
ROBERT J. KERRIGAN	A	100	

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APPENDIX TO EXHIBIT B
Barcelona Administration Company, LLC
Operating Agreement

DEFINED TERMS

Definitions. Whenever used in this Operating Agreement, the following terms shall have the following meanings:

1. Act means the Arizona Limited Liability Company Act, as the same may be amended from time to time.

2. Additional Capital Contributions means any Capital Contributions to the Company other than an Initial Capital Contributions made pursuant to Section 2.1.

3. Additional Member means any Person who is admitted to the Company as an Additional Member pursuant to this Operating Agreement.

4. Affiliate of any specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) any Person owning or controlling 12% or more of the outstanding voting securities of such other Person, (iii) any officer, director, partner of such Person, and (iv) if such other Person is an officer, director or partner, any Company for which such Person acts in any such capacity. For the purposes of this definition, "control" when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

5. Agreed Value means, for each of the Company Assets, such asset's adjusted tax basis, as determined from time to time; provided, that:

   a. The initial Agreed Value of any asset contributed by a Member to the Company shall be equal to such asset's gross Fair Market Value as of the date of contribution, as reasonably determined by the contributing Member and the Manager, but, in no event, shall the Fair Market Value be less than the outstanding balance of any nonrecourse indebtedness, within the meaning of §7701 of the Code, to which any asset is subject. Thereafter, except as otherwise provided in Paragraph 6(b) or Paragraph 6(c), the Agreed Value of such asset shall be adjusted, from time to time, by the Depreciation deduction, if any, taken into account with respect to such asset;

   b. The Agreed Values of all Company Assets shall, if elected by the Manager be initially adjusted to equal their respective gross Fair Market Values, but in no event shall such Fair Market Value be less than the outstanding balance of any nonrecourse indebtedness to which assets are subject, as of the following times:

      i. The contribution by an existing or Additional Member of money or other property, other than a de minimis amount, to the Company as consideration for the receipt of a Company Interest greater than the Company Interest owned by such Member prior to such contribution; or

      ii. The distribution of money or any such other property, other than a de minimis amount, by the Company to a withdrawing or continuing Member as consideration for the relinquishment of some or all of such Member's Company Interest; or

      iii. Upon the Liquidation of the Company;

      If the Agreed Values of Company Assets are adjusted pursuant to Paragraph 6(b), thereafter, such Agreed Values shall be adjusted by the Depreciation deductions, if any, taken into account with respect to such assets, and/or shall be otherwise adjusted in accordance with Paragraph 6(b) and/or Paragraph 6(c)

   c. If there is an adjustment made to the common income tax basis of Company Assets under Code §734 and Regulations §l.734-2(b)(1), which adjustment would cause the adjusted tax basis of such

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assets to be greater than or less than the adjusted Agreed Values of such assets, determined as of the date of such Code §734 adjustment, without regard to such adjustment made under Code §734, the Agreed Values of the Company Assets which are subject to such basis adjustment, shall be increased, or decreased, to reflect the adjustments made to the adjusted tax basis of such assets pursuant to Code §734, but only to the extent that the adjustments made would increase the adjusted tax basis of such assets to an amount greater than, or would decrease the adjusted tax basis of such assets to an amount less than the adjusted Agreed Values of such assets, determined as of the date of the Code §734 adjustment, without regard to such Code §734 adjustment, but with regard to the other provisions of this Paragraph 6 (c). If the Agreed Values of Company Assets are adjusted pursuant to this Paragraph 6(c), thereafter, the Agreed Values shall be adjusted by the Depreciation deductions, if any, taken into account with respect to such assets and/or shall be otherwise adjusted in accordance with Paragraph 6(b). above and/or this Paragraph 6(c).

6. Agreement and Company Agreement means this written Operating Agreement as amended, modified or supplemented from time to time. No other document or oral agreement among the Member shall be treated as part of or superseding this Agreement unless it is reduced to writing and it has been signed by all of the Class A Members and Class B Members.

7. Bankruptcy means as to a Member, the happening of any of the following:

   a. The making by such Member of an assignment for the benefit of creditors;

   b. The filing by such Member of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing such Member's inability to pay such Member's debts as they become due;

   c. The entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member to be bankrupt or insolvent;

   d. The filing by such Member of a petition or answer seeking for such Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

   e. The filing by such Member of an answer or other pleading admitting the material allegation of or such Member's consenting to, or defaulting in answering a bankruptcy petition filed against such Member in any bankruptcy proceeding;

   f. The filing by such Member of an application or other pleading or such Member otherwise seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator of such Member or of all or any substantial part of such Member's property;

   g. The commencement of any proceeding against such Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation which has not been dismissed for any consecutive period of one hundred twenty (120) days; or

   h. The appointment without the consent or acquiescence of such Member of a trustee, receiver of liquidation of such Member or of all or any substantial part of such Member's hotels without such appointment being vacated or stayed within ninety (90) days or within ninety (90) days after the expiration of any such stay.

8. Capital Account means as of any particular date, the individual capital account, determined and maintained for each Member in accordance with Regulations §l.704-1(b)(2)(iv). For this purpose, except as otherwise provided in Regulations §1.704-1(b)(2)(iv), the Capital Account of each Member shall consist of the amount of money contributed by the Member to the Company, including Company liabilities assumed by the Member as provided in Regulations §l.704-1(b)(2)(iv)(c), and:

   a. Increased by:

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i. The initial Agreed Value of any asset contributed by the Member to the Company, as determined pursuant to Paragraph A under "Agreed Value" net of liabilities secured by such contributed asset that the Company is considered to assume or take subject to under Code §752; and

ii. Capital Account credits pursuant to Section 2.3 herein; and

iii. Allocations to the Member of Company Net Income or items of income or gain thereof, but excluding from this Paragraph 9(a)(ii) income and gain described in Regulations §l.704-1(b)(4)(i); and

b. Decreased by:

i. The amount of money distributed to the Member by the Company, including liabilities of the Member assumed by the Company as provided in Regulations §l.704-1(b)(2)(iv)(c); and

ii. The gross Fair Market Value of any Company Asset distributed to the Member by the Company, as reasonably agreed to by the Member, but in no event shall the gross Fair Market Value of any distributed Company Asset which secures a Nonrecourse Liability of the Company be less than the outstanding balance of such liability, as of the date of distribution and net of liabilities secured by such distributed Company Asset that such Member is considered to assume or take subject to under Code §752; and

iii. Allocations to the Member of nondeductible expenditures of the Company described in Code §705(a)(2)(B); and

iv. If and to the extent not otherwise includable in allocations described in Paragraph 9(b)(iv) above, allocations to the Member of Company Net Loss or items of expense thereof, but excluding items of loss or deduction described in Regulations §l.704-1(b)(4)(i) and (iii); and

v. If and to the extent not otherwise in Paragraphs 9(b)(iii) and 9(b)(iv) above, allocations to the Member of (a) Company Net Loss, or items of expense thereof that are disallowed for federal income tax purposes under Code §267(a)(1) or §707(b), (b) organization expenses of the Company for which an election under Code §709(b) is not in effect, and (c) syndication expenses; and

c. To the extent that the unrealized income, gain, loss and deduction inherent in any Company Asset distributed or deemed distributed in kind, whether or not distributed in liquidation, has not previously been reflected in the Member' Capital Accounts, the Capital Accounts of the Member shall be adjusted to reflect the manner in which the unrealized income, gain, loss and deduction inherent in such asset that has not been reflected previously in the Member' Capital Accounts would have been allocated among the Member under this Agreement immediately preceding such distribution if there had been a taxable disposition of such asset for its Fair Market Value as reasonably agreed to by the Member on the date of its actual or deemed distribution, taking into account Code §7701(g); and

d. In the event that the Agreed Values of Company Assets are adjusted on the books of the Company as provided in Paragraph (b) of "Agreed Value", the Capital Accounts of the Member shall be adjusted to reflect the manner in which the unrealized income, gain, loss or deduction inherent in the Company Assets, to the extent that it has not been previously reflected in the Member' Capital Accounts, would be allocated among all the Member under the terms of this Agreement, assuming that, in the case of an adjustment pursuant to Paragraph (b)(i) or (b)(ii) of "Agreed Value", there was a taxable disposition of such assets immediately preceding such contribution of money or other property to the Company, or immediately preceding such of money or other property by the Company, or, in the case of an adjustment pursuant to Paragraph (b)(iii) of "Agreed Value", there was a taxable distribution of such assets upon the Liquidation of the Company for such assets' then Agreed Value as determined under Paragraph (b) of "Agreed Value"; and

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e. In the event the Company, in conformity with Regulations §l.704-1(b)(2)(iv) as provided in "Agreed Value", has a Company Asset with an Agreed Value greater than or less than its adjusted tax basis, the Member' Capital Accounts shall be adjusted in accordance with Regulations §l.704-1(b)(2)(iv)(g) for allocations to them of Depreciation, as computed with respect to such asset and allocations to them of gain or loss as computed with respect to such asset by reference to the adjusted Agreed Value of such asset and not by reference to such asset's adjusted tax basis, as provided by Paragraph (a)(ii), (b)(iii), (b)(iv), and (b)(v) above; and

f. To the extent that an adjustment to the adjusted tax basis of any Company Asset pursuant to Code §734(b), Code §732(d), or Code §743-(b) is required under Regulations §1.704-1(b)(2)(iv)(m) to be taken into account in determining Capital Accounts, the Capital Accounts of the Member shall be adjusted as and to the extent required by such section of the Regulations; and

g. Shall be otherwise adjusted in accordance with the rules set forth in Regulations §l.704-1(b)(2)(iv).

1. Upon the transfer of all or a part of a Company Interest, the Capital Account of the transferor Member that is attributable to the transferred Company Interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a Company Interest causes a termination of the Company under Code 708(b)(1)(B) the Capital Account that carries over to the transferee Member will be adjusted in accordance with Regulations §l.704-1(b)(2)(iv)(e), and the constructive reformation of the Company will, for purposes of this definition of "Capital Account" and the definition of "Agreed Value" above, be treated as the formation of a new limited liability Company, and the Capital Accounts of the transferee Member and the remaining Member will be determined and maintained accordingly.

2. The foregoing provisions relating to the definition of Capital Accounts are intended to comply with Regulations §l.704-1(b) and shall be interpreted and applied, and if necessary, modified by the Manager (provided there is no material effect on the distributions to Member's under Article X of this Agreement upon dissolution of the Company), in a manner consistent with such Regulation.

9. C Corporation means a Chapter C corporation in the IRS code and merely refers to a regular, state-formed corporation. A corporation is owned by shareholders and is managed and controlled by the board of directors who elect the president and are responsible for the management and policy decisions of the corporation. The dealings of the corporation are carried out by the officers and employees of the corporation under the authority delegated by the directors of the corporation.

10. Capital Contribution means the total amount of cash and the Agreed Value of property contributed to the capital of the Company as an Initial Capital Contribution or an Additional Capital Contribution net of the liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code §752.

11. Capital Account or Capital Contributions Account means the Capital Account of each Member described in Article II, adjusted as follows:

a. Increased by any Additional Capital Contributions; and

b. Decreased by any distributions.

12. Code means the Internal Revenue Code of 1986 (or any successor), as amended from time to time.

13. Company means Barcelona Administration Company, LLC

14. Company Assets means, at any particular time, the Property and any other assets or property, tangible or intangible, choate or inchoate, fixed or contingent, of the Company.

15. Company Interest or Interest means a Member's interest in the Company's capital and profits, including a

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Member's Capital Account, allocations, distributions, and any other rights which such Member has in the Company.

16. Company Minimum Gain means minimum gain of the Company as defined in Regulations §1.704-2(b)(2) and determined in accordance with Regulations §1.704-2(d) and §1.704-2(g)(3).

17. Company Year means the accounting year of the Company ending December 31 of each year, unless the Manager otherwise establishes a different year.

18. Contribution Loan has the meaning set forth in Section 7.1.

19. Defaulting Member means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Member are Non-Defaulting Member.

20. Depreciation means for each Company Year or other relevant period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an Company Asset for such year or other period for federal income tax purposes, except that, if the Agreed Value of any Company Asset differs from its adjusted basis as computed for federal income tax purposes, except as may be otherwise required by Regulations §l.704-1(b)(2)(iv)(g). Depreciation with respect to any such Company Asset shall be an amount which bears the same ratio to the Agreed Value of such Company Asset as of the first day of each such year or other period as the depreciation, amortization or other cost recovery deduction computed with respect to such Company Asset for federal income tax purposes for such year or other period bears to such Company Asset's adjusted tax basis as of the first day of such year or other period; provided, that, if any Company Asset with an Agreed Value different than its adjusted tax basis, and which is otherwise subject to the allowance for depreciation, has a zero adjusted tax basis as determined as of the first day of such year or other period, Depreciation with respect to such Company Asset may be determined under any reasonable method selected by the Manager.

21. Effective Date has the meaning set forth in Section 1.1.

22. Fair Market Value means, with respect to any asset or property, the fair market value thereof as determined in good faith by the affected parties. If the affected parties are unable to agree upon an amount, then upon the request of any of the affected parties, the fair market value shall be determined by appraisal. If the fair market value of any real property is to be determined by appraisal, the affected parties shall agree upon a single independent M.A.I. appraiser to determine the value. If the affected parties are unable to agree upon an appraiser within ten (10) calendar days, then upon the request of any affected party, the appraiser shall be selected by the Presiding Judge of the Superior Court of Maricopa County, Arizona. The selected appraiser must have at least ten (10) years experience in appraising parcels of real property in Maricopa County, Arizona.

23. Fiscal Year means the Company's fiscal year, which shall be the calendar year.

24. Founders Class A Members mean Richard Harkins and George T. Simmons.

25. Full-Time Service for Executive Members is set by Company policy and may be changed from time to time at the discretion of the Executive Committee. As of the Effective Date of the Offering, Full-Time Service for Executive Committee Members is to prepare for and participate in all weekly, monthly, quarterly and annual scheduled meetings as established by the Executive Committee and any other teleconference meeting called by the Manager or an Executive Member wherein no less than a three day notice is given to the Manager and each other Executive Member of such teleconference meeting. The intent in establishing the parameters of f\Full-Time Service is to assure that the Company's business is a high priority for each Executive Member of the Company.

26. Guaranteed Payments are deductible by a LLC as business expenses and the net profit of the LLC is reduced by that amount. The Member receiving the guaranteed payment recognizes the payment as ordinary income. As ordinary income, guaranteed payments aren't subject to income tax and FICA tax withholding by the LLC and by the Member, as a salary would be; instead, guaranteed payments are subject to estimated income taxes and self-employment taxes on the part of the recipient Member.

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27. Initial Capital Contribution means the amount (exclusive of Additional Capital Contributions) which a Member actually pays as a Capital Contribution to the Company, whether in cash or by the transfer of assets to the Company.

28. Initial Operating Budget means the budget for the period June 1, 2011 through December 31, 2011 as included in Exhibit D to the Offering.

29. Interest has the same meaning as Member Interest.

30. Liquidation means the earlier of the date upon which the Company is considered to be terminated under Code §708(b)(1) or upon which the Company ceases to be a going concern.

31. Loan Guarantor shall have the meaning set forth in Section 2.2 (d).

32. Major Decisions has the meaning set forth in Section 6.3.

33. Majority-In-Interest means a simple majority of a Class of Members in the Company. Each Member within a Class shall have one vote.

34. Manager means any Person that becomes the Company Manager pursuant to this Agreement.

35. Member means each Person who becomes a Member under the terms of this Operating Agreement and each Person who may become an Additional or Substituted Member. To the extent a Manager has purchased an Interest in the Company, that Person will have all the rights of a Member with respect to such Interest, and the term "Member" as used in this Agreement shall include a Manager to the extent that Person has acquired an Interest in the Company.

36. Member Interest and Interest an ownership interest in the Company which is comprised of all Member Units.

37. Member Loans means any loans made to the Company that are not bank loans and are not working capital loans, and are required to provide necessary working capital, funds for development, funds for construction or for any other purpose in carrying on the Company's business, in amounts and under terms and conditions as approved by the Member.

38. Member Nonrecourse debt means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

39. Member Nonrecourse debt Minimum Gain means minimum gain of a Member as defined in Regulations §1.704-2(i)(2) and determined in accordance with Regulations §1.704-2(i)(3).

40. Member Units means any Unit of Member Interest held by any Class of Unit-holders.

41. Monetary Default means the failure of a Member to pay when due any Additional Capital Contribution or other sum required to be paid under this Agreement.

42. Net Cash Flow means the gross cash proceeds from Company operations from whatever source derived, including without limitation gross cash proceeds from the sale, exchange, or other disposition, or refinancing of Company Assets either in or outside the ordinary course of Company business, reduced by such other amounts determined by the Member to be used to pay, or establish reserves for, any other Company expenses, principal and interest payments on Company indebtedness including without limitation, working capital loans but not including Member Loans, capital improvements, replacements, and contingencies, and increased by any reductions of previously established reserves reasonably determined by the Member to no longer need to be held in reserve and to be available for distribution.

43. Net Income and Net Loss of the Company or items thereof shall, for each Company Year or other relevant period of the Company, be an amount equal to the Company's taxable income or loss for such period, as determined for federal income tax purposes in accordance with the accounting method followed by the Company and in accordance with Code §703, and for this purpose, all items of income, gain, loss or deduction required to be separately stated pursuant to Code §703(a)(1) shall be included in taxable income or loss, subject to the

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following modifications:

a. Any income of the Company that is exempt from federal income tax, including without limitation, interest income which is exempt from tax under Code §103, and the proceeds of insurance policies which are exempt from income under Code §101, and not otherwise taken into account in computing Net Income and Net Loss pursuant to this definition, shall be added to such taxable income or loss;

b. Any expenditures of the Company described in Code §705(a)(2)(B), including without limitation, expenses and interest to which Code §265 applies, and insurance premiums which are nondeductible pursuant to Code §264 or treated as Code §705(a)(2)(B) expenditures pursuant to Regulations §1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, including without limitation, syndication expenses, shall be subtracted from such taxable income or loss; and

c. If the Agreed Value of any Company Asset differs from its adjusted tax basis for federal income tax purposes, Net Income and Net Loss of the Company shall be determined in conformity with this Agreement and applicable Treasury Regulations, by reference to the Depreciation deductions, if any, allowable with respect to such Company Asset, and by the gain or loss attributable to such asset as computed by reference to such Company Asset's Agreed Value and not, if different, by reference to such Company Asset's adjusted tax basis.

44. Net Distributable Cash has the same meaning as Net Cash Flow.

45. Non-Contributing Member has the meaning set forth in Section 7.1.

46. Non-Defaulting Members means any Member that is not a Defaulting Member.

47. Non-Monetary Default means the failure of a Member to cure any material default under this Agreement (other than a Monetary Default, for which there is no curative period) within thirty (30) days after delivery of a written notice of default from either the Manager or another Member, which notice shall set forth in detail the nature of the alleged default; provided that if the default cannot reasonably be cured within such thirty (30) day period, the period will be extended, provided that the curative performance was begun within a reasonable time, not to exceed ten (10) days, after the delivery of the notice of default, and is diligently pursued thereafter. Without intending to limit the generality of the foregoing, the following are included within the definition of a Non-Monetary Default:

a. Attempted dissolution of the Company by any Member other than pursuant to the provisions of this Agreement;

b. Attempted partitioning of the assets of the Company;

c. Withdrawal as a Member without the consent of all other Member;

d. Attempted or actual assignment or transfer of an Interest other than pursuant to the provisions of this Agreement.

48. Nonrecourse Deductions means depreciation or cost recovery deductions, and if necessary, a pro rata portion of other Company losses, deductions, and Code Section 705(a)(2)(B) expenditures in the amount determined in accordance with Regulations §l.704-2(c) and in the order determined in accordance with Regulations §1.704-2(j)(2).

49. Offering Effective Date means the date on the cover page of this Memorandum.

50. Offer has the meaning set forth in Article IX.

51. Percentage Interest means the percentage interest of each Member in this Company set forth in Schedule 1.

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52. Person means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

53. Pre-Development Period means that period of time preceding the filing of the Company's organization documents with the State Of Arizona.

54. Prime Rate means the rate of interest, as of the first business day of each month, designated in the "Money Rates" Section of the Wall Street Journal as the "prime rate" or if the Wall Street Journal ceases quoting a Prime Rate, the rate of interest charged by Bank One to its largest and most credit-worthy commercial borrowers for unsecured loans maturing in ninety (90) days, but in no event in excess of the highest legal rate in Arizona.

55. Cumulative Priority Distribution means a $1,000.00 annual Distribution payable at the discretion of the Company to each Class B Unit.

56. Regulations mean the regulations promulgated by the Department of the Treasury under the Code. Where followed by the symbol "§," such reference shall be to the particular section of the Regulations promulgated under the Code. Where preceded by the symbol "§" and a Code number, such reference shall be to the Regulations promulgated under that particular section of the Code.

57. Transfer means to sell, assign, exchange, transfer, give, donate, pledge, deposit, alienate, bequeath, devise or otherwise dispose of or encumber to any Person other than the Company.

58. Unit-holders means the holder of any Class A and Class B Units.

59. Withdrawal Event means any of those events and circumstances listed in Act Section 29-733, as the same may be amended from time to time.

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Barcelona Administration Company, LLC
Statement Of Financial Position
February 1, 2013

Assets		
Cash	$	15,000
Organization & Offering Expenses		150,000
Receiveable: Advances to USA Barcelona Realty Trust		840,000
Unfunded Subscriptions Receivable - Unit Offering		980,000
Total Assets	$	1,985,000
Liabilities and Members Equity		
Liabilities		
Payables to Class A Members	$	415,000
Member Loans		70,000
Total Liabilities	$	485,000
Members Equity		
Class A Members	$	500,000
Class B Members:		
Funded		20,000
UnFunded		980,000
Total Members Equity	$	1,500,000
Total Liabilities & Members Equity	$	1,985,000

Exhibit C to the Offering has been prepared by the Company and has not reviewed by any independent party.

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File # 8503

Available upon request.

ACC007295
File # 8503

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File # 8503

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File # 8503

Barcelona
ADMINISTRATION COMPANY

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File # 8503

DRFT G | 12-6-12

BARCELONA ADMINISTRATION COMPANY, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in 50 Investment Units at $20,000 per Investment Unit

This is copy no. _____ of the Private Placement Memorandum dated October 18, 2012. 12-6-12

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of Barcelona Administration Company L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

____ A. CHECK the appropriate Accredited Investor category on page __ and the "Purchaser Representative" question in Paragraph 2(c).

____ B. COMPLETE all information on pages __ and __, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

____ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

____ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page __. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

____ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to BARCELONA ADMINISTRATION COMPANY in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

Barcelona Administration Company, LLC.
Attention: Offering Administration
11419 N. Century Lane
Scottsdale, Arizona 85260
Company telephone number is 602-796-3519

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $29000;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of ___1___ Class B Unit(s).

EXHIBIT
S-6
ADMITTED

BARCELONA ADMINISTRATION COMPANY, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

Barcelona Administration Company, L.L.C.
11419 N. Century Lane
Scottsdale, Arizona 85260

Purchaser:

You have informed the undersigned (the "Purchaser") that **BARCELONA ADMINISTRATION COMPANY, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

Initial >>>> _____

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

___ $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

___ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ Manager of Issuer
Any Manager of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not ___, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

Initial >>>> _____

(e) I have had an opportunity to ask questions of and receive answers from the Company's Manager and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

Initial >>>> _____

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement .

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 20,000

NAME(S): 1) Kelly E Bair

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Initial >>>> KB

Ownership shall be taken in the Investment Units as follows:

X Single Person
____ Husband and Wife, as community property
____ Joint Tenants (with right of survivorship)
____ Tenants in Common
____ A Married Person as separate property
____ Corporation or Other Organization
____ A Partnership
____ Trust
____ IRA
____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

____ Other: _____
(Please Explain) [redacted]

RESIDENCE ADDRESS: [redacted]
Street Address

[redacted] AZ [redacted]
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

[redacted]
Street Address (If P.O. Box, include address for surface delivery if different than residence)

[redacted] AZ [redacted]
City State Zip

PHONE: Home: [redacted]
Business:
Facsimile:

Initial >>>>

ACC000904
FILE #8503

9. Date and Signatures.

Dated Oct 26, 2012

Purchaser Signatures:

Purchaser Name: (Print)

Kelly E. Bair

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

BARCELONA ADMINISTRATION COMPANY, L.L.C.

By:

Its: Manager

DATED: October 26, 2012

ACC000905
FILE #8503

DRAFT

ORIGINAL

LOAN AND INVESTMENT AGREEMENT

This LOAN AND INVESTMENT AGREEMENT (the "Agreement") is made as of the 12 day of July, 2013 (the "Effective Date") by and between USA Barcelona Realty Advisors, L.L.C., and Arizona limited liability company (the "Company"), and Rodney Eaves and Melissa Eaves, in their individual capacity as husband and wife (together, the "Purchaser").

Recitals

A. The Purchaser currently owns one unit of Class B membership interest units of the Company.

B. The Purchaser desires loan to the Company (the "Loan") an amount equal to Two Hundred and Fifty Thousand Dollars and no cents ($250,000) (the "Loan Amount").

C. In consideration for the Loan, the Company shall issue to the Purchaser (i) a promissory note in the principal amount of the Loan Amount in the form attached hereto as Exhibit A (the "Note"), and (ii) the Investment Units (as defined below).

Agreement

Now, therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree hereby as follows:

1. Loan and Investment. Subject to the terms and conditions contained in this Agreement and the Note, at the Closing the Purchaser agrees to make a loan to the Company in an amount equal to the Loan Amount, and the Company agrees to (a) issue the Note, and (b) issue and sell to the Purchaser, the aggregate of 75 units of Class A Member Units (as such term is defined in the Operating Agreement defined below) (the "Investment Units"), at a purchase price of $0.01 per Investment Unit for a total purchase price of $0.75. Ownership of the Investment Units by Purchaser shall be evidenced by this Agreement.

2. Closing. The consummation of the Loan and issuance of the Investment Units (the "Closing") will take place on the date that the conditions set forth in Section 3 are satisfied.

3. Conditions to Obligations of the Company. The obligations of the Company to issue the Note and the Investment Units to the Purchaser at the Closing is subject to the fulfillment, before or at the time of the Closing, of each of the following conditions:

(a) The Purchaser shall have executed and delivered to the Company (i) this Agreement, and (ii) a joinder to the Amended and Restated Operating Agreement, effective April 25, 2013 (the "Operating Agreement"), by and among the Company, those persons listed on Schedule 1 to the Operating Agreement, and each of Richard C. Harkins, George T. Simmons, Bruce Orr and Robert J. Kerrigan, as the managers of the Company acting as the Executive Committee.

(b) The Purchaser shall pay to the Company the Loan Amount in immediately available funds.

(c) The representations and warranties made by the Purchaser shall be accurate and true in all respects when made at the time of the Closing.

4. Representations of the Purchaser. Knowing that the Company will rely on the following information to determine the applicability of various securities laws, the suitability of the Purchaser as a member of the Company and for certain other purposes, the Purchaser hereby covenants, represents and warrants to the Company as follows:

EXHIBIT
S-7
ADMITTED

(a) The Purchaser has adequate means of providing for the Purchaser's current needs and possible contingencies and has no need for liquidity of the investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of the investment in the Investment Units, and (iii) has such knowledge and experience that the Purchaser is capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is the correct residence of the Purchaser, and the Purchaser has no present intention of becoming a resident of any other state or jurisdiction.

(c) All documents, records and books pertaining to the Company and the Investment Units requested by the Purchaser, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to the Purchaser.

(d) The Purchaser is Class B Member (as defined in the Operating Agreement) and has been furnished with a copy of the Confidential Private Offering Memorandum dated April 12, 2013 relative to the Company and its business.

(e) The Purchaser has had an opportunity to ask questions of and receive answers from the Company and its officers and representatives concerning the Company's affairs generally and the terms and conditions of the Purchaser's proposed investment in the Company.

(f) The Purchaser understands the risks implicit in the business of the Company. Among other things, the Purchaser understands that the Company was recently formed to act as the advisor to one or more real estate investment trusts and/or funds ("REITs and/or Funds"). The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. The Company will have immediate use of the Purchaser's funds, and proceeds of the Purchaser's investment may not be sufficient for the Company's long-term needs.

(g) The Company's sole business will be to act as the advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks.

(h) The Purchaser is making the investment based solely upon the Purchaser's own investigation and evaluation.

(i) The investment the Purchaser is making is being made solely for the Purchaser's own account, for investment and is not being made with a view to or for resale or distribution. The Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Note or the Investment Units by anyone but the Purchaser.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the Closing and shall survive the Closing. If, in any respect, such representations and warranties are not true and accurate prior to the Closing, the Purchaser will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

5. Miscellaneous.

(a) This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Arizona, without resort to conflict of law principles.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

(c) Time is of the essence of this Agreement.

ORIGINAL

(d) This Agreement will be binding upon and inure to the benefit of the successors and assigns of the parties hereto; however, this Agreement will not confer any rights or remedies upon any person other than the parties hereto and their respective successors and assigns. The Purchaser may not assign this Agreement to any other party without the prior written consent of the Company.

(e) Each covenant, provision and condition of this Agreement will be interpreted in such a manner as to be valid and effective under applicable law. If any such covenant, provision or condition will be held to be void or invalid, the same will not affect the remainder hereof, which will be valid and effective as though the void or invalid covenant, provision or condition had not been contained herein.

6. Ownership Information. Please print here the total principal amount of loan to be made to the Company, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 250,000

NAME(S): 1) Rodney Eaves

2) Melissa Eaves

SOCIAL SECURITY #(S): 1) [redacted]

2) [redacted]

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
___X_ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
_____ IRA
_____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:

[redacted]
Street Address

[redacted] AZ [redacted]
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

_____

Street Address (If P.O. Box, include address for surface delivery if different than residence)

_____

City State Zip

PHONE: Home: [redacted]

Business: (____) _____

Facsimile: (____) _____

7. Date and Signatures.

Dated July 12, 2013.

Purchaser Signatures: Purchaser Name: (Print)

Rodney L. Eaves

Melissa A. Eaves

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: President

DATED: 7/12, 2013

12-6-12

State

DR# 8

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. _____ of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

✓ 1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

✓ B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

___ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

___ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

___ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

EXHIBIT
S-8
ADMITTED

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

$ 50,000

(i) An executed Series A 12-6-12 Note from the Company in the amount of $ 100,000 ;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of 4/10 of one Class B Unit(s).

1/5

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

___ $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

___ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

✓ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:
Relationship with Sponsor

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not ✓, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement.

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ ~~100,000~~ 50,000

NAME(S): 1) Robert L. Burleson

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Ownership shall be taken in the Investment Units as follows:

✓ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
_____ IRA
_____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS: [redacted]

Street Address

[redacted] [redacted]

City State Zip

MAILING ADDRESS: (Complete only if different from residence)

_____

Street Address (If P.O. Box, include address for surface delivery if different than residence)

_____

City State Zip

ACC000894
FILE #8503

PHONE: Home: [redacted]

Business: (____) _____

Facsimile: (____) _____

Date and Signatures.

Dated 5-30-, 2013

Purchaser(s) Signatures: Purchaser Name: (Print)

Roberta L. Burleson Roberta L. Burleson

_____ _____

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: President

DATED: 5/30, 2013

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. 21 of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

___ A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

___ B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

___ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

___ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

___ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

EXHIBIT
S-9
ADMITTED

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $ 100,000 ;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of 4 Class B Unit(s).

ACC000831
FILE #8503

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

X $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

X $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not X, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement.

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 100,000

NAME(S): 1) RICHARD J. WOODS

2) SHARON F. WOODS

SOCIAL SECURITY #(S): 1) [redacted]

2) [redacted]

Ownership shall be taken in the Investment Units as follows:

____ Single Person
X Husband and Wife, as community property
____ Joint Tenants (with right of survivorship)
____ Tenants in Common
____ A Married Person as separate property
____ Corporation or Other Organization
____ A Partnership
____ Trust
____ IRA
____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:
[redacted]
Street Address

[redacted] AZ [redacted]
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

Street Address (If P.O. Box, include address for surface delivery if different than residence)

City State Zip

PHONE: Home: [redacted]

Business:

Facsimile: (_____) _____

Date and Signatures.

Dated June 25, 2013

Purchaser(s) Signatures:	Purchaser Name: (Print)
	RICHARD L. WOODS
	SHARON F. WOODS

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: President

DATED: 7/2/ _____, 2013

ACC000837
FILE #8503

DR#7 /12-612

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. 22 of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

____ A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

____ B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

____ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

____ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

____ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

EXHIBIT
S-10
ADMITTED

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $25,000.00;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of 1/10 Class B Unit(s).

(one ~~fourth~~ tenth of a Class B Unit)

ACC000879
FILE #8503

June 30, 2015

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

___ $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

X $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not X, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement.

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 25,000.00

NAME(S): 1) CAROLIN GROUP LLC

2) _____

SOCIAL SECURITY #(S): 1) _____

2) _____

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
_____ IRA
_X_ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:
[redacted]
Street Address
[redacted] AZ [redacted]
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

[redacted]
Street Address (If P.O. Box, include address for surface delivery if different than residence)

[redacted] AZ [redacted]
City State Zip

ACC000884
FILE #8503

PHONE: Home:

Business:

Facsimile:

[redacted]

Date and Signatures.

Dated JUNE 30, 2013

Purchaser(s) Signatures:

Purchaser Name: (Print)

KATHLEEN A CAROLIN

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By:

Its: President

DATED: 7-15, 2013

Azte

Dcd 5/
12-6-12

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. 31 of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

____ A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

____ B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

____ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

____ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

____ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

EXHIBIT
S-11
ADMITTED

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $_____;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of Investment Unit(s).

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

X $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

___ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not X, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

Investor attested: Accredited Net Worth

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement.

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount and number (percentage) of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 50,000

NUMBER (PERCENTAGE) INTEREST OF SERIES A 12-6-12 NOTES: 2/10 of 1 ~~trust~~ Note

NUMBER (PERCENTAGE) INTEREST OF CLASS B UNITS: 2/10 of 1 Unit

NAME(S): 1) CHEYENNE KASSIE LLC

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
X IRA
_____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:

[redacted]
Street Address

[redacted] ARIZONA [redacted]
City State Zip

ACC000865
FILE #8503

IRA

MAILING ADDRESS: (Complete only if different from residence)

Street Address (If P.O. Box, include address for surface delivery if different than residence)

City State Zip

PHONE: Home: [redacted]

Business: (____) _____

Facsimile: (____) _____

Date and Signatures.

Dated OCT 2, 2013

Purchaser(s) Signatures: Purchaser Name: (Print)

WILLIAM T. JORDAN

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By:

Its: President

DATED: 10/2, 2013

DR#4 12-6-12

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. 26 of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

✓ 1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

✓* B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records. * PARAGRAPH 8 TO BE COMPLETED BY USA BARCELONA REALTY ADVISORS

✓ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

✓ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

✓ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

FUNDS TO BE WIRE TRANSFERRED

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $_____;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of Investment Unit(s).

EXHIBIT S-12 ADMITTED

RK

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

RAK

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

X $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

___ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not X, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

RLK

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

KR

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement .

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

BK

8. Ownership Information. Please print here the total principal amount and number (percentage) of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 100,000.00

NUMBER (PERCENTAGE) INTEREST OF SERIES A 12-6-12 NOTES: _____

NUMBER (PERCENTAGE) INTEREST OF CLASS B UNITS: _____

NAME(S): 1) RJR GROUP, LLC
2) RIDICK J. RAMIREZ

SOCIAL SECURITY #(S): 1) [redacted]
2) _____

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
X IRA
X Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:

[redacted]
Street Address

[redacted], AZ [redacted]
City State Zip

ACC000856
FILE #8503

RJR

MAILING ADDRESS: (Complete only if different from residence)

Street Address (If P.O. Box, include address for surface delivery if different than residence)

City State Zip

PHONE: Home:

CELL

~~Business:~~

Facsimile:

[redacted]

Date and Signatures.

Dated 19 SEP, 2013

Purchaser(s) Signatures: Purchaser Name: (Print)

RIDICK J. RAMIREZ

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By:

Its: President

DATED: 10/22, 2013

ACC000857
FILE #8503

State

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. 30 of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

____ A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

____ B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

____ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

____ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

____ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

3. **YOU WILL RECEIVE**: Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $50,000.00

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of Investment Unit(s).

EXHIBIT
S-13
ADMITTED

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

X $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

___ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not X, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement .

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

DC

8. Ownership Information. Please print here the total principal amount and number (percentage) of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 50,000.00

NUMBER (PERCENTAGE) INTEREST OF SERIES A 12-6-12 NOTES: 1/2 of 1 B NOTE

NUMBER (PERCENTAGE) INTEREST OF CLASS B UNITS: 5% of the B units

NAME(S): 1) NANCY CHAIMSON REVOCABLE TRUST

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
X Trust
_____ IRA
_____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust NANCY CHAIMSON REVOCABLE TRUST

(iv) For the benefit of NANCY CHAIMSON TTE

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:
[redacted]
Street Address

[redacted] ARIZONA [redacted]
City State Zip

ACC000845
FILE #8503

NC

MAILING ADDRESS: (Complete only if different from residence)

Street Address (If P.O. Box, include address for surface delivery if different than residence)

City State Zip

PHONE: Home: [redacted]

Business: (____) _____

Facsimile: (____) _____

Date and Signatures.

Dated Nov 25, 2013

Purchaser(s) Signatures: Nancy Chaimson

Purchaser Name: (Print) NANCY CHAIMSON

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By: [illegible]

Its: President

DATED: 11.25, 2013

NC

STATE OF ARIZONA
CORPORATION COMMISSION

To all to Whom these Presents shall Come Greeting:

I, JODI JERICH, EXECUTIVE DIRECTOR OF THE ARIZONA CORPORATION COMMISSION, DO HEREBY CERTIFY THAT

The attached is a true, complete and correct copy of the SETTLEMENT AGREEMENT AND ORDER as issued by this Commission on June 1st, 2006, in DOCKET NO. S-03491A-02-0000, bearing Decision No. 68714 IN THE MATTER OF:

Paul J. Meka and Carol Meka

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX,

THIS 21st DAY of December, 2015.

Jodi A. Jerich

EXECUTIVE DIRECTOR

EXHIBIT
S-14a
ADMITTED

0000050760

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED

JUN 0 1 2006

DOCKETED BY CAR

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

In the matter of: PAUL J. MEKA and CAROL MEKA, husband and wife 10038 North 58th Place Scottsdale, AZ 85253 Respondents.	Docket No. S-03491A-02-0000 **SETTLEMENT AGREEMENT AND ORDER RE: SAME BY: PAUL AND CAROL MEKA** Decision No. **68714**

I. SETTLEMENT AGREEMENT.

1. Plaintiff, the Arizona Corporation Commission ("Commission"), and Defendants Paul J. Meka and spouse Carol Meka ("Meka"), parties in the case of *Arizona Corporation Commission v. American National Mortgage Partners L.L.C. et al.*, Maricopa County Superior Court No. CV2003-005724 (the "lawsuit"), desire to resolve the portion of the lawsuit involving them and thus enter into this Settlement Agreement ("Agreement").

2. In settlement of the lawsuit, Meka elects to permanently waive their right to a trial of the lawsuit. Meka admits the jurisdiction of the Superior Court over the subject matter of this lawsuit.

3. Meka consents to the entry of the Proposed Judgment attached as Exhibit B to this Agreement.

4. Meka neither admits nor denies that he offered and sold interests through ANMP while the interests were not registered and Paul J. Meka was not registered to offer and sell securities violating A.R.S. §§ 44-1841, 1842 and 44-2032.

5. Meka neither admits nor denies that he violated A.R.S. §44-1991, either directly or indirectly, when he offered and sold interests through ANMP. The Commission alleges that Meka

employed devices, schemes or artifices to defraud, made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made and/or engaged in any transaction, practice or course of business which operated or would operate as a fraud or deceit when Meka offered and sold interests through ANMP.

6. Paul J. Meka acknowledges that he was the subject of a prior Cease and Desist Order of the Commission, Docket No. S-03469A-01-0000, Decision No. 64653.

7. Meka, pursuant to A.R.S. § 44-2032, agrees that they shall permanently be enjoined from violating the Securities Act.

8. Meka and the marital community of Paul J. Meka and Carol Meka agree to entry of judgment against it of $81,000 in disgorgement of commissions and trustee fees.

9. Meka agrees that the funds paid for disgorgement will be turned over to the Receiver assigned to this matter and will be used to fund restitution to investors. If at the time Meka pays the disgorgement amount, the Receiver has already fully repaid investors for their losses, Meka's repayment would then go to the state of Arizona general fund.

10. Pursuant to A.R.S. § 44-2037, Meka and the marital community of Paul J. Meka and Carol Meka agree to pay a civil penalty of $30,000. The civil penalty will be reduced to $19,000 if disgorgement and penalties are paid within six months from the date of this order.

11. Pursuant to A.R.S. § 44-2032(1)(a), Meka and the marital community of Paul J. Meka and Carol Meka agree to pay $20,000 for contempt of a previous Commission order, Docket No. S-03469A-01-0000, Decision No. 64653 related to prior but similar activities.

12. Meka acknowledges that they have been fully advised of their right to a trial to present evidence and call witnesses and Meka knowingly and voluntarily waive any and all rights to a trial of this matter.

13. Meka knowingly and voluntarily waive any right they may have under to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of Exhibit B, the proposed judgment.

14. Meka acknowledges and agrees that this Agreement is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

15. Meka acknowledges that they have been represented by counsel in this matter, they have reviewed this Agreement with their attorney and understand all terms it contains.

16. By consenting to the entry of the Judgment, Meka agrees to refrain from taking any action or to making, or permitting to be made, any public statement denying, directly or indirectly, or calculated to create the impression that the legal conclusions contained in Paragraphs 4 and 5 of the Agreement are without merit.

17. While this Order settles the lawsuit between Meka and the Commission, Meka understands that this Order does not preclude the Commission from instituting other administrative or civil proceedings based on violations that are not addressed by the lawsuit.

18. Meka understands that this Agreement does not preclude the Commission from referring this matter to any governmental agency for administrative, civil, or criminal proceedings that may be related to the matters addressed by the lawsuit.

19. Meka understands that this Agreement does not preclude any other agency or officer of any governmental agency or its subdivisions from instituting administrative, civil or criminal proceedings that may be related to matters addressed by this Agreement or the lawsuit.

20. Meka agrees that they will not exercise any control over any entity that offers or sells securities or provides investment advisory services, within or from Arizona.

21. Meka understands that default shall render them liable to the Commission for its costs of collection and interest at the legal rate determined by law.

22. Meka agrees that they will continue to cooperate with the Securities Division including, but not limited to, providing truthful, complete and accurate testimony at any hearing or

trial in this matter and cooperating with any governmental agency in any related investigation or any other matters arising from the activities described in the lawsuit.

23. Meka agrees not to challenge the imposition or continuation of the Receivership.

24. Each party shall bear its own attorneys' fees and costs.

25. Meka acknowledges that this Agreement must be approved by the Commission at a noticed Open Meeting.

26. The Commission and Meka agree that upon approval of this Agreement, their counsel shall as soon as practicable execute and cause to be filed the attached Stipulation to Entry of Judgment (Exhibit A to this Agreement) and Judgment (Exhibit B to this Agreement).

27. Meka acknowledges that at all relevant times, Meka acted for their individual benefit and for the benefit or in furtherance of their marital community.

28. Paul J. Meka and Carol Meka acknowledge that any restitution or penalties imposed by this Order are obligations of Paul J. Meka as well as the marital community.

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29. This Agreement resolves the lawsuit brought by the Commission against Meka. It does not resolve the portion of the lawsuit pertaining to any other named Defendant.

OFFICIAL SEAL
HERNAN CHARRY
NOTARY PUBLIC – ARIZONA
MARICOPA COUNTY
My Comm. Expires April 19, 2009

Paul J. Meka

SUBSCRIBED AND SWORN TO BEFORE me this 11th day of May, 2006.

NOTARY PUBLIC

My Commission Expires:
4.19.09

Carol Meka

SUBSCRIBED AND SWORN TO BEFORE me this 11th day of May, 2006.

OFFICIAL SEAL
HERNAN CHARRY
NOTARY PUBLIC – ARIZONA
MARICOPA COUNTY
My Comm. Expires April 19, 2009

NOTARY PUBLIC

My Commission Expires:
4-19-09.

II.

ORDER

The Arizona Corporation Commission ("Commission") having reviewed the Settlement Agreement entered into between Paul J. Meka, spouse Carol Meka and the Securities Division of the Commission ("Division") and finding the Settlement Agreement to be in the public interest, the Commission finds that the following Order is appropriate and in the public interest:

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IT IS ORDERED that the Settlement Agreement between the Commission and Meka is approved.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN COMMISSIONER

COMMISSIONER COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 1st day of June, 2006.

BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

(wc)

Exhibit A

ARIZONA CORPORATION COMMISSION
Wendy Coy, #013195
1300 West Washington, 3rd Floor
Phoenix, Arizona 85007
Attorney for Plaintiff
Telephone: (602) 542-0633
Fax: (602) 594-7418

STATE OF ARIZONA

MARICOPA COUNTY SUPERIOR COURT

ARIZONA CORPORATION COMMISSION Plaintiff v. AMERICAN NATIONAL MORTGAGE PARTNERS, L.L.C., et al. Defendants.	No. CV2003 005724 **STIPULATION FOR ENTRY OF JUDGMENT** **RE: PAUL J. MEKA and CAROL MEKA** (Assigned to the Honorable Timothy J. Ryan)

Plaintiff, the Arizona Corporation Commission and Defendants Paul J. Meka and Carol Meka, hereby stipulate to entry of the attached Judgment.

Dated this _____ day of May, 2006.

ARIZONA CORPORATION COMMISSION

By _____
Wendy Coy
Attorney for the Arizona Corporation Commission

Dated this _____ day of May, 2006.

MILLER LASOTA & PETERS PLC

By _____
Donald M. Peters, Esq.
Attorney for Paul J. and Carol Meka

Copies of the foregoing hand delivered
this ____ of _____, 2006

Maricopa County Superior Court
Honorable Timothy J. Ryan
201 W. Jefferson ECB-614
Phoenix, Arizona 85003-2205

Copies of the foregoing mailed
this ____ of _____, 2006:

James P. Kneller, Esq.
7509 E. First St.
Scottsdale, Arizona 85251
Attorney for Defendants Rehm and Rutledge

Mark Chester, Esq.
Chester & Shein, P.C.
8777 North Gainey Center Drive, Suite 191
Scottsdale, Arizona 85258
Attorney for Defendant Kesler

Larry Wilk, Esq.
Jaburg & Wilk
3200 N. Central Ave. Suite 2000
Phoenix, Arizona 85012-2440
Attorney for Receiver

Donald M. Peters, Esq.
Miller LaSota & Peters PLC
722 E. Osborn, Suite 100
Phoenix, Arizona 85014
Attorney for Defendant Paul and Carol Meka

Michael J. LaVelle
Matthew K. LaVelle
LaVelle & LaVelle, PLC
2525 East Camelback Road, Suite 888
Phoenix, AZ 85016
Attorney for Defendants Sheila Dunning and Debus, Kazan & Westerhausen

Dustin T. Dudley, Esq.
Israel & Gerity, PLLC
3300 N. Central Avenue Suite 2000
Phoenix, AZ 85012

Michael Salcido, Esq.
Renaud, Cook & Drury, P.A.
40 N. Central, Suite 1600
Phoenix, Arizona 85004
Attorneys for Frank and Gail Caspare

Phil and Tricia Vigarino
41916 N 45th GLN
Phoenix, AZ 85086-1455

Larry and Sheila Dunning
2914 S. Ocean Blvd.
Highland Beach, FL 33487

Eric Strasser
2851 Bedford Lane #176
Chino Hills, CA 91709

Exhibit B

ARIZONA CORPORATION COMMISSION
Wendy Coy, #013195
1300 West Washington, 3rd Floor
Phoenix, Arizona 85007
Attorney for Plaintiff
Telephone: (602) 542-0633
Fax: (602) 594-7418

STATE OF ARIZONA

MARICOPA COUNTY SUPERIOR COURT

ARIZONA CORPORATION COMMISSION Plaintiff v. AMERICAN NATIONAL MORTGAGE PARTNERS, L.L.C., et al. Defendants.	No. CV2003 005724 **JUDGMENT** **RE: PAUL J. MEKA and CAROL MEKA** (Assigned to the Honorable Timothy J. Ryan)

Upon stipulation of Plaintiff, the Arizona Corporation Commission ("Commission") and Defendants Paul J. Meka and spouse Carol Meka ("Meka") and good cause appearing:

IT IS HEREBY ORDERED pursuant to A.R.S. § 44-2032 Meka shall be permanently enjoined from violations of the Arizona Securities Act, A.R.S. § 44-1801 *et seq.*

IT IS FURTHER ORDERED that judgment shall be entered in favor of the Commission against Paul J. Meka and spouse Carol Meka in the amount of $81,000.

IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2037, civil penalty shall be imposed against Paul J. Meka and spouse Carol Meka in the amount of $30,000. The civil penalty will be reduced to $19,000 if disgorgement and penalties are paid within six months from the date of this order.

IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2032, civil penalty for contempt of a prior Commission order shall be imposed against Paul J. Meka and spouse Carol Meka in the amount of $20,000.

IT IS FURTHER ORDERED that the Commission and Meka shall bear their own attorneys' fees and costs.

IT IS FURTHER ORDRED that interest shall accrue on all damages at the legal rate of ten percent per annum from date of entry of this Judgment until fully paid.

IT IS FURTHER ORDERED that there is no just reason for delay and this judgment shall be entered immediately.

ORDERED this ____ day of May, 2006.

Honorable Timothy J. Ryan
Judge of the Superior Court

Copies of the foregoing mailed
this ____ of _____, 2006:

James P. Kneller, Esq.
7509 E. First St.
Scottsdale, Arizona 85251
Attorney for Defendants Rehm and Rutledge

Mark Chester, Esq.
Chester & Shein, P.C.
8777 North Gainey Center Drive, Suite 191
Scottsdale, Arizona 85258
Attorney for Defendant Kesler

Larry Wilk, Esq.
Jaburg & Wilk
3200 N. Central Ave. Suite 2000
Phoenix, Arizona 85012-2440
Attorney for Receiver

Donald M. Peters, Esq.
Miller LaSota & Peters PLC
722 E. Osborn, Suite 100
Phoenix, Arizona 85014
Attorney for Defendant Paul and Carol Meka

Michael J. LaVelle
Matthew K. LaVelle
LaVelle & LaVelle, PLC
2525 East Camelback Road, Suite 888
Phoenix, AZ 85016
Attorney for Defendants Sheila Dunning and Debus, Kazan & Westerhausen

Dustin T. Dudley, Esq.
Israel & Gerity, PLLC
3300 N. Central Avenue Suite 2000
Phoenix, AZ 85012

Michael Salcido, Esq.
Renaud, Cook & Drury, P.A.
40 N. Central, Suite 1600
Phoenix, Arizona 85004
Attorneys for Frank and Gail Caspare

Phil and Tricia Vigarino
41916 N 45th GLN
Phoenix, AZ 85086-1455

Larry and Sheila Dunning
2914 S. Ocean Blvd.
Highland Beach, FL 33487

Eric Strasser
2851 Bedford Lane #176
Chino Hills, CA 91709

ARIZONA CORPORATION COMMISSION
Wendy Coy, #013195
1300 West Washington, 3rd Floor
Phoenix, Arizona 85007
Attorney for Plaintiff
Telephone: (602) 542-0633
Fax: (602) 594-7418

FILED
6-19-06 2:35PM
MICHAEL K. JEANES, Clerk
By B Navarro
Deputy

STATE OF ARIZONA

MARICOPA COUNTY SUPERIOR COURT

ARIZONA CORPORATION COMMISSION	No. CV2003 005724
Plaintiff	**JUDGMENT**
v.	**RE: PAUL J. MEKA and CAROL MEKA**
AMERICAN NATIONAL MORTGAGE PARTNERS, L.L.C., et al.	(Assigned to the Honorable Timothy J. Ryan)
Defendants.	

Upon stipulation of Plaintiff, the Arizona Corporation Commission ("Commission") and Defendants Paul J. Meka and spouse Carol Meka ("Meka") and good cause appearing:

IT IS HEREBY ORDERED pursuant to A.R.S. § 44-2032 Meka shall be permanently enjoined from violations of the Arizona Securities Act, A.R.S. § 44-1801 *et seq.*

IT IS FURTHER ORDERED that judgment shall be entered in favor of the Commission against Paul J. Meka and spouse Carol Meka in the amount of $81,000.

IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2037, civil penalty shall be imposed against Paul J. Meka and spouse Carol Meka in the amount of $30,000. The civil penalty will be reduced to $19,000 if disgorgement and penalties are paid within six months from the date of this order.

IT IS FURTHER ORDERED that pursuant to A.R.S. § 44-2032, civil penalty for contempt of a prior Commission order shall be imposed against Paul J. Meka and spouse Carol Meka in the amount of $20,000.

EXHIBIT
S-146
ADMITTED

IT IS FURTHER ORDERED that the Commission and Meka shall bear their own attorneys' fees and costs.

IT IS FURTHER ORDRED that interest shall accrue on all damages at the legal rate of ten percent per annum from date of entry of this Judgment until fully paid.

IT IS FURTHER ORDERED that there is no just reason for delay and this judgment shall be entered immediately.

ORDERED this 16th day of JUNE, 2006.

Honorable Timothy J. Ryan
Judge of the Superior Court

Copies of the foregoing mailed
this 19th of June, 2006:

James P. Kneller, Esq. 7509 E. First St. Scottsdale, Arizona 85251 Attorney for Defendants Rehm and Rutledge	Mark Chester, Esq. Chester & Shein, P.C. 8777 North Gainey Center Drive, Suite 191 Scottsdale, Arizona 85258 Attorney for Defendant Kesler
Larry Wilk, Esq. Jaburg & Wilk 3200 N. Central Ave. Suite 2000 Phoenix, Arizona 85012-2440 Attorney for Receiver	Donald M. Peters, Esq. Miller LaSota & Peters PLC 722 E. Osborn, Suite 100 Phoenix, Arizona 85014 Attorney for Defendant Paul and Carol Meka
LaVelle & LaVelle, PLC 2525 East Camelback Road, Suite 888 Phoenix, Arizona 85016 Attorneys for Defendants Sheila Dunning and Debus, Kazan & Westerhausen	Dustin T. Dudley, Esq. Israel & Gerity, PLLC 3300 N. Central Avenue Suite 2000 Phoenix, AZ 85012
Eric Strasser 2851 Bedford Lane #176 Chino Hills, CA 91709	Phil and Tricia Vigarino 41916 N 45th GLN Phoenix, Arizona 85086-1455
Frank and Gail Caspare 27 Taconic Road Millwood, NY 10546	Larry Dunning 2914 S. Ocean Blvd. Highland Beach, FL 33487
Kenneth B. Vaughn Grant & Vaughn, P.C. 6225 North 24th Street, Suite 125 Phoenix, Arizona 85016 Attorneys for Larry Dunning	Dennis J. Wortman, P.C. 2700 North Central Avenue, Suite 850 Phoenix, Arizona 85004-1162 Attorney for Mark Kesler
Micheal Salcido Renaud, Cook, Drury Mesaros PA The Phelps Dodge Tower One North Central, Suite 900 Phoenix, Arizona 85004	

Official Form 1 (1/08)

United States Bankruptcy Court DISTRICT OF *ARIZONA*	Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): *AVC Villa del Lago at Ocotillo DevCo, LLC,an Arizona limited liability company*	Name of Joint Debtor (Spouse)(Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): *fka AVC Sweetwater Village, LLC, dba Villa del Lago*	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Indvidual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): [redacted]	Last four digits of Soc. Sec. or Indvidual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): [redacted] [redacted] AZ ZIPCODE [redacted]	Street Address of Joint Debtor (No & Street, City, and State) ZIPCODE
County of Residence or of the Principal Place of Business: *Maricopa*	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): *SAME* ZIPCODE	Mailing Address of Joint Debtor (if different from street address): ZIPCODE
Location of Principal Assets of Business Debtor (if different from street address above) *Chandler, Arizona*	ZIPCODE

Type of Debtor (Form of organization) (Check one box.)

- ☐ Individual (includes Joint Debtors) *See Exhibit D on page 2 of this form.*
- ☒ Corporation (includes LLC and LLP)
- ☐ Partnership
- ☐ Other (if debtor is not one of the above entities, check this box and state type of entity below

Nature of Business (Check one box.)

- ☐ Health Care Business
- ☐ Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)
- ☐ Railroad
- ☐ Stockbroker
- ☐ Commodity Broker
- ☐ Clearing Bank
- ☒ Other *Real Estate*

Tax-Exempt Entity (Check box, if applicable.)

- ☐ Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).

Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)

- ☐ Chapter 7
- ☐ Chapter 9
- ☒ Chapter 11
- ☐ Chapter 12
- ☐ Chapter 13
- ☐ Chapter 15 Petition for Recognition of a Foreign Main Proceeding
- ☐ Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding

Nature of Debts (Check one box)

- ☐ Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose"
- ☒ Debts are primarily business debts.

Chapter 11 Debtors:

Check one box:

- ☐ Debtor is a small business as defined in 11 U.S.C. § 101(51D).
- ☒ Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).

Check if:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $2,190,000.

Check all applicable boxes:

- ☐ A plan is being filed with this petition
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

Filing Fee (Check one box)

- ☒ Full Filing Fee attached
- ☐ Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.
- ☐ Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Offi cial Form 3B.

Statistical/Administrative Information

- ☒ Debtor estimates that funds will be available for distribution to unsecured creditors.
- ☐ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

THIS SPACE IS FOR COURT USE ONLY

Estimated Number of Creditors

☒	☐	☐	☐	☐	☐	☐	☐	☐	☐
1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000

Estimated Assets

☐	☐	☐	☐	☒	☐	☐	☐	☐	☐
$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	$100,000,001 to $500 million	$500,000,001 to $1 billion	More than $1 billion

Estimated Liabilities

☐	☐	☐	☐	☒	☐	☐	☐	☐	☐
$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	$100,000,001 to $500 million	$500,000,001 to $1 billion	More than $1 billion

EXHIBIT S-15 ADMITTED

ACC005987
FILE #8503

Voluntary Petition (This page must be completed and filed in every case)	Name of Debtor(s): AVC Villa del Lago at Ocotillo DevCo, LLC, an Arizona limited liability company

All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed:	Case Number:	Date Filed:
NONE		
Location Where Filed:	Case Number:	Date Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor:	Case Number:	Date Filed:
District:	Relationship:	Judge:

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under Chapter 11)

☐ Exhibit A is attached and made a part of this petition

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. §342(b).

X _____ 6/10/2008

Signature of Attorney for Debtor(s) Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and exhibit C is attached and made a part of this petition.
☒ No

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☐ Exhibit D completed and signed by the debtor is attached and made part of this petition.

If this is a joint petition:

☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue

(Check any applicable box)

☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property

(Check all applicable boxes.)

☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

_____
(Name of landlord that obtained judgment)

_____
(Address of landlord)

☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

☐ Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

ACC005988
FILE #8503

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s):
AVC Villa del Lago at Ocotillo DevCo, LLC, an Arizona limited liability company

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b)

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

_____
Telephone Number (if not represented by attorney)

_____
Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
(Signature of Foreign Representative)

_____
(Printed name of Foreign Representative)

6/10/2008
(Date)

Signature of Attorney*

X /s/ Dale C. Schian
Signature of Attorney for Debtor(s)

Dale C. Schian #010445
Printed Name of Attorney for Debtor(s)

Schian Walker, P.L.C.
Firm Name

3550 North Central Ave., #1700
Address

Phoenix AZ 85012-2115

(602) 277-1501
Telephone Number

6/10/2008
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

_____
Printed Name and title, if any, of Bankruptcy Petition Preparer

_____
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

_____
Address

_____

X _____

_____
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ See Attached
Signature of Authorized Individual

See Attached
Printed Name of Authorized Individual

_____
Title of Authorized Individual

6/10/2008
Date

ACC005989
FILE #8503

AVC VILLA DEL LAGO
AT OCOTILLO DEVCO, LLC,
an Arizona limited liability company (the "**Company**")

By: AVC Villa del Lago at Ocotillo, LLC, an
Arizona limited liability company,
manager of the Company (the "**Manager**")

By: The Arizona Village Communities Operating
Company, an Arizona corporation,
sole member and manager of the Manager and
member of the Company

By_____
Richard C. Harkins, President

102597.1

Official Form 1 (1/08)

United States Bankruptcy Court DISTRICT OF ARIZONA	Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): AVC Estrella Village DevCo, LLC, an Arizona limited liability company	Name of Joint Debtor (Spouse)(Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): dba The Villas at Mountain Ranch	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): [redacted]	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): [redacted] [redacted] AZ ZIPCODE [redacted]	Street Address of Joint Debtor (No. & Street, City, and State): ZIPCODE
County of Residence or of the Principal Place of Business: Maricopa	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): SAME ZIPCODE	Mailing Address of Joint Debtor (if different from street address): ZIPCODE
Location of Principal Assets of Business Debtor (if different from street address above) Goodyear, Arizona	ZIPCODE

Type of Debtor (Form of organization) (Check one box.)

- ☐ Individual (includes Joint Debtors) *See Exhibit D on page 2 of this form.*
- ☒ Corporation (includes LLC and LLP)
- ☐ Partnership
- ☐ Other (if debtor is not one of the above entities, check this box and state type of entity below

Nature of Business (Check one box.)

- ☐ Health Care Business
- ☐ Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)
- ☐ Railroad
- ☐ Stockbroker
- ☐ Commodity Broker
- ☐ Clearing Bank
- ☒ Other Real Estate

Tax-Exempt Entity (Check box, if applicable.)

- ☐ Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).

Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)

- ☐ Chapter 7
- ☐ Chapter 9
- ☒ Chapter 11
- ☐ Chapter 12
- ☐ Chapter 13
- ☐ Chapter 15 Petition for Recognition of a Foreign Main Proceeding
- ☐ Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding

Nature of Debts (Check one box)

- ☐ Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose"
- ☒ Debts are primarily business debts.

Chapter 11 Debtors:

Check one box:

- ☐ Debtor is a small business as defined in 11 U.S.C. § 101(51D).
- ☒ Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).

Check if:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $2,190,000.

Check all applicable boxes:

- ☐ A plan is being filed with this petition
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

Filing Fee (Check one box)

- ☒ Full Filing Fee attached
- ☐ Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.
- ☐ Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Offi cial Form 3B.

Statistical/Administrative Information

- ☒ Debtor estimates that funds will be available for distribution to unsecured creditors.
- ☐ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

THIS SPACE IS FOR COURT USE ONLY

Estimated Number of Creditors

☒	☐	☐	☐	☐	☐	☐	☐	☐	☐
1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000

Estimated Assets

☐	☐	☐	☐	☒	☐	☐	☐	☐	☐
$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	$100,000,001 to $500 million	$500,000,001 to $1 billion	More than $1 billion

Estimated Liabilities

☐	☐	☐	☐	☐	☒	☐	☐	☐	☐
$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	$100,000,001 to $500 million	$500,000,001 to $1 billion	More than $1 billion

EXHIBIT S-16 ADMITTED

ACC006178
FILE #8503

Voluntary Petition *(This page must be completed and filed in every case)*	Name of Debtor(s): AVC Estrella Village DevCo, LLC, an Arizona limited liability company	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)		
Location Where Filed: *NONE*	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:
Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)		
Name of Debtor: AVC Village Del Lago at Ocotillo DevCo, LLC	Case Number: 2-08-bk-06834-JMM	Date Filed: 06/10/08
District: Arizona	Relationship: Affiliate	Judge: James M. Marlar

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under Chapter 11)

☐ Exhibit A is attached and made a part of this petition

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. §342(b).

X

Signature of Attorney for Debtor(s) Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and exhibit C is attached and made a part of this petition.
☒ No

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☐ Exhibit D completed and signed by the debtor is attached and made part of this petition.

If this is a joint petition:

☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue

(Check any applicable box)

☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property

(Check all applicable boxes.)

☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord that obtained judgment)

(Address of landlord)

☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

☐ Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s):
AVC Estrella Village DevCo, LLC,
an Arizona limited liability company

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b)

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

_____
Telephone Number (if not represented by attorney)

_____
Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
(Signature of Foreign Representative)

_____
(Printed name of Foreign Representative)

_____
(Date)

Signature of Attorney*

X /s/ Dale C. Schian
Signature of Attorney for Debtor(s)

Dale C. Schian #010445
Printed Name of Attorney for Debtor(s)

Schian Walker, P.L.C.
Firm Name

3550 North Central Ave., #1700
Address

Phoenix AZ 85012-2115

(602) 277-1501
Telephone Number

_____
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

_____
Printed Name and title, if any, of Bankruptcy Petition Preparer

_____
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

_____
Address

_____

X _____

_____
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ See Attached
Signature of Authorized Individual

See Attached
Printed Name of Authorized Individual

_____
Title of Authorized Individual

_____
Date

ACC006180
FILE #8503

AVC ESTRELLA VILLAGE DEVCO, LLC (the "**Company**")

By: AVC Estrella Village, LLC, an Arizona limited liability company, manager and sole member of the Company ("the **Manager**")

By: The Arizona Village Communities Operating Company, an Arizona corporation, sole member and manager of the Manager

By_____

Richard C. Harkins, President

102596.1

ACC006181
FILE #8503

Official Form 1 (1/08)

United States Bankruptcy Court DISTRICT OF ARIZONA	Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): The Villas at Ocotillo, LLC, an Arizona limited liability company	Name of Joint Debtor (Spouse)(Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): fka Fox Village Villas at Ocotillo, LLC	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): [redacted]	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): [redacted] [redacted] AZ ZIPCODE [redacted]	Street Address of Joint Debtor (No. & Street, City, and State): ZIPCODE
County of Residence or of the Principal Place of Business:	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): SAME ZIPCODE	Mailing Address of Joint Debtor (if different from street address): ZIPCODE
Location of Principal Assets of Business Debtor (if different from street address above) Chandler, Arizona ZIPCODE	

Type of Debtor (Form of organization)
(Check one box.)

- ☐ Individual (includes Joint Debtors) *See Exhibit D on page 2 of this form.*
- ☒ Corporation (includes LLC and LLP)
- ☐ Partnership
- ☐ Other (if debtor is not one of the above entities, check this box and state type of entity below

Nature of Business
(Check one box.)

- ☐ Health Care Business
- ☐ Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)
- ☐ Railroad
- ☐ Stockbroker
- ☐ Commodity Broker
- ☐ Clearing Bank
- ☒ Other Real Estate

Tax-Exempt Entity
(Check box, if applicable.)

- ☐ Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).

Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)

- ☐ Chapter 7
- ☐ Chapter 9
- ☒ Chapter 11
- ☐ Chapter 12
- ☐ Chapter 13
- ☐ Chapter 15 Petition for Recognition of a Foreign Main Proceeding
- ☐ Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding

Nature of Debts (Check one box)

- ☐ Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose"
- ☒ Debts are primarily business debts.

Filing Fee (Check one box)

- ☒ Full Filing Fee attached
- ☐ Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.
- ☐ Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.

Chapter 11 Debtors:

Check one box:

- ☐ Debtor is a small business as defined in 11 U.S.C. § 101(51D).
- ☒ Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).

Check if:

- ☐ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than $2,190,000.

Check all applicable boxes:

- ☐ A plan is being filed with this petition
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

Statistical/Administrative Information

- ☒ Debtor estimates that funds will be available for distribution to unsecured creditors.
- ☐ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

THIS SPACE IS FOR COURT USE ONLY

Estimated Number of Creditors	1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	Over 100,000
	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐

Estimated Assets	$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	$100,000,001 to $500 million	$500,000,001 to $1 billion	More than $1 billion
	☐	☐	☐	☐	☒	☐	☐	☐	☐	☐

Estimated Liabilities	$0 to $50,000	$50,001 to $100,000	$100,001 to $500,000	$500,001 to $1 million	$1,000,001 to $10 million	$10,000,001 to $50 million	$50,000,001 to $100 million	$100,000,001 to $500 million	$500,000,001 to $1 billion	More than $1 billion
	☐	☐	☐	☐	☐	☒	☐	☐	☐	☐

EXHIBIT
S-17
ADMITTED

ACC006182
FILE #8503

Voluntary Petition *(This page must be completed and filed in every case)*	Name of Debtor(s): The Villas at Ocotillo, LLC, an Arizona limited liability company

All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

Location Where Filed:	Case Number:	Date Filed:
NONE		
Location Where Filed:	Case Number:	Date Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)

Name of Debtor:	Case Number:	Date Filed:
AVC Villa Del Lago at Ocotillo DevCo, LLC	2-08-bk-06834-JMM	06/10/08
District:	Relationship:	Judge:
Arizona	Affiliate	James M. Marlar

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under Chapter 11)

☐ Exhibit A is attached and made a part of this petition

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. §342(b).

X

Signature of Attorney for Debtor(s) Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and exhibit C is attached and made a part of this petition.
☒ No

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

☐ Exhibit D completed and signed by the debtor is attached and made part of this petition.

If this is a joint petition:

☐ Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue

(Check any applicable box)

☒ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

☐ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

☐ Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property

(Check all applicable boxes.)

☐ Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord that obtained judgment)

(Address of landlord)

☐ Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

☐ Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

☐ Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

ACC006183
FILE #8503

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s):
The Villas at Ocotillo, LLC,
an Arizona limited liability company

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b)

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

_____
Telephone Number (if not represented by attorney)

_____
Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.

☐ Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
(Signature of Foreign Representative)

_____
(Printed name of Foreign Representative)

_____
(Date)

Signature of Attorney*

X /s/ Dale C. Schian
Signature of Attorney for Debtor(s)

Dale C. Schian #010445
Printed Name of Attorney for Debtor(s)

Schian Walker, P.L.C.
Firm Name

3550 North Central Ave., #1700
Address

Phoenix AZ 85012-2115

(602) 277-1501
Telephone Number

_____
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ See Attached
Signature of Authorized Individual

See Attached
Printed Name of Authorized Individual

_____
Title of Authorized Individual

_____
Date

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

_____
Printed Name and title, if any, of Bankruptcy Petition Preparer

_____
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

_____
Address

_____

X _____

_____
Date

Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.

ACC006184
FILE #8503

THE VILLAS AT OCOTILLO, LLC (the "**Company**")

By: Arizona Village Communities, LLC, an
Arizona limited liability company,
manager and member of the Company (the "**Manager**")

By: The Arizona Village Communities Operating
Company, an Arizona corporation,
sole member of the Manager and member of the Company

By_____
Richard C. Harkins, President

I02598.1

ACC006185
FILE #8503

This may take a few minutes...Please be patient. A confirmation screen will appear.

341 Judge And Trustee

Case	Case Title	Chapter	341 Meeting	Judge Name	Trustee Name
8-6834	AVC VILLA DEL LAGO AT OCOTILLO DEVCO, LLC	11	Meeting of Creditors scheduled for 07/22/2008 at 04:00 PM at US Trustee Meeting Room, 230 N. First Avenue, Suite 102, Phoenix, AZ (341-PHX). (SCHIAN, DALE)	Marlar,JamesM.	

ACC006186
FILE #8503

ADDITIONAL PENDING BANKRUPTCY CASES FILED BY ANY SPOUSE, PARTNER OR AFFILIATE OF THIS DEBTOR

Name of Debtor:	Case Number:	Date Filed:
AVC Estrella Village DevCo, LLC	2-08-bk-06836	06/10/08
District:	Relationship:	Judge:
Arizona	Affiliate	Sarah S. Curley

ACC006187
FILE #8503

ARIZONA VILLAGE
Communities

OK by Dale

July 31, 2008

RE: AVC Carefree Village DevCo, LLC ("Carefree")

To The Members of Carefree

First, I apologize for not personalizing this letter to you. With the current limitations I face on time in concert with my limits on employing the features of "mail merge", this is as good a look as I can put on this communiqué. So, here's the message.

As the real estate and related capital markets continue to search for stability, my mission is to take the best route available to us to maintain ownership and control of each of the AVC properties. To date, we have placed three property entities into Chapter 11 with the plan to first, protect them from creditor actions and second to develop a plan for either selling the assets at the highest achievable current value or carrying the assets forward to a better point in the market cycle.

In the case of Carefree, we have not elected to place it in Chapter 11 as we want first to determine if the members of Carefree want to provide the capital required by August 30th, and again in January, to meet the needs of Carefree. This August requirement is approximately $100,000. In January 2009, interest shall be due on the State Loan in the approximate amount of $2,300,000. This interest has accrued since the purchase date of the property (August 31, 2006).

I feel that the additional investment in the property should be measured against its value. In that there is very little if any current demand for residential land, making the decision based on an estimate or opinion of current value is without merit. Funding these two capital requirements (August and January) will put the cost basis in the property beyond current market value. If we believe that carrying the project forward and banking on a value recovery as the market regains its footing is wise, then we should review the merits of placing Carefree into Chapter 11. We believe that we could achieve a protection or reorganization period under Chapter 11 of 6 to 9 months.

One objective under such a Chapter 11 plan would be to bring the loan on the property in line with the market value of the property. At the end of the reorganization period, we would need to be able to meet the new debt service obligations and the other capital requirements of carrying this project to the point of sale or development. We think that future time frame would be in the first or second quarter of 2010. Of course, all plans

EXHIBIT
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ADMITTED

require new capital. If we feel that we'd be successful in having Carefree's debt obligations brought in line with the value of the property, we would require funds from the Carefree members for the Chapter 11 undertaking.

The underlying basis around which this decision should be made is, "what is the market value of the property?" And, secondarily, we must clearly determine the will and financial capacity of the Carefree members, to meet the reorganization costs and post-reorganization debt service, taxes, insurance and entitlement requirements of Carefree.

To enhance the value of the property, additional capital must be expended to complete the entitlement process for the property. This requires obtaining zoning and site plan approvals from the Town Of Carefree, which, based on the work we have done to date, we believe is achievable, and completing civil engineering and related approvals as required for obtaining final plat approval. There is no rush to commence this activity other than to position the property for sale, if that is the plan selected (versus development). This can be accomplished over an 8 to 10 month period at a third party cost of approximately $150,000.

Given that the market for the property, primarily due to the lack of financing for development and construction, is non-existent at the present time, the planned initiative is to do what must be done to retain ownership of the property while the market recovers. The "market" I speak of is composed of the residential developers that build in that segment of the market, and their appetite for this property. We believe that as the financial markets reach recovery and lenders are lending to residential developers, there will be a strong demand for this property. Again, my best guess is sometime in the first half of 2010.

In summary:

Prepare to fund your share of the $100,000 August capital requirement. But, don't send money yet. Lets me first complete the determination as to what can be accomplished in a Chapter 11 proceeding for Carefree. I will contact you once we have a position established as to our best next step. In the meanwhile and as needed, free to call me to discuss this matter further.

Sincerely,

Richard C Harkins, President
AVC OpCo

My contact information:

Dick.harkins@[redacted]
Cell [redacted]

Michael K. Jeanes, Clerk of Court
*** Electronically Filed ***
Angela Walker
Filing ID 484279
12/17/2009 3:53:20 PM

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Attorney for Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

NATIONAL BANK OF ARIZONA, an Arizona corporation, Plaintiff, v. ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN, formerly husband and wife; PERSONAL WEALTH MANAGEMENT GROUP, INC., an Arizona corporation; and ROBERT J. KERRIGAN, SR. as Trustee of the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007, Defendants.	**Case No. CV2009-054961** **FIRST AMENDED COMPLAINT** (Assigned to the Honorable Brian R. Hauser)

For its claims for relief against the defendants, plaintiff alleges as follows:

PARTIES

1. Plaintiff NATIONAL BANK OF ARIZONA (the "Bank") is an Arizona corporation with its principal place of business in Maricopa County, Arizona.

2. Defendants ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN are residents of Maricopa County, Arizona, and were formerly husband and wife.

EXHIBIT
S-19a
ADMITTED

3. Defendant PERSONAL WEALTH MANAGEMENT GROUP, INC. ("PWMG") is an Arizona corporation with its principal place of business in Maricopa County, Arizona.

4. Defendant ROBERT J. KERRIGAN, SR. is the President of PWMG and was acting for and on behalf of PWMG except where specifically alleged differently.

5. Defendant ROBERT J. KERRIGAN, SR. is trustee for the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007 ("KERRIGAN TRUST"), and was acting for and on behalf of the KERRIGAN TRUST except where specifically alleged differently.

VENUE AND JURISDICTION

6. Venue is proper in Maricopa County, Arizona as the defendants all reside or have their principal place of business in Maricopa County, Arizona.

7. Jurisdiction in this court is proper under the Arizona Constitution and statutory law.

CLAIM FOR RELIEF

8. On or about December 13, 2007, defendant ROBERT J. KERRIGAN, SR. executed a Business Loan Agreement (the "Agreement") in the amount of $138,127, in favor of the Bank. A true and correct copy of the Agreement is attached hereto as Exhibit A.

9. In support of the Agreement, defendant ROBERT J. KERRIGAN, SR. also executed a Promissory Note (the "Note") in the amount of $138,127, in favor of the Bank, on December 13, 2007. A true and correct copy of the Note is attached hereto as Exhibit B.

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10. Defendant ROBERT J. KERRIGAN, SR., as Trustee of KERRIGAN TRUST, executed a Commercial Guaranty of the Note, in the amount $138,127, on behalf of KERRIGAN TRUST on December 13, 2007 ("Kerrigan Trust Guaranty"). A true and correct copy of the Kerrigan Guaranty is attached hereto as Exhibit C.

11. Defendant ROBERT J. KERRIGAN, SR., as President of PWMG, executed a Commercial Guaranty of the Note, in the amount $138,127, on behalf of PWMG on December 13, 2007 ("PWMG Guaranty"). A true and correct copy of the PWMG Guaranty is attached hereto as Exhibit D.

12. Pursuant to the terms of the Agreement and the Note, the Bank would advance funds not to exceed $69,063.33in two consecutive draw windows. The first draw window was from June 30, 2008 through July 15, 2008, and the second draw window was from June 30, 2009 through July 15, 2009.

13. The terms of the Agreement and the Note stated that ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN were each authorized to request advances and authorize payments.

14. The Bank advanced no funds in the first draw window, because no request was made for the same.

15. On July 13, 2009, JULIA A. KERRIGAN requested and received an advance on the Note in the amount of $69,063.33, as the Bank paid the same to JULIA A. KERRIGAN.

16. The Note matured on July 15, 2009 and defendant ROBERT J. KERRIGAN, SR. has defaulted on their obligations under the Note to the Bank.

17. Accordingly, the Bank made demand upon defendants (except JULIA A. KERRIGAN) by a letter dated November 3, 2009.

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FILE #8503

18. The defendants have defaulted on their obligations (but this does not include defendant JULIA A. KERRIGAN). In a letter from the attorney for defendant ROBERT J. KERRIGAN, SR., the claim is made that JULIA A. KERRIGAN was entitled to only $21,000 of the principal advanced of $69,063.33.

19. The attorney making that claim also represented Mr. Kerrigan in the divorce proceedings between ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN. Accordingly, the plaintiff is making this first amended complaint to include a claim for unjust enrichment against JULIA A. KERRIGAN.

20. Because the defendants have breached their obligations, the Bank has been damaged and has suffered damages.

21. The Bank claims damages against the defendants, ROBERT J. KERRIGAN, SR., PERSONAL WEALTH MANAGEMENT GROUP, INC. and ROBERT J. KERRIGAN, SR. as Trustee of the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007, and each of them, for all amounts entitled to, including but not limited to, principal, late fees, default interest, attorneys' fees, costs and expenses.

22. Defendants are obligated to pay the Bank's reasonable attorneys' fees, costs and expenses pursuant to the terms of the Note, the Kerrigan Trust Guaranty and the PWMG Guaranty.

23. The Note provides, upon default, for interest on the unpaid balance at the rate of 18.00% *per annum* and for reasonable attorneys' fees. A reasonable fee for plaintiff's attorney in the event of default in this matter is $3,000.

WHEREFORE, Plaintiff demands judgment against defendants ROBERT J. KERRIGAN, SR., PERSONAL WEALTH MANAGEMENT GROUP,

ACC006151
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INC. and ROBERT J. KERRIGAN, SR. as Trustee of the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007, and each of them, as follows:

A. For principal in the sum of $69,063.33, with interest thereafter from August 5, 2009, at the rate of 18.00% *per annum* calculated on a *per diem* basis of $34.53, until paid;

B. For accrued interest, through August 4, 2009, in the amount of $179.37;

C. For its reasonable attorneys' fees, with interest thereon at the rate of 10% *per annum* from the date of judgment, until paid;

D. For plaintiff's costs incurred herein;

E. For interest on court costs at the rate of 10% *per annum* from the date of judgment, until paid; and

F. For such other and further relief as may be proper and just under the circumstances.

UNJUST ENRICHMENT AGAINST JULIA A. KERRIGAN

24. Plaintiff realleges and incorporates herein by this reference as if fully set forth hereafter the allegations set forth in paragraphs 1-24.

25. Defendant JULIA A. KERRIGAN has received an enrichment as a result of her actions and her improper conduct in taking an advance of $69,063.33, exceeding the $21,000 she was owed at the time.

26. Plaintiff has suffered an impoverishment as a result of defendant JULIA . KERRIGAN's actions.

27. Impoverishment is a direct result of defendant JULIA A. KERRIGAN's enrichment.

28. There is no excuse or justification for defendant JULIA A. KERRIGAN's enrichment and the related impoverishment, and there is an absence of remedy provided by law.

29. Plaintiff is entitled to its reasonable attorneys' fees pursuant to *A.R.S.* § *12-341.01* as this matter arises out of contract between the other defendants (not JULIA A. KERRIGAN) and plaintiff.

WHEREFORE, Plaintiff requests judgment against defendant JULIA A KERRIGAN as follows:

A. For damages in an amount to be determined, representing the amount in excess of the $69,063.33 withdrawn over the amount that defendant JULIA A. KERRIGAN was entitled to;

B. For plaintiff's reasonable attorneys' fees and costs incurred herein arising out of the Promissory Note and pursuant to *A.R.S.* § *12-341.01*;

C. For plaintiff's taxable costs incurred herein; and

D. For such other and further relief as to the Court seems just.

DATED this 17thday of December, 2009.

/s/ Robert S. Porter
Robert S. Porter
Attorney for Plaintiff

ORIGINAL electronically filed
with the Clerk of the Court this
17th day of December, 2009;

and a COPY delivered this
18th day of December, 2009, to:

Honorable Brian R. Hauser
MARICOPA COUNTY SUPERIOR COURT
NORTHEAST REGIONAL CENTER
18380 N. 40th Street
Phoenix, Arizona 85032

ACC006153
FILE #8503

Michael K. Jeanes, Clerk of Court
*** Electronically Filed ***
06/21/2010 8:00 AM

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

CV 2009-054961

06/18/2010

HONORABLE BRIAN R. HAUSER

CLERK OF THE COURT
W. Tenoever
Deputy

NATIONAL BANK OF ARIZONA

ROBERT S PORTER

v.

ROBERT J KERRIGAN SR., et al.

RICHARD G NEUHEISEL

JULIA A KERRIGAN
NO ADDRESS ON RECORD

RULING

Courtroom 109 - NE

11:03 a.m. This is the time set for Oral Argument on Plaintiff's Motion for Summary Judgment. Plaintiff National Bank of Arizona is represented by counsel, Robert S. Porter. Defendant Robert Kerrigan is present and represented by counsel, Richard G. Neuheisel. Defendant Julia A. Kerrigan is neither present nor represented by counsel.

A record of the proceedings is being made by CD (FTR) in lieu of a court reporter.

Arguments are heard.

IT IS ORDERED taking Plaintiff's Motion for Summary Judgment under advisement.

11:27 a.m. Hearing concludes.

EXHIBIT
S-196
ADMITTED

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

CV 2009-054961 06/18/2010

LATER:

Even if there are questions of fact concerning whether Plaintiff complied with the terms of the line of credit agreement by paying Defendant's ex-wife without approval from a loan officer, Defendant has presented no evidence of damages under any cognizable legal theory. Plaintiff did no more than pay Defendant's ex-wife what Defendant agreed that she be paid by him in his dissolution action. Her affidavit gives Defendant full credit for the payment and she will be estopped from denying her receipt of the funds in any subsequent proceedings in the dissolution action.

IT IS ORDERED granting Plaintiff's motion for summary judgment on its claims* and on Defendant's counterclaim.

This case is eFiling eligible: http://www.clerkofcourt.maricopa.gov/efiling/default.asp

* Except as to Julia A. Kerrigan.

ACC006167
FILE #8503

***Granted ***
See eSignature Page

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Filing ID 648044
7/27/2010 12:06:49 PM

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Attorney for Plaintiff

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

NATIONAL BANK OF ARIZONA, an Arizona corporation, Plaintiff, v. ROBERT J. KERRIGAN, SR. and JULIA A. KERRIGAN, formerly husband and wife; PERSONAL WEALTH MANAGEMENT GROUP, INC., an Arizona corporation; and ROBERT J. KERRIGAN, SR. as Trustee of the ROBERT J. KERRIGAN, SR. FAMILY TRUST dated October 25, 2007, Defendants.	**Case No. CV2009-054961** **JUDGMENT** (Assigned to the Honorable Brian Hauser)

The Court considered the parties' filings on Plaintiff's motion for summary judgment against all Defendants, except Julia A. Kerrigan, and against the counterclaim made by those Defendants, oral argument having been heard on June 18, 2010, and the Court ruled by minute entry later the same day. Thereafter Plaintiff filed an application for attorneys' fees and costs.

IT IS ORDERED entering judgment in favor of National Bank of Arizona and against Robert J. Kerrigan, Sr., Personal Wealth Management

EXHIBIT
S-19c
ADMITTED

Group, Inc., an Arizona corporation, and Robert J. Kerrigan, Sr., as Trustee of the Robert J. Kerrigan, Sr. Family Trust dated October 25, 2007 as follows:

1. In the amount of $69,063.33, with interest thereon from August 5, 2009 at the rate of 18% per annum, or $34.53 a day, until paid.

2. For accrued interest through August 4, 2009 in the amount of $179.37.

3. For reasonable attorneys' fees in the amount of $ 6,194.00, with interest thereon at the rate of 10% per annum from the date of judgment until paid; for taxable costs in the amount of $ 663.20, with interest thereon at the rate of 10% per annum from the date of judgment until paid.

4. The counterclaims of Defendants Robert J. Kerrigan, Sr., Personal Wealth Management Group, Inc., an Arizona corporation, and Robert J. Kerrigan, Sr., as Trustee of the Robert J. Kerrigan, Sr. Family Trust dated October 25, 2007 are dismissed with prejudice.

5. Defendant Julia A. Kerrigan is dismissed without prejudice.

This Judgment therefore disposes of all claims and all parties.

Dated this _____ day of _____, 2010.

_____
Honorable Brian Hauser

Copies mailed:

Robert S. Porter
Porter Law Firm
7243 North 16th Street
Phoenix, Arizona 85020
Attorneys for Plaintiff National Bank of Arizona

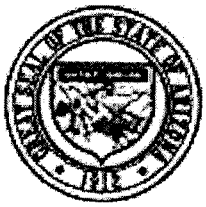
Richard G. Neuheisel
Neuheisel Law Firm, P.C.
64 East Broadway Road, Suite 245
Tempe, Arizona 85282
Attorney for Robert J. Kerrigan, Sr. and
Robert J. Kerrigan, Sr. Family Trust dated
October 25, 2007
Defendants/Counterclaimants

Patricia A. Premeau
LaVoy & Chernoff, P.C.
201 North Central Avenue, Suite 3300
Phoenix, Arizona 85004-1052
Attorney for Defendant Julia A. Kerrigan

eSignature Page -- 20100727690485_20100625646981_NBA-Judgment.pdf

Granted

Signed on this day, July 27, 2010



/S/ Brian R. Hauser
Judicial Officer of Superior Court

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CLERK U S DISTRICT COURT
DISTRICT OF ARIZONA
BY _____ DEPUTY

DIANE J. HUMETEWA
United States Attorney
District of Arizona

John R. Lopez IV
Assistant U.S. Attorney
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40 N. Central Avenue, Suite 1200
Phoenix, Arizona 85004-4408
Arizona State Bar No. 019182
Telephone (602) 514-7500

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

United States of America, Plaintiff, v. Paul Jeffrey Meka, Defendant.	CR-07-1390-PHX-MHM-6 **PLEA AGREEMENT** Cooperation/Testimony Required

Plaintiff, United States of America, and defendant, Paul Jeffrey Meka, hereby agree to the following disposition of this matter:

PLEA

Defendant will plead guilty to an Information charging defendant with a violation of Title 18, United States Code, Section 4, Misprision of a Felony, a Class E felony offense. Pursuant to this plea, defendant agrees to expressly waive any application of the statute of limitations as an affirmative defense to this charge, which is more fully discussed below in the section entitled "Defendant's Acceptance and Approval."

TERMS

Defendant understands that the Court is required to consider the United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines") among other factors in determining defendant's sentence. Defendant understands, however, that the Sentencing Guidelines are only advisory, and that after considering the Sentencing Guidelines, the Court may be free to exercise its discretion to impose any reasonable sentence up to the maximum set by statute for the crimes of conviction.

cc: AUSA \ Def Cnsl

EXHIBIT
S-20a
ADMITTED

1. **Maximum Penalties**

A violation of Title 18, United States Code, Section 4, is punishable by a maximum fine of $250,000, a maximum term of imprisonment of 3 years, or both and a term of supervised release of up to 1 year. If probation is imposed, the maximum term of probation is 5 years.

a. According to the Sentencing Guidelines issued pursuant to the Sentencing Reform Act of 1984, the court shall:

(1) Order the defendant to make restitution to any victim of the offense unless, pursuant to Title 18, United States Code, Section 3663, the court determines that restitution would not be appropriate in this case;

(2) Order the defendant to pay a fine, which may include the costs of probation, supervised release or incarceration, unless, pursuant to Title 18, United States Code, Section 3572, the Court finds upon consideration of the factors therein and in Section 3553 that a fine is not appropriate;

(3) Order the defendant, pursuant to Title 18, United States Code, Section 3583, to serve a term of supervised release when required by statute or when a sentence of imprisonment of more than one year is imposed, and the court may impose a term of supervised release in all other cases.

b. Pursuant to Title 18, United States Code, Section 3013, the court is required to impose a special assessment on the defendant of $100.00. The special assessment is due at the time the defendant enters the plea of guilty, but in no event shall it be paid later than the time of sentencing.

2. **Cooperation Required**

The defendant will cooperate with the United States on the following terms and conditions.

a. Defendant will waive the Fifth Amendment privilege against self-incrimination and will provide information in an interview and testify completely and truthfully at any time and any place requested by the United States, including at any state or federal grand jury proceeding,

forfeiture proceeding, bond hearing, pretrial hearing, civil and criminal trial, retrial or post-trial hearing.

b. All such information and testimony shall be truthful, honest, candid, and complete with no knowing material false statements or omissions. Such information and testimony shall include all criminal activity known to the defendant.

c. Defendant will be available for interviews by attorneys and law enforcement officers from the government upon request and reasonable notice.

d. Defendant will provide the United States with all documents, records, memoranda and the like, at the request of the United States, within the defendant's custody and control or to which the defendant has access which are related to the subject matter of the investigation or case.

e. Defendant will neither attempt to protect any person or entity through false information or omissions nor falsely implicate any person or entity.

f. In the event the defendant or the defendant's family is harassed, threatened or otherwise subjected to intimidation because of defendant's cooperation, the United States shall in its complete discretion, take appropriate action to protect defendant and the defendant's family.

g. Nothing in this agreement requires the United States to accept any cooperation or assistance the defendant may choose to proffer. The decision whether and how to use any information and/or cooperation that defendant provides is in the exclusive reasonable discretion of this office.

h. The defendant will not violate any local, state, federal or foreign laws.

i. The defendant shall comply with all terms and conditions of his release.

j. The defendant will also provide all information concerning all forfeitable assets. Moreover, defendant will identify all assets subject to forfeiture and shall transfer such property to the United States by delivery, to law enforcement agents designated by this office, of all necessary and appropriate items and documents under defendants custody and control.

k. The defendant shall not knowingly contact any person who has been criminally charged in any forum, except any family members of the defendant regarding innocent family matters.

l. Self-incriminating information provided by the defendant during cooperation involving criminal activity for which the defendant has not been or will not be charged pursuant to this agreement will not be used against the defendant and in particular will not be used in determining defendant's advisory guideline range pursuant to Section 1B1.8 of the Sentencing Guidelines.

m. Nothing shall limit the United States' methods of verifying the truthfulness of defendant's statements. The United States may confirm the accuracy of any information which defendant provides under the terms of this agreement by use of any investigative means which it deems appropriate and necessary. Whether there has been a complete, truthful and candid disclosure by the defendant will be evaluated and decided by the United States Attorney for the District of Arizona and by him alone. As part of this process, in the sole discretion of the United States, the defendant agrees to submit to a polygraph examination to verify any information the defendant may provide to the United States, including but not limited to defendant's assets. Such examination will be concluded by a polygrapher chosen and conducted in a manner determined in the sole discretion of the United States. Neither party shall object to the admissibility in evidence of the results of such examination in any proceeding to enforce or set aside this agreement in which compliance with the terms of this agreement are in issue.

n. The plea of guilty shall be entered as soon as practicable.

o. The sentencing on the guilty plea will be deferred, with consent of the court, for a period of 120 days, and, after such 120-day period, upon recommendation of the United States and agreement by this court, may be deferred for additional periods. It is the intention of the parties that sentencing on the instant charges be postponed until such time as defendant's cooperation has been completed.

3. Agreements Regarding Sentencing

Recommendation By The Government At the conclusion of defendant's cooperation, pursuant to this agreement, the United States will in its sole discretion, at the time of sentencing, move pursuant to Title 18, United States Code, Section 3553(e), Title 28, United States Code, Section 994(n) that the court depart from the Guidelines and impose a sentence below a level established by law as the minimum sentence to reflect defendant's substantial assistance in the investigation and prosecution. The United States' recommendation of a sentence below the minimum guidelines will be made based upon factors set forth in Sentencing Guidelines Section 5K1.1.

Defendant understands that while the court may take the defendant's cooperation into account in determining the sentence to be imposed, the court is neither a party to nor bound by this agreement and specifically the court has complete discretion to impose the maximum sentence possible for the crime to which defendant has plead. Defendant further understands that if the court imposes a sentence different from what the United States recommends, the defendant will not be permitted to withdraw the guilty plea.

If the court, after reviewing the plea agreement, concludes that any provision is inappropriate, it may reject the plea agreement giving the defendant, in accordance with Fed. R. Crim. P. 11(c)(5), an opportunity to withdraw the guilty plea.

Other Agreements

a. The United States and the defendant stipulate and agree, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, that the loss amount for purposes of calculating the defendant's Guideline sentencing range under Section 2B1.1 is $ 578,000.

b. The United States and the defendant stipulate and agree, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, that the defendant's adjusted offense level (pursuant to Section 2X4.1 and prior to an adjustment for acceptance of responsibility), shall not exceed offense level 11.

The United States will bring the nature and extent of defendant's cooperation to the attention of the court, and the Bureau of Prisons, if applicable, at sentencing and any other appropriate time. The United States retains the unrestricted right to make any and all statements it deems appropriate to the Probation Office and to make factual and legal responses to any statements made by the defendant or defense counsel or objections to the presentence report or to questions by the court at the time of sentencing.

Acceptance of Responsibility

Assuming the defendant makes full and complete disclosure to the Probation Department of the circumstances surrounding the defendant's commission of the offense, if the defendant would be eligible for a recommended two-point reduction pursuant to Section 3E1.1 of the Guidelines and, if the defendant demonstrates an acceptance of responsibility for this offense up to and including the time of sentencing, and provided defendant accepts the terms of this agreement, the United States will recommend a three-point reduction in the advisory sentencing guideline offense level, pursuant to Section 3E1.1 of the Guidelines.

Criminal History Options This plea agreement is expressly conditioned upon the accuracy of the defendant's criminal history as known by the government at the time of the plea. The discovery of any criminal history in addition to that known shall entitle the government to withdraw from this agreement.

4. Breach of the Agreement

If the defendant fails to comply with any obligation or promise pursuant to this agreement, the United States:

(1) may, in its sole discretion, declare any provision of this agreement null and void in accordance with paragraph (6) below and the defendant understands that the defendant will not be permitted to withdraw the plea of guilty made in connection with this agreement;

(2) may prosecute the defendant for any offense known to the United States for which the defendant is responsible, and defendant waives any statute of limitations, Speedy Trial Act, and constitutional restrictions for bringing charges after the execution of this agreement;

(3) may argue for a maximum statutory sentence for the offenses to which defendant has pled guilty;

(4) may use in any prosecution any information, statements, documents, and evidence provided by defendant both before and after the plea agreement including derivative evidence;

(5) may advise the Bureau of Prisons that defendant is no longer a cooperating witness, and recommend redesignation of defendant to a higher custodial level.

(6) If there is a dispute regarding the obligations of the parties under this agreement, the United States District Court shall determine whether the United States or the defendant has failed to comply with this agreement including whether the defendant has been truthful.

5. Agreement to Make Restitution

Defendant specifically agrees to make restitution in an amount to be determined at the time of the defendant's sentencing.

6. Agreement to Dismiss or Not to Prosecute

Pursuant to Fed. R. Crim. P. 11(c)(1)(A), the United States will dismiss the following charges/crimes: Count 4 of the Indictment.

a. This office will not prosecute the defendant for any offenses committed by the defendant, and known by the government, in connection with his employment with American National Mortgage Partners.

b. This agreement does not, in any manner, restrict the actions of the United States in any other district nor bind any other United States Attorney's Office.

c. The United States is not presently aware of any other federal/state investigations or charges.

7. Waiver of Defenses and Appeal Rights

The defendant waives any and all motions, defenses, probable cause determinations, and objections which the defendant could assert to the indictment or information or to the Court's

entry of judgment against the defendant and imposition of sentence upon the defendant, providing the sentence is consistent with this agreement. The defendant further waives: (1) any right to appeal the Court's entry of judgment against defendant; (2) any right to appeal the imposition of sentence upon defendant under Title 18, United States Code, Section 3742 (sentence appeals); and (3) any right to collaterally attack defendant's conviction and sentence under Title 28, United States Code, Section 2255, or any other collateral attack. The defendant acknowledges that this waiver shall result in the dismissal of any appeal or collateral attack the defendant might file challenging his conviction or sentence in this case.

8. <u>Perjury and Other False Statement Offenses or Other Offenses</u>

Nothing in this agreement shall be construed to protect the defendant in any way from prosecution for perjury, false declaration or false statement, or any other offense committed by defendant after the date of this agreement. Any information, statements, documents, and evidence which defendant provides to the United States pursuant to this agreement may be used against the defendant in all such prosecutions.

9. <u>Reinstitution of Prosecution</u>

If defendant's guilty plea is rejected, withdrawn, vacated, or reversed at any time, the United States will be free to prosecute the defendant for all charges of which it has knowledge, and any charges that have been dismissed because of this plea agreement will be automatically reinstated. In such event, defendant waives any objections, motions, or defenses based upon the Statute of Limitations, the Speedy Trial Act or constitutional restrictions in bringing of the later charges or proceedings. The defendant understands that any statements made at the time of the defendant's change of plea or sentencing may be used against the defendant in any subsequent hearing, trial, or proceeding as permitted by Fed. R. Crim. P. 11(f) and Fed. R. Evid. 410.

10. <u>Disclosure of Information to U.S. Probation Office</u>

The defendant will cooperate fully with the United States Probation Office. Such cooperation will include truthful statements in response to any questions posed by the Probation Department including, but not limited to:

(1) All criminal history information, i.e., all criminal convictions as defined under the Sentencing Guidelines.

(2) All financial information, e.g., present financial assets or liabilities that relate to the ability of the defendant to pay a fine or restitution.

(3) All history of drug abuse which would warrant a treatment condition as part of sentencing.

(4) All history of mental illness or conditions which would warrant a treatment condition as a part of sentencing.

11. <u>Forfeiture, Civil, and Administrative Proceedings</u>

a. Nothing in this agreement shall be construed to protect the defendant from civil forfeiture proceedings or prohibit the United States from proceeding with and/or initiating an action for civil forfeiture.

b. Defendant will identify all assets and identify the source of income used to obtain the assets. Defendant will identify all assets used to facilitate the commission of any crime charged in this indictment. Defendant will testify truthfully in any civil forfeiture proceeding.

c. Further, this agreement does not preclude the United States from instituting any civil or administrative proceedings as may be appropriate now or in the future.

FACTUAL BASIS

I further admit that if this matter were to proceed to trial the United States could prove the following facts beyond a reasonable doubt:

<u>Elements: Misprision of a Felony (18 U.S.C. § 4)</u>

1. Between in or about 2001, and March 2003, in the District of Arizona;

2. The defendant had knowledge of, or was aware of a high probability and deliberately avoided learning the truth about, the actual commission of a felony offense, namely Conspiracy to commit Mail Fraud, in violation of 18 U.S.C. § 371; and

3. The defendant concealed and did not as soon as possible make known the same to some judge or other person in civil authority under the United States.

The essential elements of Mail Fraud, as to the instant matter, are as follows:

(1) Others made up a scheme or plan for obtaining money or property by making false promises or statements;

(2) Others knew that the promises or statements were false;

(3) The false promises or statements were material, that is they would reasonably influence a person to part with money or property;

(4) Others acted with intent to defraud; and

(5) In advancing, furthering, or carrying out the scheme, others deposited, or caused to be deposited, a matter or thing to be delivered by a commercial interstate delivery service or the United States mail.

Facts

In or about 2001, Lawrence Dunning ("Dunning") hired me to work for his company, Creative Financial Funding ("CFF"), as a sales associate. On January 3, 2002, Dunning formed American National Mortgage Partners ("ANMP") to replace CFF after the Arizona Corporation Commission issued a Temporary Cease and Desist Order to CFF on or about October 15, 2001.

The nature of CFF's, and later ANMP's (collectively "ANMP"), business was making, negotiating or offering to make or negotiate loans secured by Arizona real property. As an ANMP sales associate, I solicited investments in ANMP's programs. ANMP would identify individuals who sought a loan but were unable to obtain a conventional loan. The borrowers were willing to pay an interest rate as high as 36 percent. ANMP would locate investors to fund the loans. As I explained to investors, their funds would be consolidated into member-managed limited liability companies ("LLCs") and investors would be members of the LLC. The investors' funds would be secured by liens on the borrowers' real estate. ANMP would create an "Illinois Land Trust," whereby the borrower transferred his personal interest in the property to a trust. ANMP would become the trustee of the trust and investors became the beneficiaries of the trust. If the borrower made scheduled payments on the loan funded by the investor, ANMP would make monthly payments to the investor. If the borrower defaulted on the loan

funded by the investor, ANMP would foreclose on the borrower's real estate, sell the real estate, and refund the investor's funds.

In April 2002, while I worked as a salesman for ANMP, Dunning requested that I serve as a trustee for ANMP's investors' trusts. In addition to commissions I earned on investments I solicited as an ANMP salesman, I was paid $2,500 per month to serve as a trustee at ANMP. As a trustee, I was obligated to ensure that ANMP investors' funds were secured by borrowers' real estate. Despite this responsibility, and at Dunning's request, I did not conduct any due diligence in my role as a trustee, including verifying whether deeds of trust were recorded, or whether investors were repaid when deeds of trust were released on borrowers' property which served as collateral for investors' funds. In essence, I was paid as a trustee to "rubber stamp" documents provided to me by Dunning or other ANMP employees. As a consequence, ANMP investors lost their investments when I released deeds of trust on property that served as collateral for investors' loans, but failed to ensure that investors were repaid. Specifically, on or about May 24, 2002, after the borrower, High Chaparral Trust, repaid a $150,000 loan and the $150,000 was deposited into ANMP's bank account, I released the deed of trust to the borrower. However, I failed to ensure that the investors were repaid as promised by ANMP. Similarly, on or about November 13, 2002, I quit claimed title to another investment property, Roosevelt Street, without the knowledge or consent of the investors, including three investors from whom I had solicited $22,000 in investments. By deliberately avoiding learning the truth that Dunning was using me, as a paid trustee, to mislead and defraud ANMP investors, I did not notify any authority about the knowledge that Dunning, and others, had committed criminal offenses.

I understand that I will have to swear under oath to the accuracy of this statement, and if I should be called upon to testify about this matter in the future, any intentional material inconsistencies in my testimony may subject me to additional penalties of perjury or false swearing which may be enforced by the United States under this agreement.

DEFENDANT'S APPROVAL AND ACCEPTANCE

I have read each of the provisions of the entire plea agreement with the assistance of counsel and understand its provisions.

I have discussed the case and my constitutional and other rights with my attorney. I understand that by entering my plea of guilty I will be giving up my rights to plead not guilty, to trial by jury, to confront, cross-examine, and compel the attendance of witnesses, to present evidence in my defense, to remain silent and refuse to be a witness against myself by asserting my privilege against self-incrimination -- all with the assistance of counsel -- and to be presumed innocent until proven guilty beyond a reasonable doubt.

Information/Waiver of Indictment I understand that I have a right to have the charge(s) prosecuted by an indictment returned by a concurrence of 12 or more members of a legally constituted grand jury consisting of not less than 16 and not more than 23 members. By signing this agreement, I knowingly waive my right to be prosecuted by indictment and to assert at trial or on appeal any defects or errors arising from the information, the information process, or the fact that I have been prosecuted by way of information.

Statute of Limitations Waiver

I agree to waive and not raise the statute of limitations as an affirmative defense to the Information. Pursuant to *United States v. Caldwell*, 859 F.2d 805 (9th Cir. 1988) and *United States v. Akmakijian*, 647 F.2d 12 (9th Cir. 1981), I agree to waive the statute of limitations as an affirmative defense to the charge in the Information.

I agree to enter my guilty plea as indicated above on the terms and conditions set forth in this agreement.

I have been advised by my attorney of the nature of the charges to which I am entering my guilty plea. I have further been advised by my attorney of the nature and range of the possible sentence and that my ultimate sentence will be determined after consideration of the advisory Sentencing Guidelines. I understand that the Guideline Range referred to herein or discussed with my attorney is not binding on the court and is merely an estimate.

My guilty plea is not the result of force, threats, assurances or promises other than the promises contained in this agreement. I agree to the provisions of this agreement as a voluntary act on my part and I agree to be bound according to its provisions.

I fully understand that, if I am granted probation or placed on supervised release by the court, the terms and conditions of such probation/supervised release are subject to modification at any time. I further understand that, if I violate any of the conditions of my probation/supervised release, my probation/supervised release may be revoked and upon such revocation, notwithstanding any other provision of this agreement, I may be required to serve a term of imprisonment or my sentence may otherwise be altered.

I agree that this written plea agreement contains all the terms and conditions of my plea and that promises made by anyone (including my attorney), and specifically any predictions as to the guideline range applicable, that are not contained within this written plea agreement are without force and effect and are null and void.

I am satisfied that my defense attorney has represented me in a competent manner.

I am fully capable of understanding the terms and conditions of this plea agreement. I am not now on or under the influence of any drug, medication, liquor, or other intoxicant or depressant, which would impair my ability to fully understand the terms and conditions of this plea agreement.

4-22-09
Date

Paul Jeffrey Meka
Defendant

DEFENSE ATTORNEY'S APPROVAL

I have discussed this case and the plea agreement with my client, in detail and have advised the defendant of all matters within the scope of Fed. R. Crim. P. 11, the constitutional and other rights of an accused, the factual basis for and the nature of the offense to which the guilty plea will be entered, possible defenses, and the consequences of the guilty plea including the maximum statutory sentence possible. I have further discussed the concept of the advisory

sentencing guidelines with the defendant. No assurances, promises, or representations have been given to me or to the defendant by the United States or by any of its representatives which are not contained in this written agreement. I concur in the entry of the plea as indicated above and on the terms and conditions set forth in this agreement as in the best interests of my client. I agree to make a bona fide effort to ensure that the guilty plea is entered in accordance with all the requirements of Fed. R. Crim. P. 11.

4/22/09
Date

Jason Lamm
Attorney for Defendant

UNITED STATES' APPROVAL

I have reviewed this matter and the plea agreement. I agree on behalf of the United States that the terms and conditions set forth are appropriate and are in the best interests of justice.

DIANE J. HUMETEWA
United States Attorney
District of Arizona

4/22/09
Date

John R. Lopez IV
Assistant U.S. Attorney

COURT'S ACCEPTANCE

11/5/10
Date

Hon. Mary H. Murguia
United States District Judge

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

United States of America

v.

Paul Jeffrey Meka

****Amended to reflect restitution amount**

JUDGMENT IN A CRIMINAL CASE

(For Offenses Committed on or After November 1, 1987)

No. CR 07-01390-006-PHX-MHM

Jason D. Lamm (Retained)
Attorney for Defendant

USM#: 87848-008

THE DEFENDANT ENTERED A PLEA OF guilty on 04/22/2009 to Count One of the Information.

ACCORDINGLY, THE COURT HAS ADJUDICATED THAT THE DEFENDANT IS GUILTY OF THE FOLLOWING OFFENSE(S): violating Title 18, U.S.C. §4, Misprision of a Felony, a Class E Felony offense, as charged in Count One of the Information.

IT IS THE JUDGMENT OF THIS COURT THAT the defendant is hereby committed to the custody of the Bureau of Prisons for a term of **SIXTY (60) DAYS** on Count One, with credit for time served. Upon release from imprisonment, the defendant shall be placed on supervised release for a term of **ONE (1) YEAR** on Count One.

IT IS FURTHER ORDERED that all remaining counts are dismissed on motion of the United States.

CRIMINAL MONETARY PENALTIES

The defendant shall pay to the Clerk the following total criminal monetary penalties:

The defendant shall pay a special assessment of $100, which shall be due immediately.

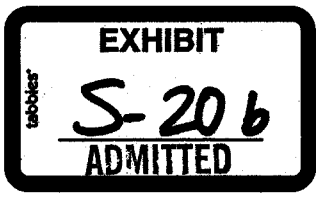
The Court finds the defendant does not have the ability to pay a fine and orders the fine waived.

SPECIAL ASSESSMENT: $100.00 **FINE:** $0.00 **RESTITUTION:** $497,000.00

Restitution shall be paid to the following victim in the following amount:

The defendant shall pay restitution to American National Mortgage Partners' Receiver ("ANMP"), James Sell, in the amount of $497,000.00, to be paid in equal monthly installments of one-hundred dollars ($100) to commence sixty (60) days after the release from imprisonment to a term of supervised release.

If incarcerated, payment of criminal monetary penalties are due during imprisonment at a rate of not less than $25 per quarter and payment shall be made through the Bureau of Prisons' Inmate Financial Responsibility Program. Criminal monetary payments shall be made to the Clerk of U.S. District Court, Attention: Finance, Suite 130, 401 West Washington Street, SPC 1, Phoenix, Arizona 85003-2118. Payments should be credited to the various monetary penalties imposed by the Court in the priority established under 18 U.S.C. § 3612(c). The total special assessment of $100.00 shall be paid pursuant to Title 18, United States Code, Section 3013 for Count One of the Information.



Any unpaid balance shall become a condition of supervision and shall be paid within 90 days prior to the expiration of supervision. Until all restitutions, fines, special assessments and costs are fully paid, the defendant shall immediately notify the Clerk, U.S. District Court, of any change in name and address. The Court hereby waives the imposition of interest and penalties on any unpaid balances.

SUPERVISED RELEASE

Upon release from imprisonment, the defendant is placed on supervised release for a term of **ONE (1) YEAR** on Count One.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The drug testing condition is suspended based on the Court's determination that the defendant poses a low risk of future substance abuse.

It is the order of the Court that, pursuant to General Order 05-36, which incorporates the requirements of USSG §§5B1.3 and 5D1.2, you shall comply with the following conditions:

1) You shall not commit another federal, state, or local crime during the term of supervision.
2) You shall not leave the judicial district or other specified geographic area without the permission of the Court or probation officer.
3) You shall report to the Probation Office as directed by the Court or probation officer, and shall submit a truthful and complete written report within the first five days of each month.
4) You shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer.
5) You shall support your dependents and meet other family responsibilities.
6) You shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons.
7) You shall notify the probation officer at least ten days prior to any change of residence or employment.
8) You shall refrain from excessive use of alcohol and are subject to being prohibited from the use of alcohol if ordered by the Court in a special condition of supervision.
9) You shall not purchase, possess, use, distribute or administer any narcotic or other controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. § 801) or any paraphernalia related to such substances, without a prescription by a licensed medical practitioner. Possession of controlled substances will result in mandatory revocation of your term of supervision.
10) You shall not frequent places where controlled substances are illegally sold, used, distributed or administered, or other places specified by the Court.
11) You shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer.
12) You shall permit a probation officer to visit at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer.
13) You shall immediately notify the probation officer (within forty-eight (48) hours if during a weekend or on a holiday) of being arrested or questioned by a law enforcement officer.
14) You shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the Court.
15) As directed by the probation officer, you shall notify third parties of risks that may be occasioned by your criminal record or personal history or characteristics, and shall permit the probation officer to make such notification and to confirm your compliance with such notification requirement.
16) If you have ever been convicted of a felony, you shall refrain from possessing a firearm, ammunition, destructive device, or other dangerous weapon. If you have ever been convicted of a misdemeanor involving domestic violence, you shall refrain from possession of any firearm or ammunition. Possession of a firearm will result in mandatory revocation of your term of

supervision. This prohibition does not apply to misdemeanor cases that did not entail domestic violence, unless a special condition is imposed by the Court.

17) Unless suspended by the Court, you shall submit to one substance abuse test within the first 15 days of supervision and thereafter at least two, but no more than two periodic substance abuse tests per year of supervision, pursuant to 18 U.S.C. §§ 3563(a)(5) and 3583(d);

18) If supervision follows a term of imprisonment, you shall report in person to the Probation Office in the district to which you are released within seventy-two (72) hours of release.

19) You shall pay any monetary penalties as ordered by the Court. You will notify the probation officer of any material change in your economic circumstances that might affect your ability to pay restitution, fines, or special assessments.

20) If you have ever been convicted of any qualifying federal or military offense (including any federal felony) listed under 42 U.S.C. § 14135a(d)(1) or 10 U.S.C. § 1565(d), you shall cooperate in the collection of DNA as directed by the probation officer pursuant to 42 U.S.C. § 14135a(a)(2).

The following special conditions are in addition to the conditions of supervised release or supersede any related standard condition:

1. You shall provide the probation officer access to any requested financial information.

2. You are prohibited from making major purchases, incurring new financial obligations, or entering into any financial contracts without the prior approval of the probation officer.

3. You are restricted from engaging in the following occupation, business, or profession: Investment sales, or in any capacity where you are responsible for handing the finances of other individuals.

THE COURT FINDS that you have been sentenced in accordance with the terms of the plea agreement and that you have waived your right to appeal and to collaterally attack this matter. The waiver has been knowingly and voluntarily made with a factual basis and with an understanding of the consequences of the waiver.

The Court may change the conditions of probation or supervised release or extend the term of supervision, if less than the authorized maximum, at any time during the period of probation or supervised release. The Court may issue a warrant and revoke the original or any subsequent sentence for a violation occurring during the period of probation or supervised release.

///

IT IS FURTHER ORDERED that the Clerk of the Court deliver two certified copies of this judgment to the United States Marshal of this district.

The Court orders commitment to the custody of the Bureau of Prisons.

The defendant shall self-surrender for service of sentence at the institution designated by the Bureau of Prisons or United States Marshal by 12:00 p.m. on 1/4/2011.

Date of Imposition of Sentence: **Wednesday, November 3, 2010** (Amended: 11/19/10)

Mary H. Murguia
United States District Judge

DATED this 19th day of November, 2010.

RETURN

I have executed this Judgment as follows:_____

Defendant delivered on _____ to _____ at _____, the institution designated by the Bureau of Prisons, with a certified copy of this judgment in a Criminal case.

_____ By:_____

United States Marshal Deputy Marshal

AVC Carefree Village DevCo, LLC
[redacted]
[redacted] **AZ** [redacted]

December 10, 2010

Sandra B. Kelley, Manager
Sales and Commercial Leasing Section
AZ State Land Department
1616 West Adams
Phoenix, AZ 85007

RE: AZ State Land Department Certificate of Purchase #53-110022

Dear Ms. Kelley:

AVC Carefree Village DevCo, LLC ("AVC") and the Arizona State Land Department ("ASLD") have, over the last several years, been working on payment extensions to annual interest and extended zoning schedules for the 49 acres ("Property") in Carefree that AVC purchased from ASLD in August, 2006. The reason for these extensions was caused by the deteriorating national economy, collapse of the local real estate market, and the inability to attract financing for the continuing needs to rezone and develop the Property.

For the past several months we have been in the process of rezoning the Property from R70 to R43-RUPD. The Town of Carefree has put a condition on that rezoning subject to AVC deeding the designated 5 acre park site at the time of zoning approval. In your letter dated November 29, 2010 to D.J. Stapley, Assistant Planner for Carefree, you noted that AVC needed to obtain fee simple title to any land dedicated to Carefree. It is also obvious that that will apply to the park site which Carefree wants to be deeded to them upon the rezoning. For this reason we are not able to continue the rezoning effort under those conditions.

Another reason for this letter is to discuss one of the terms of the Amended and Restated Payment Extension Agreement dated April 8, 2009. On December 31, 2010 a $100,000 principal reduction payment is due. AVC is not able to meet that obligation. In order to fund the expenses associated with the rezoning effort and other Property obligations, AVC has issued several capital calls from existing investors who to date have funded over $200,000. Our last effort for a third

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capital call met with no success. The investors in the Carefree development venture have unanimously run out of patience with the economy and decided not to fund any additional monies.

Ms Kelley, AVC has earnestly attempted to plan the development of this Property and appreciate the cooperation that we have received from the ASLD in negotiating extension agreements and rezoning schedules. Unfortunately, we are not in a position to continue that effort because of the following:

1. Carefree has put restrictions on obtaining the entitlements that we cannot meet.
2. AVC cannot meet the terms and conditions of the Amended and Restated Payment Extension Agreement dated April 8, 2009.
3. AVC has no alternative capital sources to continue necessary funding of the Property.

For the above reasons we would like to schedule a meeting with the ASLD to further discuss any alternatives that would allow us to continue the ownership and development of the Property. If that is not successful, another alternative would be to discuss the continued effort to obtain the R43-RUPD rezoning. The timing is good with the Town of Carefree and there hasn't been any resistance from residents and neighbors. AVC is willing to pursue this effort if the ASLD has funds to finance that effort. Clearly, the property will be significantly more valuable zoned for the 32 lots we have planned. As is, the land is virtually unfeasible for any residential development as only 20 lots are allowed (as currently zoned) with additional restrictions that run with the land.

If you have available funds to retain us to complete the rezoning, we are available to discuss same for a near date. We will be calling you to schedule a meeting.

Sincerely,

Richard C. Harkins, President
Arizona Village Communities Operating Company, Managing Member

cc: Helen Shapiro, Attorney General's Office

USA BARCELONA ADVISORS, LLC

MEMORANDUM

TO: Dick
Tom
Bruce
Bob

FROM: **Jeff Tects**

DATE: **March 13, 2014**

SUBJECT: **2014 Final Budget**

Attached please find the following final documents for your files and as reference to understand the 2014 budget for Advisors as we proceed through 2014:

- Monthly budget analysis of revenue and expense line items with 2013 Actual results.
- Compensation worksheet
- Statement of Deferred Compensation
- Capital Expenditure worksheet

As discussed previously the Final Budget produces some excess cash flow towards the second of the year and a deficit in December due to the Bonus interest that's due, I'd propose that we not focus on the excess cash in the bank, but stick to the budget, build some cushion, stay frugal and continuing grinding and build reserves going into 2015.

In order to eliminate confusion, please shred previous versions of the Budget and the supporting schedules. If you have a questions or comments, feel free to call.

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ADMITTED

USA BARCELONA ADVISORS, LLC

MEMORANDUM

TO: Dick
Tom
Bruce
Bob

FROM: Jeff Teets

DATE: March 13, 2014

SUBJECT: New Operational Bank Account

Effective last week we opened a new bank account at Alliance Bank, which has its Scottsdale Branch just ¼ a mile up Scottsdale Road. In addition, this Bank has a fuller suite of services for us, along with real estate lending, bridge financing and other tradition services we may need in the future and developing this operational relationship and track record may be helpful in this regard.

Checks from this account that are less than $5,000 can be signed by either Dick, Tom or me. Checks $5,000 or greater will require two signatures. Checks will be run twice a month on the 15th and at month-end and will be printed using our QuickBooks software by Connie. This will allow us to only handle this information once for check processing and accounting purposes, both and assure that account distribution of checks are handled consistently with the account structure of our books and records.

All company expenses should be paid for via setting up corporate accounts with vendors and being billed monthly or ACH transfers (last resort) and I can help with either to facilitate. Other expenses paid by us will be reimbursed to you on a timely basis upon submitting an expense report (see form available on the server).

Thanks for your help in this matter.

cc:

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ADMITTED

TO

March 26, 2013

This communication is directed exclusively to individuals currently engaged as executive members of USA Barcelona Realty Advisors and nominees to be directors or advisors to board of USA Barcelona Realty Trust, and corporate counsel.

From: Dick Harkins

Dick, See my notes below. When will there be an initial meeting of the EM's. TOM

To:

- ✓ Executive Members of USA Barcelona Realty Advisors – GT Simmons, Bruce Orr, Bob Kerrigan, Dick Harkins
- ✓ Nominees as directors or advisors to the board of USA Barcelona Realty Trust – Dawn Berry, Murray Dow, Steve Gold, Tom Lattin, Allen Weintraub
- ✓ Company counsel – Charlie Berry

The work done since the "restart" of the Barcelona quest back in October has taken hold and we are/have been moving forward on several fronts.

We are currently setting up the offices of the REIT and Advisor at:

USA Barcelona Realty Advisors
7025 N. Scottsdale Rd., Suite 160
Scottsdale, AZ 85253

- ✓ Phones will be connected tomorrow - main line - 480-625-4355
- ✓ A separate fax number will be established shortly.
- ✓ New web site is currently under development.

The initial $70,000,000 Stock Offering will be marketed by Allen Weintraub through a group of approximately 1200 independent registered investment advisors with whom he has a standing relationship. We plan to conduct a follow-on offering of $100,000,000 in approximately 12 months.

USA Barcelona Realty Advisors is the advisor to the REIT. It is being currently capitalized at $1MM through a private offering sold in four $250,000 Units. One Unit is subscribed and two Units are currently pending. We are confident this offering will be fully subscribed within the next 60 days.

- The REIT will acquire Marriott and Hilton select service hotels and Class B+ or better apartment communities. The Forecast calls for 6 hotels and 6 apartment communities. Additionally, the REIT will possibly acquire or JV other properties; and, we envision one or two JV's in redevelopment hotel ventures.
- We will be looking to add ~~four~~ three initially independent board members in the near future.
- Outside directors and advisors will be compensated by the REIT in addition to being issued stock options in the REIT's Class A Common Shares. Vesting is being determined at this time.
- Board Members will be asked to participate in monthly teleconferences and an annual meeting here in Scottsdale. We anticipate conducting an SEC registration in 2014 or 2015, based on when we approach the 500th stock purchaser. The REIT's stock units are being offered in minimum Unit amounts of $250K. The offering is a Reg D 506 and will be sold primarily to investors with residences in six southwestern states. Other states may be added as appropriate.
- We have conducted extensive research on both hotels and apartments and anticipate that the six planned hotel acquisitions will come from those hotels for which we have already conducted due diligence. The apartment acquisitions are anticipated to come from purchases and JVs with a few select apartment development/management companies, including Lincoln Properties.
- The Advisor's ownership will incorporate its current executive members, investors acquiring positions in the current $1MM offering and others (TBD). The individuals who made loans and acquired equity interest in the early structure (2009 through

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ADMITTED

2011) will be offered the opportunity to exchange their original positions for interest in the Advisor and/or other consideration.

- The REIT's PPM is in the final draft stage. Once we have set the board members and advisors to the board the PMM work will be completes. It should be ready in its final form next week. We will provide you with an electronic copy and hard copy (as requested).

Below is the current/proposed Board and Advisor structure for USA Barcelona Realty Trust (the REIT). Please review the following chart. Kindly confirm your respective participation and inform me of any matters that require further clarification or correction.

This is incomplete: need to show BD openings for 3 independent Directors.

Best

Dick Harkins

Director	Position	Age
Richard Harkins	Board Member, President and CEO	71
Tom Simmons	Board Member, Executive Vice President	72

Advisors to the Board Of Directors	Areas of specific advice to the Company	
Murray Dow – Advisor	Hotel Redevelopment, Repositioning & Management	52
Bruce Orr	Mixed Use and Hotel Development	53
Thomas Larini	Hotel industry matters and relationships with	57
Steven Gold	Debt Capital Markets	71
Allen Weintraub	Private Equity Capital Markets	51
Robert Kerrigan – Advisor	Insurance & Planning	75

Order Confirmation

Ad Order Number	Customer	Customer Account	Ordered By	PO Number
0008053421	USA BARCELONA REALTY ADVISORS	10021194		
Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
wisnerd			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
	USA BARCELONA REALTY ADVISORS	10021194	None	

Tear Sheets	Proofs	Affidavits	Blind Box	Promo Type	Materials
0	0	0			

Invoice Text

2 x 5", b/w, Main News, 7/17 & 7/21

Ad Order Notes

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
$3,250.00	$0.00	$3,250.00	Check by phone	$3,250.00	$0.00

Ad Number	Ad Type	Ad Size	Color	Production	Production Notes
0008053421-01	R-ROP Broadsheet	2.0 X 5.0000"	<NONE>	Pickup with Change	
Ad Attributes		**Ad Released**	**Pick Up**		
		No	0008049186-01		

Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Main News A - Retail	7/17/2013, 7/21/2013	2	$3,250.00
Run Schedule Invoice Text	**Sort Text**			

EXHIBIT
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ADMITTED

ACC006214
FILE #8503

Town hurt by plant explosion ponders future of its schools

By Nomaan Merchant
Associated Press

DALLAS — After a massive fertilizer plant explosion devastated the rural town of West, Texas, in April, local teachers and administrators did what they could to help the community cope with a disaster that killed 15 people and wrecked hundreds of structures, including three of West's four schools.

They borrowed classrooms in a nearby town so that children could return to class, and salvaged the school year so that the 113 high school seniors could graduate on time.

But now West's schools are confronting another challenge as they plan to begin the new term next month in clusters of trailers that some are already calling "Portable City."

It's not clear how temporary the prefab village will actually be. Federal officials have rejected the town's $40 million disaster aid request and insurance companies have offered just $20 million of the estimated $59 million value of the schools' insurance policy.

Leaders of the town of 2,800 worry about the effect of the schools' uncertainty on hundreds of residents who are deciding where to rebuild their lives — in West or possibly elsewhere.

"Delaying it another year is not going to do any good as far as morale goes, for the community and for our kids," Superintendent Marty Crawford said.

Parents are wondering about the schools' future, and the town's.

"You want to be home. You want that sense of normalcy," said Crystal Anthony, a school board member and the mother of a ninth grader who has been living in nearby Waco since the blast destroyed her house. For some, she said, moving somewhere else might be easier, but she intends to stay in West and rebuild.

Until the night of April 17, West was a town of quiet streets best known for its kolaches and other Czech pastries, reflecting the heritage of the immigrant farmers who settled the area a century ago. Most residents went through the West schools and work on the surrounding farms and ranches, or commute to jobs in Waco, or even the Dallas-Fort Worth area an hour away.

Many of those families are still displaced, living in surrounding towns and grappling with insurance payouts that still leave them with unmet costs.

In addition to destroying 200 houses and buildings, the blast at the West Fertilizer Co., which occurred after a fire ignited explosive chemicals, blew out the windows and ceilings in the intermediate school next door, and caved in part of the high school and middle school a short walk away.

Since the end of the school year, school officials have concentrated on being able to resume classes in town in the fall.

Demolition has started on the middle school grounds, and dozens of trailers have been ordered for a makeshift campus for the middle and high school grades. The high school football field, which became a triage center the night of the blast, is being re-sodded so the West Trojans can play their season.

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California amnesia patient's sister is located in Louisiana

By Kate McGinty
The (Palm Springs, Calif.) Desert Sun

PALM SPRINGS, Calif. — The family of Michael Boatwright — who was found unconscious in a Palm Springs motel room four months ago and woke up speaking only Swedish — heard about his whereabouts for the first time Monday.

The Desert Sun located a sister of the 61-year-old who has spent more than 19 weeks at Desert Regional Medical Center insisting he is named Johan Ek and has no memory of his life as Boatwright. Despite the Florida identification found in his wallet, he has been speaking only in Swedish and says he does not understand English.

Boatwright's family did not know whether he was alive or dead, his sister, Michelle Brewer, said, speaking by phone from her home in Louisiana.

"I haven't talked to him in years. He just disappeared," she said.

Brewer estimated she had last spoken to her brother about 10 years ago. She didn't have any way to get in touch with him, even when their mother died last year. "He's always been just a wanderer. Then he'd come back when he needed some money or something from somebody. Then he'd take off again," Brewer said.

Boatwright wanted to thank those who were helping him piece together his story, hospital spokesman Rich Ramhoff said.

A social worker has struggled to figure out what happened to Boatwright before he was found unconscious in a room at Motel 6 on Feb. 28. He carried four tennis rackets, two cellphones and a set of photographs.

The story cracked open Monday when the story was published internationally. It captured the imagination of amateur sleuths across the country, while Internet users in Sweden said they recognized him as an American who moved to Sweden in the 1980s.

"I'm in shock — having just rediscovered a childhood sweetheart who has lost his memory in the United States," Ewa Espling wrote on her Facebook wall.

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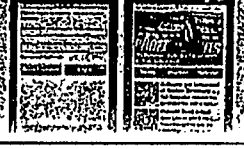

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Order Confirmation

Ad Order Number	Customer	Customer Account	Ordered By	PO Number
0008057073	USA BARCELONA REALTY ADVISORS	10021194		
Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
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wisnerd			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
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Tear Sheets	Proofs	Affidavits	Blind Box	Promo Type	Materials
0	0	0			

Invoice Text
2 x 5, b/w, 7/24 & 7/28, Main News

Ad Order Notes

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
$3,250.00	$0.00	$3,250.00	Check by phone	$3,250.00	$0.00

Ad Number	Ad Type	Ad Size	Color	Production	Production Notes
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Ad Attributes		**Ad Released**	**Pick Up**		
		No	0008053421-01		

Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Main News A - Retail	7/24/2013, 7/28/2013	2	$3,250.00
Run Schedule Invoice Text	**Sort Text**			

Charities deciding how to dispense funds

There are disparate goals for the estimated $7 mil raised

By Russ Wiles
The Republic | azcentral.com

People who were moved by the death and devastation caused by the Yarnell Hill Fire have been opening their wallets and raising money for weeks. Now, the charities deluged by that generosity, including some of Arizona's notable non-profit organizations, are determining how and when to distribute the bulk of the donated funds.

Some non-profit groups, including the American Red Cross and the 100 Club of Arizona — which supports families of firefighters, police officers and paramedics injured or killed in the line of duty — already have cut checks or spent some of their money on relief efforts.

But most of the estimated $7 million that has been raised has not yet been disbursed.

The groups are in varying stages of deciding how exactly the money should be used. Some non-profits are focusing on the needs of the families of the 19 firefighters killed in the wildfire. Others are taking a broader approach, aiming to help rebuild the area. Their efforts could include assistance to displaced Yarnell residents, paying for environmental cleanup, helping wildlife recover and other causes.

"We're working on putting that process together," said Megan Brownell, chief business-development and brand officer for the Arizona Community Foundation, which has more than $932,000 in two separate Yarnell funds.

Just as non-profit groups have different missions and priorities and are in different stages of the process, the organizations also vary in how much information they share about their fundraising and disbursement policies.

Here is a rundown of how several key Arizona groups are managing donations and the status of their relief efforts:

Firefighter charities

The United Phoenix Fire Fighters Association and Prescott Firefighter's Charities have established their own non-profit relief fund to accept donations to benefit the families. It has collected the single largest amount, about $3 million, including an estimated $476,000 raised at a Monday benefit concert featuring Dierks Bentley.

Disbursements haven't been made yet, as the groups want to make sure that payments are sent to the correct recipients, a spokesman said.

"Every penny — 100 percent of your tax-deductible donation — will go to benefit the families of our brothers who made the ultimate sacrifice," states a release on the Phoenix group's website. It directs individuals and corporations to donate to United Phoenix Fire Fighters Association Account No. 987218757 at any Chase Bank branch.

Another firefighter non-profit group, the Wildland Firefighter Foundation based in Boise, Idaho, told 12 News last week that between $300,000 and $500,000 had been raised in memory of the Granite Mountain Hotshots.

Burk Minor, the foundation director, declined to discuss specific dollar amounts in an interview Wednesday with *The Republic*. "A lot's coming in, and a lot's going out," he said.

Minor said his organization has sent some money to families of the fallen firefighters and donated a 9-foot-tall bronze memorial to the Prescott area. He said his non-profit group will support the families long term. "When the casseroles and the (sympathy) cards stop coming in, I'll still be there," he said.

Donations to the Wildland Firefighter Foundation, including those made in memory of the Granite Mountain Hotshots, support firefighter causes around the world, not just in Arizona, he said.

100 Club of Arizona

The 100 Club of Arizona has raised at least $1.5 million, possibly closer to $2 million, for the firefighters' families and related costs, including those tied to the firefighters' memorial service July 9 in Prescott Valley.

Of that, the 100 Club has spent less than $700,000. Disbursements have included $15,000 to each of the 19 families, along with various memorial-service expenses. The 100 Club covered transportation and lodging costs to allow family members and firefighters in other states to attend the memorial. The non-profit also paid for chartered buses to transport guests.

Executive Director Sharon Knutson-Felix said the Phoenix-based organization and its six full-time and two part-time employees are still in the process of documenting all donations. "It's still going crazy, in a good sort of way," Knutson-Felix said.

The 100 Club also is working closely with the United Phoenix Fire Fighters Association and Prescott Fire-

"Our staff in Yavapai County is convening a local steering committee next week to guide our grant-making strategy," Brownell said.

From there, she said key community leaders and foundation representatives will begin "identifying needs and making grant decisions."

This money could wind up supporting causes from affordable housing for displaced residents to wildlife assistance, environmental cleanup and community rebuilding.

Brownell called the Yarnell Hill Fire donation efforts the Arizona Community Foundation's largest ever in connection with a disaster. The group received money from corporations, foundations and more than 670 people. Large contributors include the Wellik Foundation and the Chauncey Foundation.

Donations have slowed but still are coming in, she said.

American Red Cross

The Grand Canyon chapter of the American Red Cross raised about $150,000 for Yarnell relief, along with an undisclosed amount at the national level. Most of that has been spent, with less than $100,000 remaining, said Brian Gomez, a spokesman in Phoenix.

Most of the money was spent to set up, staff and maintain shelters for displaced residents, including in Prescott and Wickenburg. Costs included getting roughly 685 volunteers to these sites. While unpaid, the volunteers required travel costs.

They also needed to be fed and housed, although many stayed at no cost in Yavapai College dormitory rooms, Gomez said. Volunteers ranged from psychologists and high-school counselors to retirees and authors — people who could stay on the scene for up to three weeks, he said.

Some Red Cross money also went directly to displaced Yarnell and Peeples Valley residents, including cash for clothing and food. For residents with longer-term needs, such as a place to stay, the Red Cross may pay for their security deposit and first month's apartment rent, Gomez said.

Any leftover funds will go to other relief efforts around Arizona. "We respond to a house fire or flood every 14 hours on average in Arizona," Gomez said.

Decentralized approach

Various other groups, including the Salvation Army, Goodwill of Central Arizona and PetSmart Charities also have been funneling money or other items to victims of the wildfire.

The Arizona Diamondbacks have helped to collect $705,880, with fundraising efforts continuing, spokeswoman Katie Krause said. The money will be sent to the 100 Club of Arizona, the American Red Cross and Prescott Firefighter's Charities.

The Arizona Republic has counted about 150 donations, dinners, bake sales, auctions, sporting events and other efforts tied to wildfire relief.

Arizona's decentralized charitable effort differs from unified efforts of some other charity fundraising, including One Fund Boston, launched after the Boston Marathon bombing in April, which has raised more than $61 million.

Kenneth Feinberg, a mediation/dispute-resolution attorney based in Washington, D.C., who is administering the One Fund Boston, follows a coordinated approach focused around a single non-profit group and recommends a simple, one-size-fits-all policy for making disbursements.

"If there's $1 million and 19 dead, then divide it by 19," said Feinberg, who led charitable efforts after the Sept. 11 terrorist attacks, the Virginia Tech and Aurora, Colo., shootings, and the Gulf of Mexico oil spill claims against BP.

Feinberg suggests the process of distributing donations be kept simple, transparent and attentive to public feedback and done reasonably quickly.

"It shouldn't take longer than 60 days from when you draft the protocol to when the checks go out," he said.

12 News reporter Brahm Resnik contributed to this article. Reach the reporter at russ.wiles@arizonarepublic.com or 602-444-8616.

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WHY: Solid Plan, Solid People
WHEN: Offering Available through August 31, 2013
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Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
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	USA BARCELONA REALTY ADVISORS	10021194	None	

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0	0	0		R-Sports & Biz	

Invoice Text
2 x 5", b/w, Business Section, 7/31

Ad Order Notes

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
$850.00	$0.00	$850.00	Check by phone	$1,500.00	($650.00)

Ad Number	Ad Type	Ad Size	Color	Production	Production Notes
0008060611-01	R-ROP Broadsheet	2.0 X 5.0000"	<NONE>	Pickup with Change	

Ad Attributes	Ad Released	Pick Up
	No	0008057073-01

Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Business Sun - Retail	7/31/2013	1	$850.00

Run Schedule Invoice Text

Sort Text

ACC006220
FILE #8503

cal, and we allowed them a place to test the market. It did come as a surprise."

Morris said Spirit shared the news with Gateway officials Thursday afternoon, and Gateway then alerted the six member communities that constitute the airport authority. Spirit's official announcement came on the day the airport topped 5 million commercial-service passengers.

At the 5-million-mark celebration, Mesa Mayor Scott Smith and Queen Creek Mayor Gail Barney both stressed that Gateway is a collaborator with Sky Harbor, not a competitor.

"(Gateway) truly is fulfilling its mission as a complement ... to Phoenix Sky Harbor," Smith said. "We look at these two as really being bookends to incredible development

would begin non-stop service to Mexico City and Guadalajara from Sky Harbor in the fall.

"These additional flights are evidence that the city and the airport have weathered the tough economic times and are ready for growth," Phoenix City Manager David Cavazos said.

Sky Harbor officials said their involvement in Spirit's decision was minimal, in contrast to the move by Volaris, which city officials spent more than a year courting.

"Some time in the last couple of months, they asked us for some basic information," Sky Harbor spokeswoman Deborah Ostreicher said.

Spirit inquired about rates and charges for operating at Sky Harbor and whether the airport had terminal space, she

visit there, according to Ostreicher.

There were no actual negotiations or talks, and neither the Phoenix City Council nor Phoenix Mayor Greg Stanton was involved, she said.

"We want (Spirit) to succeed," Stanton said. "But I would never participate in offering any kind of incentive for a company to move from one location to another in the Valley. Phoenix-Mesa Gateway will be a huge success. Phoenix has as much interest as anyone in seeing Phoenix-Mesa Gateway be a huge success because we're a huge investor in that airport."

Spirit has not yet signed a lease with Sky Harbor, something that likely will take place in the next few weeks. The airline will have to coordinate

Air Gain is resuming ticket sales to Telluride (Colo.), and they've indicated they're planning to continue to expand at Gateway."

Sexton said Spirit's departure "creates additional opportunities in the terminal to attract another carrier, and we're hopeful and excited about what lies ahead."

Spirit flights from Phoenix to Dallas-Fort Worth will depart Phoenix at 1 a.m. and leave Dallas at 11:15 p.m., according to the new schedule.

Flights to Chicago will depart Phoenix daily at 1:50 a.m. and leave Chicago at 8:50 p.m. Flights to Denver will depart Phoenix at 1:15 p.m. and leave Denver at 4 p.m.

Flights to both Chicago O'Hare and Denver will run through April 30.

nies business model, financial model, how to generate revenue, how to raise capital, commercialization — the A to Z of what an entrepreneur needs," Klein Johnson said. "We surround them with mentors and bring in content experts from (the) community."

The incubator allowed Hart Shafer, 38, of Phoenix, to network with like-minded entrepreneurs in a productive environment.

Shafer, who founded TheraSpecs, the eyeware company that makes spectacles to alleviate migraines, said he designed the tinted shades as a way to help his wife, who suffered from chronic migraines for years.

"What I was looking for was advice, mentorship and contacts to help me figure out how to build the company around the product," Shafer said.

Shafer had a background in physics and math, not business. But Seed Spot provided him with a network to call for advice, he said.

"It also provided a lot of the discipline to do some of the things that I knew I needed to do, like make sure I had a really good idea of what my financials were. ... I finally got all my accounting set up," he said.

Fellow entrepreneur Francisco Cervera, 34, participated in the program with his brother Luis. The two San Diego natives run eMoney Pool.com, a microfinance provider that helps individuals access capital through "money pools."

"Our vision is to turn it into a mass marketplace where we help underserved individuals get the capital they need," Cervera said.

The concept of money pools stemmed from a cultural practice, he said.

"Imagine you want something but you have no credit so you can't get a loan. ... People around the world do 'money pools' and help get money for each other in a creative way," he said.

Seed Spot helped them learn more about how to run the business.

"My brother and I went to school for the sciences; we never went to get our business degree," Cervera said. "We were lacking the knowledge we needed to get from point A to point B. ... When we heard about Seed Spot we thought it was perfect, like a mini MBA program that will get us to where we need to go."

Cervera said going through the program gave the brothers credibility with investors and provided them with tools they needed to grow their business.

"It helped us get more traction, (and we) ultimately got more funding after we graduated the program," he said.

The success of Seed Spot has garnered attention from outside Arizona as well.

"We have been looked at for a model for expansion in other cities," Klein Johnson said.

Fifteen cities expressed interest, she said.

This year, Seed Spot will accept 20 companies into the full-time program and 50 companies into the evening program.

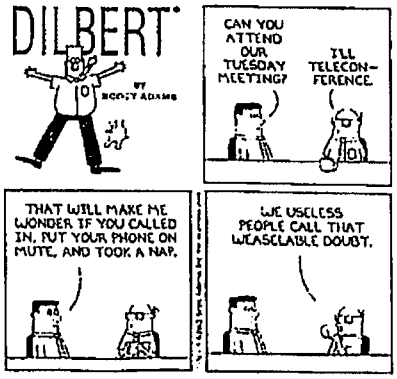
Apply by filling out forms on the incubator's website, seedspot.org.

SEED SPOT 2012 RESULTS (YEAR ONE):

BY THE NUMBERS

- 56 community partners.
- 65 mentors and industry experts.
- Three full-time staff members, two part-time staff members.
- $250,000 budget.
- 191 applicants, 56 ventures entered program.
- 20 legal entities formed, 17 full-time jobs created and 24 part-time jobs created.
- $815,000 raised by ventures.
- $1.05 million generated by ventures.
- Connected more than 500 community members through Venture Fridays, Startup Coffees and Free Lunch Fridays.
- 606 attendees at the Seed Spot kick-off.
- 660 attendees at Demo Day.
- 43,329 unique website visitors.

Source: Seed Spot



8% Current + 8% Bonus Return

USA Barcelona

WHO: Advisor to a Private Non-Traded REIT
WHAT: Returns from Performing Apartments & Hotels
WHERE: Scottsdale Based; National Investment Strategy
WHEN: Offering Available through August 31, 2013

- 8.0% annual interest, payable quarterly.
- 8.0% additional accrued interest payable at maturity.
- Principal and accrued interest due and payable on 12-31-2014 ("maturity").

$500,000 of Series A Notes
$50,000 Minimum Investment
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July 31, 2013

ACC006221
FILE #8503

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ıique website visitors.

Source: Seed Spot

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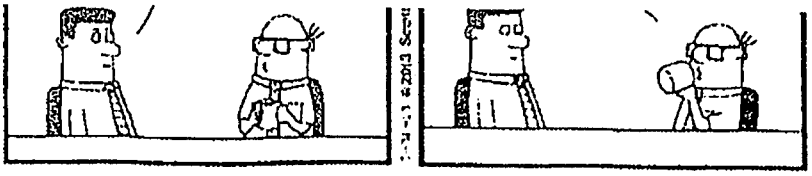
by filling out forms on the
r's website, seedspot.org.



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G2

Order Confirmation

Ad Order Number	Customer	Customer Account	Ordered By	PO Number
0008064566	USA BARCELONA REALTY ADVISORS	10021194		
Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
wisnerd			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
	USA BARCELONA REALTY ADVISORS	10021194	None	

Tear Sheets	Proofs	Affidavits	Blind Box	Promo Type	Materials
0	0	0		R-Sports & Biz	
Invoice Text				**Ad Order Notes**	
2 x 5, b/w, Business					

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
$850.00	$0.00	$850.00	Check by phone	$850.00	$0.00

Ad Number	Ad Type	Ad Size	Color	Production	Production Notes
0008064566-01	R-ROP Broadsheet	2.0 X 5.0000"	<NONE>	Pickup with Change	
Ad Attributes		**Ad Released**	**Pick Up**		
		No	0008060611-01		

Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Business Sun - Retail	8/7/2013	1	$850.00
Run Schedule Invoice Text	**Sort Text**			

ACC006223
FILE #8503

Restaurants feeling the squeeze in France

By Lori Hinnant
Associated Press

PARIS — The country that gave us the words restaurant, bistro and cuisine is changing how it eats.

For the first time in France, fast food overtook traditional restaurant receipts as the economic crisis deepened, and the share of people who pack a lunch for work is rising faster by the year. Meanwhile, reports of the increasing number of traditional restaurants resorting to frozen pre-packaged meals to hold down prices have shaken France's sense of culinary identity.

French lawmakers have swung into action to protect their cuisine, which the government considers a matter of national pride — even to the point of persuading UNESCO in 2010 to put French cuisine on its World Heritage List.

"I don't want chefs replaced by microwaves," said Daniel Fasquelle, a lawmaker in the French Assembly who voted recently for a measure that would require restaurants to print "fait maison" — or homemade — on menus next to dishes created from scratch.

Fasquelle said the legislation, which was approved in the lower house and goes to the Senate in the fall, is weaker than what he and other culinary warriors want but represents a step in the right direction. Fasquelle is part of a movement seeking to limit what can be called a "restaurant" to places where more than half the food is made in-house. The idea is to protect "true cuisine" and force the fakers — who would have to find a more appropriate word, such as "caterer" — to fess up.

The harsher measure died in the Assembly earlier this year, but Fasquelle and his cohorts plan to propose it again in September. The legislative pushes have parallels to requirements French bakeries were subjected to in 1998, when the word "boulangerie" was legally reserved for establishments that made bread from scratch — and using a freezer at any point in the process strictly prohibited.

Amid the parliamentary uproar, most French workers — increasingly pressed for time and money — are unlikely to probe too deeply.

Estelle Levy sets up loaves of bread in her Paris bakery. "Fast-food" shops such as hers are putting pressure on traditional restaurants in France. AP

Lunches that traditionally ran two or three hours in the south are being cut short by the modern work day. According to a 2011 study, the French midday break is down to an average of 22 minutes, compared with nearly 90 minutes two decades ago. And a study this spring found that a fifth of French workers are bringing food from home to eat at work — double the percentage just three years ago, according to a survey this spring from industry consultant Gira Conseil.

According to the study, fast-food expenditures have surpassed traditional restaurants for the first time, making up 54 percent of receipts.

But don't think that French fast food means strictly McDonald's, whose sales in France are slumping this year, according to their most recent quarterly results.

One of the biggest drivers of the fast-food trend are the boulangeries that were subject to regulation in the '90s. These days they've become masters of serving delicious quick meals for the price of a Big Mac and fries — and these come under the category of "fast food."

For Estelle Levy, who opened a bakery two years ago in Paris, the choice was clear. A traditional French bakery has three producers: one to make bread, one to make pastries and cakes and a third to make breakfast fare like croissants. She decided to forgo the croissant specialist and hired a cook to serve quick meals instead.

"The day that I don't make bread, my business is over," she said. "But my bakery wouldn't be viable if I didn't serve food."

More than a third of her income is from the lunches, she said. Most of her customers grab a sandwich, a pastry and a drink and take off. A few linger at the handful of tables she set up facing the display cases containing pasta, quiches and desserts. The bread is there, of course, but it's tucked behind the counter.

While bakeries like Levy's are cashing in on the fast-food trend, so are supermarkets. This spring Carrefour, the hypermarket chain, began offering a line of what the French call "snacking" — because a meal on the run is considered just that.

Even so, French flavor demands remain unchanged, said Anne-Marie Ferrari, a Carrefour executive. In France, she said, "snacking also has to mean eating well."

A small dessert is expected at even the most rushed of meals, and the idea of a meal eaten while walking or driving is anathema.

Bezos

Continued from Page D1

broadsheet is the anchor of a newspaper division that lost $54 million at the Washington Post Co. last year while generating annual revenue of $582 million — 39 percent less than it did in 2005.

"There is no map, and charting a path ahead will not be easy," Bezos wrote in a Monday letter sent to *Post* employees after his surprise acquisition was announced. "We will need to invent, which means we will need to experiment."

According to an Amazon spokesman, Bezos wasn't available to be interviewed Tuesday about his plans for the *Post*.

Amazon's nearly two-decade history under Bezos' leadership suggests the *Post* is likely to try things that other newspapers steeped in tradition have never dared to attempt.

"Ever since he was a little kid, it got deeply ingrained into Jeff that experimentation is the answer to everything," said Hal Gregersen, who interviewed Bezos for his 2011 book, "The Innovator's DNA." "Exploring the edges is one of Jeff's counter-intuitive skills. If you go back to when he started Amazon, he was paying attention to something out of the corner of his eye and turned it into something that others didn't see."

It's impossible to predict the ideas Bezos might explore, partly because reviving the *Post* will probably take years to pull off. Experts are floating a host of ideas. Bezos could, for instance, deploy the technology that Amazon uses to recommend books, movies and music to consumers to enable the *Post* to tailor digital news packages to each reader's interests. He might impose more fees to read the *Post's* content online while bundling free subscriptions as part of Amazon's Kindle Fire tablet or consumers who buy Amazon's "Prime" service for free shipping.

The *Post* and other newspapers might not be around that much longer, unless radical changes are made. Some of the biggest newspapers have had to seek refuge in bankruptcy court to reshuffle their finances during the past five years, and the outlook still looks grim. Based on his recent conversations with publishers, analyst Doctor believes revenue is likely to continue to slip for the next five years, too.

Newspapers have been suffering because their main source of revenue — advertising in print editions — has been drying up during the past eight years as readers discovered that they can keep up on events for free or lower subscription rates through Facebook, Twitter, Yahoo, Google, specialty blogs and other digital outlets.

Most newspapers have intensified their focus on their digital editions during the past few years but still haven't been able to overcome this fundamental problem: digital ads typically sell for 10 percent to 50 percent less than print ads.

That gap is the chief reason that the annual print-ad revenue at U.S. newspapers plummeted 60 percent in seven years, dropping from $47.4 billion in 2005 to $18.9 billion last year, according to the Newspaper Association of America. Over the same stretch, the industry's digital-ad revenue climbed from $2 billion in 2005 to $3.4 billion last year.

The financial hole is so deep that it will be difficult for even a savvy Internet executive like Bezos to find a solution at the *Post*, said Christopher Harper, a journalism professor at Temple University.

"It's not really a business deal, it's almost an investment in a non-profit," Harper said.

policy analyst with the nonprofit

VALLEY & STATE

Sprouts Farmers Market says it has raised $344 million from its initial public offering

Sprouts Farmers Market Inc., the Phoenix natural-foods grocer that began selling shares of its stock last week, said Tuesday that it raised $344 million from the stock sale. The company will use the funds to repay $340 million in debt.

sprouts.com

University of Phoenix is planning to host its Career Symposium event today in Tempe

The University of Phoenix will host a Career Symposium from 10 a.m. to 1 p.m. today on its campus on Fountainhead Parkway in Tempe. Corina Madrugo, human-resources supervisor with the city of Phoenix Parks and Recreation Department, will speak at the event, and local employers will be on hand to talk with attendees about employment opportunities. The Phoenix Career Services portal will be on display.

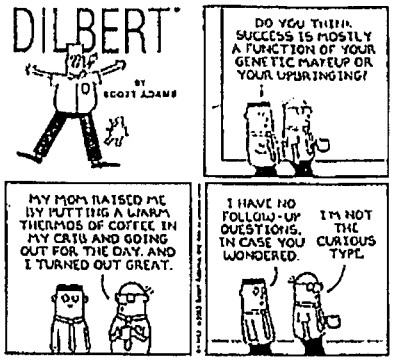
phoenix.edu

Tech company Ignite International to hold free public event on discovering curiosity

Tech company and online-course provider Ignite International Corp. will hold a free public event called "Today's the Day You'll Question Everything" at 6 p.m. Aug. 15 at Crescent Ballroom in Phoenix. The event will feature Tom McDermott, Ignite founder and chief operation officer, who will talk about discovering curiosity and how that connects to our purpose. The evening will include presentations by Courtney Klein Johnson of Seedspot, Donavon Roberson of Infusionsoft and Lauren Wong of Changemaker Central. To register for tickets, visit http://questioneverything.splashthat.com.

Ignite.com

— *Staff reports*



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FILE #8503

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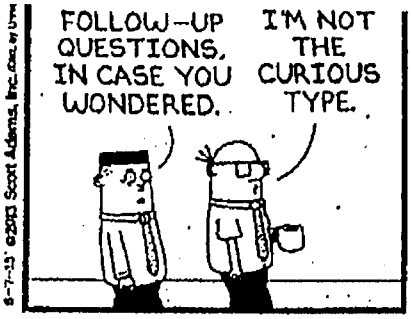

8% Current + 8% Bonus Return

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Order Confirmation

Ad Order Number	Customer	Customer Account	Ordered By	PO Number
0008068084	USA BARCELONA REALTY ADVISORS	10021194		
Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
wisnerd			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
	USA BARCELONA REALTY ADVISORS	10021194	None	

Tear Sheets	Proofs	Affidavits	Blind Box	Promo Type	Materials
0	0	0		R-Sports & Biz	

Invoice Text
2 x 5, b/w, Valley & State

Ad Order Notes

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
$850.00	$0.00	$850.00	Check by phone	$850.00	$0.00

Ad Number	Ad Type	Ad Size	Color	Production	Production Notes
0008068084-01	R-ROP Broadsheet	2.0 X 5.0000"	<NONE>	Pickup with Change	Business

Ad Attributes	Ad Released	Pick Up
	No	0008064566-01

Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Main News A - Retail	8/14/2013	1	$850.00

Run Schedule Invoice Text

Sort Text

ACC006226
FILE #8503

NATION & WORLD | MORE BUSINESS NEWS AT MONEY.AZCENTRAL.COM

RETAIL

J.C. PENNEY BATTLE ENDS

AP

The boardroom drama may be over, but J.C. Penney is still grappling with an uncertain future. William Ackman (right) has resigned from J.C. Penney's board as part of a deal to resolve an unusually public battle between the activist investor and the struggling department-store operator. Ackman's Pershing Square Capital Management is Penney's biggest stockholder with a 17.7 percent stake. Ackman went public last week with statements saying he'd lost confidence in Penney's board and that Chairman Thomas Engibous should be replaced. Ackman and the retailer's board also were bickering over how quickly the company should replace CEO Mike Ullman. On Tuesday, J.C. Penney named Ronald Tysoe as a director to fill Ackman's seat.

RESTAURANTS

CHIPOTLE MULLS CHANGE

Chipotle Mexican Grill is reviewing a proposal to start using beef that has been treated with antibiotics, but said no decision has yet been made on the matter. The Denver-based chain stressed in a news release Tuesday that its beef, chicken and pork continue to come from animals that are not given antibiotics or added hormones whenever possible. But it said it's considering tweaking its "responsibly raised" meat standards to allow meat from animals that have been given antibiotics to treat illnesses. Chris Arnold, a spokesman for Chipotle, said he had incorrectly stated the new policy had been decided.

RETAIL

SALES UP 0.2% IN JULY

U.S. retail sales edged up in July despite a drop in auto sales. The Commerce Department said Tuesday that retail sales increased 0.2 percent in July from June. Sales had risen 0.6 percent in June from May on a surge in auto sales. "Core" retail sales, which exclude the auto, gas and building supply categories, rose 0.5 percent in July. It was the biggest such gain since December. Economist Paul Dales suggested that consumer spending, which rose at an annual rate of 1.8 percent in the April-June quarter, could grow at a 2.5 percent annual rate or better in the July-September quarter.

—Associated Press

Blackout

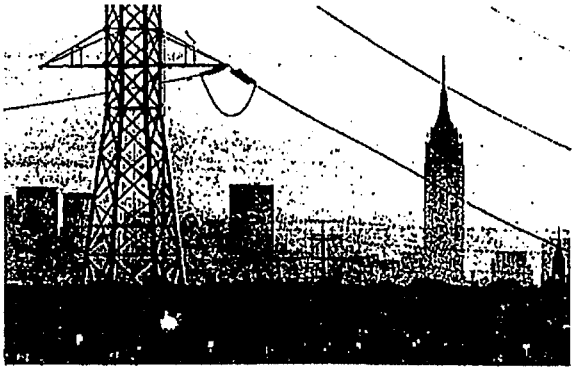
Continued from Page B6

parts of Canada.

The big blackout interrupted phone service, cut lights and air conditioning, impeded power plants, hospitals and prisons, and disrupted transportation from Michigan to New England.

Akron-based FirstEnergy Corp. wasn't penalized for its role in the event, which cascaded from the outage of transmission lines in Ohio.

"There were no mandatory standards, so there would have been nothing to fine them for," said Craig Cano, a spokesman for the Federal Energy Regulatory Commission.



The 2003 blackout started Aug. 14 and still affected millions the next morning and darkened New York — including the Empire State Building. AP

Step: Monitoring panel

The nonprofit North American Electric Reliability Corp. since has been transformed from a voluntary industry group to a government-sanctioned overseer of new reliability requirements developed after 2003. Its recommended penalties are brought before the federal regulatory commission for approval.

Under the Energy Policy Act of 2005, the commission was given statutory authority over grid reliability and the hammer of potential civil penalties, fines that cannot be passed on to customers. The new law increased the regulatory commission's civil penalty authority from $11,000 a day to $1 million a day.

In 2010, Florida Power & Light was fined $25 million for its outage, which left as many as 3 million people without power for part of a day in 2008, the largest single fine to date for reliability violations. The culprit was a short circuit at a Miami-area substation.

Step: Levy fines

An Associated Press review found reliability-related penalties imposed under the new standards totaled more than $33 million since oversight began in 2007. All were levied since 2010.

Besides fines, companies have been required to fix violations of the reliability standards, which touch on dozens of issues ranging from cybersecurity to equipment storage.

Utility leaders and regional operators say the changes help ensure reliable power service.

"I don't think I'd want to characterize it as 'the industry's become more responsible,' because the industry has always taken seriously its responsibility associated with reliability," said Joe Gardner, a vice president for the Midcontinent Independent System Operator. "I do think that we've been able to evolve our processes and systems over the last 10 years in a manner that has enhanced reliability."

Step: Prevent outages

Some credit the stricter national standards and more extensive operator training with helping to prevent grid-wide outages during Superstorm Sandy, which knocked out power to millions along the East Coast and blacked out parts of New York City in October 2012 when seawater poured into low-lying substations.

"Could there be a bigger storm, a more unexpected event? It's possible, but again unlikely," said Rick Gonzalez, senior vice president and chief operating officer of the New York Independent System Operator, a regional transmission organization.

"Something like what happened in 2003 was a combination of human events and system failures — monitoring failures," Gonzalez said. "And there's been a lot of regulation to mitigate the impacts of something like computer system failures and other operating system improvements."

16 % RETURN

USA Barcelona

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ERECTILE DYSFUNCTION?
PREMATURE EJACULATION?
LOW TESTOSTERONE?
WE TREAT THEM ALL!

Auction

Continued from Page B6

with $14 million in sales in 2012 and attendance of 54,000.

The Reno event, with 40,000 attendees, included these top sales:

» $192,000 for a 1963 Chevrolet Corvette convertible.

» $178,200 for a 1950 Jaguar XK 120 two-door roadster.

» $165,000 for a 1968 Shelby GT500 Fastback.

A best-of-show trophy — the Barrett-Jackson Cup — and a $20,000 swing vote to Copper Bl[illegible] 51 percent in the past 36 months. Hagerty Insurance of Traverse, Mich., a top agency for insuring classic cars, produces the index.

Hagerty expects continued price gains this week in Monterey, Calif., predicting record sales of $325 million for the five auctions there. That would be a 23 percent jump from last year's record $265 million in combined sales for the auctions staged by Bonhams, Gooding & Co., RM Auctions, Acum and Russo & Steele. The a[illegible]tion, races and other events [illegible] held in conjunction with the Peb[illegible] Beach Concours d'Elegance [illegible] classic car show.

AUCTION SALES UP

Scottsdale-based Barrett-Jackson has reported collector-car sales of $144 million at its first three auctions this year, up 16 percent from a year ago. It sold $14.2 million at its first event last week in Reno, which replaced its June auction in Orange County, Calif. Here are the sales totals for the past two years:

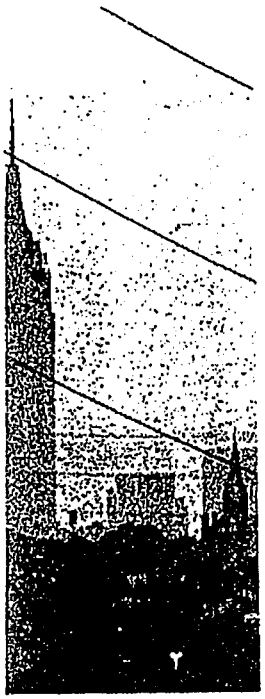
Scottsdale

ACC006227
FILE #8503

ıls that are not given antibiotics or
ı hormones whenever possible. But
ı it's considering tweaking its "re-
ibly raised" meat standards to
meat from animals that have been
antibiotics to treat illnesses. Chris
d, a spokesman for Chipotle, said
d incorrectly stated the new policy
een decided.

auto, gas and building supply categories, rose 0.5 percent in July. It was the biggest such gain since December. Economist Paul Dales suggested that consumer spending, which rose at an annual rate of 1.8 percent in the April-June quarter, could grow at a 2.5 percent annual rate or better in the July-September quarter.

— *Associated Press*



the next morning
ng. AP

ɔutages

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ıth helping to pre-
ıtages during Su-
which knocked
ons along the East
l out parts of New
tober 2012 when
l into low-lying

ɜ a bigger storm, a
l event? It's possi-
ılikely," said Rick
vice president and
ıfficer of the New
ıt System Opera-
ınsmission organi-

ıre what happened

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deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
wisnerd			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
	USA BARCELONA REALTY ADVISORS	10021194	None	

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0	0	0		R-Sports & Biz	

Invoice Text

8/21, Valley & State (Business),. 8/21

Ad Order Notes

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
$1,190.00	$0.00	$1,190.00	Check by phone	$1,190.00	$0.00

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Ad Attributes	Ad Released	Pick Up
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Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Main News A - Retail	8/21/2013	1	$1,190.00

Run Schedule Invoice Text

Sort Text

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chusor, attained the second highest spot on the list, at No. 45.

The company reported its revenue increased 5,962 percent during the past three years to $7.4 million. The Joint has 14 employees.

» BlueSquare Resolutions, a Scottsdale-based provider of secure payment processing to merchants, ranked No. 102. The firm reports posting a 3,458 percent increase in revenue since 2009.

» Rigid Industries of Gilbert is No. 151 on the list. The company, at No. 234; human-resources firm Vincent Benjamin of Phoenix at No. 246; Scottsdale-based IT-service firm SunSoft at No. 319; Phoenix-based Value Card Alliance, a commercial barter firm, at No. 421; health-care firm GlobalMed of Scottsdale at No. 465; and Phoenix-based Owens Harkey Advertising at No. 493.

Peck said many of Arizona's most successful entrepreneurial firms are very focused on a niche or have been able to shift their business model by relying on new technology.

Hempo Development, Sprouts Farmers Market, Infer, Sysazzle, MIRACORP, Levementum, 360 Vantage, ServerLift, Nutricity.com, Infinity Trading Solutions, 3D P, Tilted Kilt Franchise Operating, Helton & Co., Synergy HomeCare, Goffet USA.

From 2,001 to 3,000: IQ Office Products, Safety Services, Simplexview, All Staffing Solutions, Mellmedia, Appointment-Plus, Infusionsoft, Maddy's Pool Supply & Service, ProCopy Office Solutions, Emerald Art Systems, Swiss Teknik, Hard Dollar, IP Networks, Telesphere, Sure Prep Learning, Law-Logix Group, Sulaan Solutions, Creative Wheels, Element Payment Services, CellTrust.

From 4,001 to 5,000: Proquate Marketing, PlanetOne Communications, Quality Project Management, Columns Consulting, Lestree Commercial Real Estate, Mach 1 Global Services, Regeneis Biomedical, Auction Systems, Yavapai Plumbing & Heating, Autoline Industries, Commotion Promotions, RetTime Solutions, PCA Skis, GoDaddy.com, Magenia International, Mountainside Fitness, E&E Exhibit Solutions, AutoTrackZ.com, AskReply, GHA Technologies, Buffalo Exchange.

lyst at the London-based consulting firm Eurasia Group. "They haven't engaged in a big bang reform to deal with structural problems still affecting the economy."

Pessimists fear India could suffer a funding crisis like the one it experienced in 1990-91 when international investors took fright at its shaky finances. But with the central bank now stocked with $280 billion of foreign currency reserves, most experts think that scenario is unlikely.

Danny's

Continued from Page B6

Unlike most of the others, Henry Hernandez-Alonzo, who was arraigned Tuesday, will remain in custody awaiting the scheduled Oct. 1 trial. Hernandez-Alonzo is already charged with illegally re-entering the country after his 2009 deportation to Guatemala, court records say.

According to the indictment, managers for Danny's helped and encouraged some fired workers to obtain fake identities and shuffled them around the work sites to help keep them on the job. The fake identities were used to pass the federal employment-verification screening that is required in Arizona, the indictment says.

Like Danny's companies, HR Betty, a human-resources firm that handled employment-verification duties for Danny's, maintained in a statement released Monday that it had acted appropriately. That company has not been charged in the case, which authorities say is an ongoing investigation.

America

Continued from Page B6

ness three years ago to become a full-time consumer advocate.

If the made-in-America pledge video goes viral, Bogusky expects it to be viewed by up to 10 million Americans — five times the number that saw his satiric video last year for the Center for Science in the Public Interest, which showed animated polar bears suffering an array of ailments after drinking sugar-laden soft drinks.

The way Bogusky figures it, the act of buying American helps save U.S. jobs, the environment — and foreign workers from exploitation.

"There's hippie value now to Made in America," he says. "Red, white and blue are the new green."

The video prods people to more closely examine products for the "Made in USA" label. "Sometimes, even if you think a brand is American, even if there's an American flag on the package, it might not be made here," Bogusky advises in the video. "You have to pay attention."

The video cost just $7,000 to make, Bogusky says.

He saved money by hiring no actors — instead, starring in it himself.

That, says brand guru Peter Madden, is the problem. "Though revered in the ad community, Alex Bogusky is not a household name.

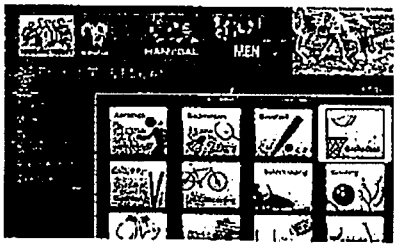
"Without a heavy hitter like Bill Clinton," says Madden, "I'm not certain this is going to catch fire."

Bogusky says he knows that. "I need George Clooney to do the next one," he says.

TiVo

Continued from Page B6

tor, director, genre or keyword. The Roamio offers recommendations on what's currently on, based in part of what other TiVo viewers are watching and have watched in that time slot in the past. The new devices also let you narrow what you see in channel-by-channel listings to just movies, sports or kids shows.



The new TiVo Roamio Plus digital video recorder can record six channels at once and has built-in streaming. TiVo Inc

Some of the new DVRs will also come with the ability to watch live and recorded shows on iPhones and iPads. Before, a $130 device called TiVo Stream was needed. Streaming is initially limited to devices on the home Wi-Fi network. This fall, out-of-home viewing will be available through other Wi-Fi networks, such as at work, hotels and coffee shops. An Android app also is coming by early next year.

The midrange Roamio model comes with enough storage for 150 hours of high-definition television and can record up to six channels at once. Besides built-in streaming, there's built-in Wi-Fi support to negate the need for TiVo's $90 adapter.

TiVo is touting the $220 savings as it tries to persuade people to spend $400 for that midrange model, the Roamio Plus. It's an investment that also requires a $15-a-month TiVo service for electronic television listings and other features.

A high-end Roamio Pro, which can store 450 hours of HD programming, is available for $600.

The $200 base model has 75 hours of storage and can record four channels at once. It also lacks built-in support for streaming to iPhones and iPads. But the base model can record over-the-air broadcasts, while the pricier models require a TV signal from a cable service.

Satellite TV isn't supported on any of the devices. AT&T's U-verse won't work either, but Verizon's FiOS will.

San Jose-based TiVo has been steadily gaining subscribers over the past two years after seeing its business decline amid competition from DVRs provided by cable and satellite companies. TiVo now partners with many of those companies, including Comcast Corp., to provide a premium DVR offering. It also sells stand-alone DVRs, such as the current Premiere line.

TiVo had 3.4 million subscribers as of April 30, a nearly 75 percent increase from 2 million two years earlier.

Gartner analyst Mike McGuire said the new TiVos will appeal to people who want to find shows easily, whether they come from a traditional channel or from an Internet service.

Although cheaper rival devices are available, McGuire said some consumers will be drawn by TiVo's simplicity — especially if they are already paying for premium cable packages in multiple rooms.

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Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
tlgibson			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
	USA BARCELONA REALTY ADVISORS	10021194	None	

Tear Sheets	Proofs	Affidavits	Blind Box	Promo Type	Materials
0	0	0		R-Sports & Biz	
Invoice Text				**Ad Order Notes**	
BIZ - Wed 8/26					

Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
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Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Main News A - Retail	8/28/2013	1	$1,190.00
Run Schedule Invoice Text	**Sort Text**			

ACC006232
FILE #8503

NATION & WORLD | MORE BUSINESS NEWS AT MONEY.AZCENTRAL.COM

TRAVEL

AIRLINE JOBS POST DECLINE

Airline employment has dropped from last summer because of job cuts at American Airlines and regional carriers that use smaller planes. The U.S. Department of Transportation said Tuesday that airlines employed the equivalent of 381,441 workers in June, down 2.4 percent from the same month last year. It's the 10th straight month of decline compared with a year earlier. The DOT said that American cut about 5,400 jobs, or 8.4 percent of its workforce.

AP

HOME PRICES UP IN JUNE

U.S. home prices [illegible] in June from a year earlier, [illegible] a seven-year high. But month-to-month price gains slowed [illegible] June, a sign that higher mortgage rates may weigh on the housing recovery. The Standard & Poor's/Case-Shiller 20-city home price index showed only a [illegible] gain from May's year-over-year gain of 12.2 percent, the fastest since March 2006. And all 20 cities posted gains from the previous month and compared with a year ago, according to the report released Tuesday.

STARBUCKS EXPANDS

[illegible]

Ackman to sell J.C. Penney stake for about $504.4 mil

Associated Press

NEW YORK — J.C. Penney's biggest investor, William Ackman, plans to sell his entire stake in the struggling department store operator for about $504.4 million — a loss of about $470 million from what he paid for it.

The move comes two weeks after Ackman resigned from J.C. Penney Co.'s board as part of a deal to resolve an unusually public battle between the activist investor and the retailer.

Pershing Square Capital Management's Ackman disclosed in a regulatory filing late Monday that he was going to sell his nearly 18 percent interest — or 39.1 million shares.

On Tuesday, Ackman said that the shares will be priced at $12.90 each.

Ackman acquired about 39.1 million shares of J.C. Penney in 2010, according to filing with the Securities and Exchange Commission. He paid about $25 per share, Pershing said Tuesday.

Trader Christopher Fuchs, center, works on the floor of the New York Stock Exchange at the post that trades J.C. Penney stock.

RICHARD DREW/AP

J.C. Penney's shares have lost nearly 70 percent of their value since early February 2012 when investor enthusiasm over former CEO Ron Johnson's retail strategy pushed the stock to around $43. That includes a 32 percent drop in value so far this year.

Ackman's sell-off comes as the beleaguered chain is trying to recover from a botched transformation plan spearheaded by its former CEO that led to disastrous financial results.

The board ousted Johnson in April after only 17 months on the job and rehired Mike Ullman, who had been CEO of the Plano, Texas, retailer from 2004 to late 2011.

Ackman joined its board in February 2011.

VALLEY & STATE

Justice Dept., airlines face off over trial date

The U.S. government wants to wait until March for a trial on its lawsuit aimed at blocking the merger of American Airlines and Tempe-based US Airways, a deal that would create the world's biggest airline.

The airlines want to start the trial in November.

They had hoped to close the merger next month, but that was before the U.S. Justice Department and six states filed the antitrust case two weeks ago.

The Justice Department said in a court filing on Tuesday that given the stakes in the merger, it needs until March 3 to develop evidence and prepare for trial.

It accused the airlines of rushing the case.

The companies did not immediately comment.

The federal judge in Washington, D.C., who is hearing the case plans to hold a conference on Friday, but it's not certain that she will set a trial date then.

usairways.com

Roosevelt Row receives city recycling program

Phoenix has begun a permanent recycling program along Roosevelt Row in downtown.

The city conducted a seven-month pilot project, spearheaded by the Roosevelt Row Merchant Association, to test whether recycling would work in the commercial area.

The pilot was deemed a success.

The city is now making trash and blue recycle bins available to the businesses for $26 per month.

Phoenix doesn't provide recycling services to industrial establishments and commercial businesses. However, the city offered the program to the district because the merchants' association is a non-profit.

rooseveltrow.org

Staff and wire reports

Speakers

Continued from Page B6

This season's speaker lineup is:

» Bruce Broussard, president and chief executive officer of Humana, who will speak on Oct. 3.

» Dan Burns, chief executive officer of Athletes' Performance, and John Stobo, managing general partner of AIS Capital, who will speak on Nov. 10.

» Joe Shoen, chief executive officer of U-Haul International and chairman and president of AMERCO, who will speak on Jan. 23.

» Punit Renjen, chairman of the board of Deloitte, who will speak on Feb. 13.

» Dan Hesse, chief executive officer of Sprint Corp., who will speak on March 18.

» Jim Davidson, co-founder and managing partner of Silver Lake Partners, who will speak on April 17.

All luncheons will run from 11:30 a.m. to 1:30 p.m. The October event will take place at the Westin Kierland Resort and Spa in Phoenix, with the rest of the locations to be announced.

Non-members are welcome for a $75 lunch fee. To reserve a luncheon seat or for more information, call 480-727-0896.

The Economic Club of Phoenix was founded by a group of business executives called the Dean's Council, in conjunction with the W.P. Carey School of Business at Arizona State University.

Safety

Continued from Page B6

Drivers in Fort Collins, Colo., had the best record nationally. Drivers there have a collision every 14.9 years on average.

Washington, D.C., had the worst claims record for the sixth straight year. Baltimore, Philadelphia and Miami also ranked near the bottom.

Allstate has 10 percent of the nation's auto policies.

Among other findings, the company said 70 percent of auto claims are the result of collisions in stop-and-go traffic under 35 miles an hour.

SAFER THAN AVERAGE

[illegible] Here's how the state's nine largest cities rank among the 200 biggest urban areas nationally, based on claims data from Allstate.

City	Safety ranking
Mesa	11
Tucson	20
Tempe	22
Gilbert	29
Chandler	48
Scottsdale	44
Glendale	49
Peoria	54
Phoenix	71

Utilities

Continued from Page B6

price, but customers can choose to buy the actual power from someone other than the local utility.

Sixteen states have some competition in their electricity markets, but only a few allow residential customers to select their electricity provider, with most programs focused on businesses that consume large amounts of power.

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price), and the EPA won't regulate fracking?" Guldner said.

Those who want to see Arizona offer electricity competition said such concerns are overblown.

They also said references to the California energy crisis in 2000 and 2001 that troubled deregulation there are outdated because California successfully dealt with its issues.

"Every time I go to a forum like this, someone says, 'What about California?'" said Greg Patterson, director of the Competitive Power Alliance, presents several companies. "How is this have to other states and ample power supply. He was the director of RUCO at the time, appointed by then-Gov. Fife Symington.

"Very large companies built power plants here," he said. "We saw a phenomenal increase in power plants to serve the Arizona market."

He said utility customers could be harmed by delaying a move to open competition because they are not receiving the benefits of competition today. Utilities will take a closer look at costs if they face competition, he said. That is good for consumers because all costs are passed on to customers.

"The mentality of the utility changes in a competitive environment. [illegible] tions would be passed to utility customers, but APS was OK with the risk, he said. But once deregulation was being discussed by state regulators, and APS had to consider running the coal units in competition with other power plants, APS killed the idea [illegible]

Jay Heiler, chairman of a group that formed to oppose the deregulation measure, said theories on competition such as those espoused by economist Milton Friedman are nice, but not applicable in the debate.

"This should not be analyzed philosophically," he said. "It must be analyzed practically. [illegible] there is a blackout in Arizona [illegible]

"I propose this can be tried in a very low-risk way," he said.

During the California energy crisis, energy companies created false shortages of power to spike prices, leading to blackouts starting in 2000. But Arizona was not affected, even though it was moving into its own deregulated market, he said.

"Arizona built in protections when Arizona went to direct access the first time," he said.

The Corporation Commission will take up the issue at formal hearings this fall.

16 % RETURN

USA Barcelona

competition with other power plants, APS tabled the idea as too risky.

Jay Heiler, chairman of a group that formed to oppose the deregulation measure, said theories on competition such as those espoused by economist Milton Friedman are nice, but not applicable in the debate.

"This should not be analyzed philosophically," he said. "It must be analyzed practically.... If there is a blackout in Arizona, we are not talking about an inconvenience. We are talking about an evacuation."

But Kevin Higgins, a principal at Energy Strategies who represents Arizonans for Electric Choice and Competition, said that opponents who cite the threat of power shortages are not making realistic arguments. The existing utilities such as APS still would control the power grid, and safeguards would be put in place to ensure electric reliability.

blackouts starting in 2000. But Arizona was not affected, even though it

mission will take up the issue at formal hearings this fall.

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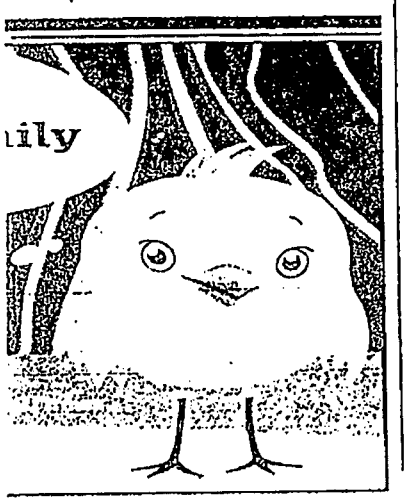

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Sales Rep.	**Customer Address**	**Customer Phone #1**	**Customer Phone #2**	
deatonr	7025 N. Scottsdale Road, Suite 160	480-625-4355		
Order Taker	SCOTTSDALE, AZ, USA 85253	**Customer Fax**	**Customer EMail**	
wisnerd			noemail@pni.com	
Order Source	**Payor Customer**	**Payor Account**	**Special Pricing**	
	USA BARCELONA REALTY ADVISORS	10021194	None	

Tear Sheets	Proofs	Affidavits	Blind Box	Promo Type	Materials
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Invoice Text

2 x 5, b/w, Valley & State (Business), 9/4

Ad Order Notes

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Product Information	Placement/Classification	Run Dates	# Inserts	Cost
R-ROP::	R-ROP Main News A - Retail	9/4/2013	1	$850.00
Run Schedule Invoice Text	**Sort Text**			

ACC006235
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canceled as of Tuesday. Creditors are getting stock in the restructured company.

The week before Kodak exited bankruptcy protection, Perez sat down with the Associat-

ing plunge in interest rates left some of the company's pension obligations underfunded. It was those obligations, along with other legacy costs, that Perez said eventually resulted in the

best examples of its printing technology at work.

Bill Schweinfurth, Kodak's manager for inkjet components, said publishers have favored offset printing over inkjet for years because of its low-

allows for crisp resolution. Meanwhile, cameras and software monitor the print process. The presses can reach speeds of up to 650 feet of paper per minute.

Kodak won't say how many

Perez said he's confident that Kodak's post-bankruptcy balance sheet, combined with its new focus and technologies, will set the company up for financial success in the years to come.

Project

Continued from Page B6

When a project is near the final stage, "it feels like waiting for a birth, a mix of worry, anxiety, excitement, satisfaction," he said.

The Old School 07 project is an example of adaptive reuse — renovating existing buildings — and an urban-infill project. City officials said Starbucks is a new building with unique architecture.

Jason Blakley, Phoenix Planning and Development Department's program manager for the office of customer advocacy, said Old School 07 is one of 50 projects the city worked on as part of an urban-infill initiative.

"I think it's pretty significant. It's a nice upgrade to the corner," Blakley said.

The site once housed the Bethel Methodist Church congregation, which operated a church and school buildings dating to the late 1800s and 1940s.

While Wetta removed asbestos, cleared out materials from a basement, and replaced the aging sewer and water system, he discovered some hidden treasures.

They included a steel cross and time capsules, which contained Bibles and newspapers from 1893.

He said there aren't many buildings in town that have had "an ongoing presence" since the late 1900s.

"Until the Methodist congregation decided they were going to close the church, that created an opportunity for it to be reborn and create something else for the community," he said.

Wetta said workers will make minor adjustments to the exterior of the church, such as insulating the windows. They will maintain the building's original character, which includes the steeple from 1948 and the stained glass, Wetta said.

"When people walked into church, they said 'wow,' and they could only imagine there was a lot of noise, there was a big organ, a large choir and acoustics up there in the ceiling," Wetta said.

The school building also had an old safe containing birth and death records dating to the turn of the century, Wetta said.

At last Wednesday's ribbon-cutting, officials pointed to a new time capsule placed in the walls of Starbucks in May. It included a coffee cup, a floor plan of Old School 07 and three newspapers.

When a project like Old School 07 is almost done, "it feels like waiting for a birth," developer David Wetta said. CHARLIE LEIGHT/THE REPUBLIC

OLD SCHOOL 07 TIMELINE

- 1881: Sunday school began at Osborn School House at the northeast corner of Seventh Street and Osborn Road.
- 1886: Osborn School House relocated to the northwest corner.
- 1888: The Osborn School's name was changed to Smith's Chapel.
- 1894: Smith's Chapel is completed and the name changed to Bethel Methodist Church.
- 1914: A larger church was constructed.
- 1948: The present church was constructed with the first service on Oct. 10.
- 1955: Ground was broken just north of the church for a combination fellowship hall and classroom building.
- 1965: The stained-glass windows were dedicated on May 16.
- 2012: Wetta Ventures purchased the property. Desert Southwest Conference of the United Methodist Church vacated the church and ended its 127-year history of worship and education there.
- 2013: Construction activity began for the adaptive reuse of the 1948 church building (future restaurant), the 1955 school building (future commercial/retail space), and the addition of a free-standing restaurant building.

Source: Wetta Ventures

Cars

Continued from Page B6

cess and add computer-controlled safety devices that take over driving duties, such as braking or steering, in emergencies. Another possibility: A tech-savvy thief could unlock the doors and drive off with your vehicle.

Fertile ground

"The more technology they add to the vehicle, the more opportunities there are for that to be abused for nefarious purposes," says Rich Mogull, CEO of Phoenix-based Securosis, a security research firm. "Anything with a computer chip in it is vulnerable," history keeps showing us."

In the past 25 years, automakers have gradually computerized functions such as steering, braking, accelerating and shifting. Electronic gas pedal position sensors, for instance, are more reliable than the old throttle cables. Electronic parts also reduce weight and help cars use less gasoline.

The networks of little computers inside today's cars are fertile ground for hackers.

Charlie Miller, a St. Louis-based security engineer for Twitter, and fellow hacker Chris Valasek, director of intelligence at a Pittsburgh computer security consulting firm, maneuvered their way into the computer systems of a 2010 Toyota Prius and 2010 Ford Escape through a port used by mechanics.

"We could control steering, braking, acceleration to a certain extent, seat belts, lights, horn, speedometer, gas gauge," said Valasek. The two used a federal grant to expose the vulnerability of car computers. Even with their expertise, it took them nine months to get in.

Valasek and Miller released a report, including instructions on how to break into the cars' networks, at a hacker convention in August. They said they did so to draw attention to the problems and get automakers to fix them. The pair says automakers haven't added security to the ports.

Ford wouldn't comment other than a statement saying it takes security seriously, and that Miller and Valasek needed physical access to the cars to hack in.

Gaining entry

Toyota said it has added security and continually tests it to stay ahead of hackers. The company said its computers are programmed to recognize rogue commands and reject them.

Two years ago, researchers at the University of Washington and University of California, San Diego did more extensive work, hacking their way into a 2009 midsize car through its cellular, Bluetooth and other wireless connections — even the CD player.

Stefan Savage, a UCSD computer science professor, said he and other researchers could control nearly everything but the car's steering.

"We could have turned the brakes off. We could have killed the engine. We could have engaged the brakes," he said.

Savage wouldn't identify which manufacturer made the car they hacked into.

But two people with knowledge of the work said the car was from General Motors and the researchers compromised the OnStar safety system, best known for using cellular technology to check on customers and call for help in a crash. The people didn't want to be identified because they were not authorized to speak publicly on the matter.

Savage doesn't think common criminals will be able to electronically seize control of cars anytime soon. Currently, it would take too much time, expertise, money and hard work to hack into the multitude of computer systems.

"You're talking about a rarefied group who has the resources and wherewithal," he said.

Instead, he believes basic theft is a more likely consequence of computerization, with criminals being able to unlock doors remotely and then start and drive the car by hacking through the diagnostic port. Remote door unlocking could also lead to theft of packages, phones and other items that are stored in a car.

COMPUTERIZED CARS

In the past 25 years, automakers have gradually computerized functions such as steering, braking, accelerating and shifting. Electronic gas pedal position sensors, for instance, are more reliable than the old throttle cables. Electronic parts also reduce weight and help cars use less gasoline.

B

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ACC006236
FILE #8503

[redacted]

: feels like waiting

IT/THE REPUBLIC

» **1965:** The stained-glass windows were dedicated on May 16.

» **2012:** Wetta Ventures purchased the property. Desert Southwest Conference of the United Methodist Church vacated the church and ended its 127-year history of worship and education there.

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Source: Wetta Ventures

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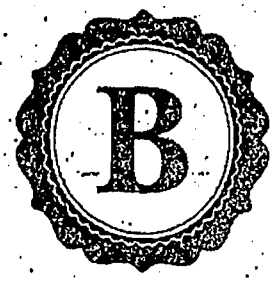

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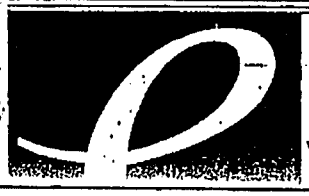

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FILE #8503

USA Barcelona Realty Advisors, LLC

Re: Executive Committee Meeting Minutes, September 15, 2014

The Executive Committee (Dick Harkins, Bob Kerrigan, Rod Eaves and Tom Simmons) met this morning to discuss the status of the company, with special emphasis on the continuing problem of the severe shortage of operating capital.

The latest reported near term requirement for operating capital is $300,000.

Bob Kerrigan again reported that all prospective investors he has been talking with have deferred their plans to invest for an indefinite period. Hence, he has no commitments of amounts or timing for new capital to come into the company. No other prospects have been identified by other Members.

Rod Eaves submitted his letter of resignation from the Executive Committee, effective immediately, citing the need to devote his energies to providing current income.

It was also noticed that Jeff Teets resigned as CFO of the company, effective 9/14/14. This added to the list of other Members who have recently resigned their positions (Patrick McDonough and Bruce Orr).

The Members discussed the limited options for continuing operations. Several actions will be taken to notify the landlord and current investors of the situation and likelihood for the suspension/cessation of business activity until new capital can be operating found. Current investors will also be requested to convert all notes to equity in the company, thus allowing for the possibility of bringing in new operating capital which would avoid liquidation. The landlord will be asked to allow the company some time to catch up on rent delinquency; failing any offered relief from the landlord, the company intends to place office FF&E assets in storage, assuming funds can be located to accomplish this.

Other staff members (Connie Cook, Glenn Erler and Paul Meka) will also be informed of the company status and are expected to resign their positions immediately.

Various other approaches for attracting operating capital were reviewed, including running ads in the local Phoenix newspaper and/or the WSJ; however, no capital is available for this purpose.

It was also discussed how company activities might continue with the intention to find operating capital.

No date was set for a next meeting, which will be held following receipt of responses from the landlord and feedback from current investors.

The meeting was adjourned by the stated agreement of all Members.

Signed By: Richard Harkins, President

EXHIBIT
S-28
ADMITTED

ACC006331
FILE #8503

USA Barcelona
REALTY ADVISORS

April 16, 2014

Kathleen Carolin
Carolin Group, LLC
[redacted] AZ [redacted]

Dear Kathleen:

On behalf of our company, we want to again thank you for becoming an investor in USA Barcelona Realty Advisors, LLC. You will recall that with our status letter dated February 14th, we had included the delayed 4th Quarter, 2013 interest payment.

As previously stated, we have a scheduled ongoing requirement to continue funding our working capital to the point when our sponsored Funds generate the fee income necessary to meet our operating requirements, which includes the interest obligations to you. We continue to actively solicit and raise operating capital through the 10-5-10 note offering.

We are pleased to report that the $10MM Land Entitlement Fund Offering is now launched to the broker dealer community. We are also marketing this investment directly to others, who have previously indicated interest. This Fund will capitalize the land contract deposits and pre-development costs for up to sixteen land parcels. Importantly, it also pays substantial management fees to us, since we are managing the entitlement process on these parcels.

In preparation for the New Build Hotel program, we are actively searching for a nationally recognized construction company as a joint venture partner, which will build the hotels. We are now in exploratory discussions with four large construction companies.

We are still catching up on receiving our forward commitments for capital. The improving news is the forward funding commitments we have received are proving sufficient in timing and amount to include the Annual Bonus interest payment for 2013, plus an additional 6.0 % "patience" bonus for your understanding. Unfortunately, the Q1'14 interest payment we also expected to make at this time must be deferred perhaps until June 30, 2014.

Finally, rest assured that we are most appreciative of your investment in our company and your patience. While we regret the need to delay the Q1'14 interest payment, we will catch up on all interest payment obligations as quickly as our cash position allows.

Sincerely,

Executive Members: Richard Harkins George T. Simmons Bruce Orr Robert Kerrigan

Enclosures

7025 N. Scottsdale Road, Suite 160
Scottsdale, AZ 85253

480-625-4355 Office
480-625-4347 Fax

ACC005319
FILE #8503

EXHIBIT
S-26
ADMITTED

USA Barcelona
REALTY ADVISORS

April 16, 2014

William Jordan
Cheyenne Kassie, LLC
[redacted] AZ [redacted]

EXHIBIT
S-27
ADMITTED

Dear William:

On behalf of our company, we want to again thank you for becoming an investor in USA Barcelona Realty Advisors, LLC. You will recall that with our status letter dated February 14th, we had included the delayed 4th Quarter, 2013 interest payment.

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Sincerely,

Executive Members: Richard Harkins George T. Simmons Bruce Orr Robert Kerrigan

Enclosure

ACC005496
FILE #8503

7025 N. Scottsdale Road, Suite 160
Scottsdale, AZ 85253

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480-625-4347 Fax

UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER

INDIVIDUAL NAME: ROBERT J. KERRIGAN	INDIVIDUAL CRD #: 2685716
FIRM NAME:	FIRM CRD #:

U4 - JUDGMENT/LIEN DRP

Rev. DRP (05/2009)

This Disclosure Reporting Page is an ☒ INITIAL or ☐ AMENDED response to report details for affirmative response(s) to *Question(s) 14M* on Form U4;
Check the question(s) you are responding to, regardless of whether you are answering the question "yes" or amending the answer(s) to "no":

☐ 14M

If multiple, unrelated events result in the same affirmative answer, details must be provided on separate DRPs.

1. Judgment/Lien Amount: $ 22,909.36
2. Judgment/Lien Holder: INTERNAL REVENUE SERVICE
3. Judgment/Lien Type: O Civil ☒ Tax
4. A. Date Filed with Court (MM/DD/YYYY): 07-16-2014 ☒ Exact O Explanation

   If not exact, provide explanation:

   B. Date individual learned of the Judgment/Lien (MM/DD/YYYY): 07-16-2014 ☒ Exact O Explanation

   If not exact, provide explanation:

5. Court action brought in: ☒ Federal Court O State Court O Foreign Court O Other: _____

   A. Name of Court: _____

   B. Location of Court (City or County and State or Country): _____

   C. Docket/Case#: _____

   Check this box if the Docket/Case# is your SSN, a Bank Card number, or a Personal Identification Number.

6. Is Judgment/Lien outstanding? ☒ Yes O No

   If "No", complete item 7. If "Yes", skip to item 8.

7. If Judgment/Lien is not outstanding, provide:

   A. Status Date (MM/DD/YYYY): _____ O Exact O Explanation

   If not exact, provide explanation:

   B. How was matter resolved? (select appropriate item): O Discharged O Released O Removed O Satisfied

8. Comment (Optional). You may use this field to provide a brief summary of the circumstances leading to the action as well as the current status or final disposition. Your information must fit within the space provided.

EXHIBIT
S-29
ADMITTED

ACC006207
FILE #8503

Exhibit B – Chronology of Meetings					
Other Internal Meetings	EM – Executive Committee meetings EM/SP – Special purpose Executive Committee meetings TM – staff meetings Names in yellow are persons Harkins met or talked with during 2013 and 2014 and select other key meetings involving others	Team and Executive Member meetings	Chanen Construction	Rod Eaves	Allen Weintraub
	Note - No daily log prior to April 18, 2013				
October, 2012	Harkins meeting with [8]Allen Weintraub; Harkins meeting with [80]Kelly Bair				x
March 11, 2013	Harkins meeting with [81]Rod Eaves			x	
April 18, 2013	Moss Adams meeting at Tavern; [1] Gary Smith & Bob Kerrigan in office for meeting				
April 22, 2013	[2] Mike Black & Kerrigan in office				
April 23, 2013	Team Meeting 11 to 2:30; Open House 3:30 to 5:30	TM			
April 29, 2013	[3] Marcus Goodman at his office / Kerrigan client's CPA				
May 1, 2013	Connie Cook's first day;				
May 2, 2013	[4] Ron Coleman at his office / interview for CPA for company				
May 6, 2013	Ron Coleman at his office (Jeff Teets and [9]Chuck Mathews were there at Ron's invite)				
May 13, 2013	Bruce Orr in office; Executive Team meeting				

EXHIBIT
S-30
ADMITTED

May 17, 2013	[5] Chris and Steve Hansen at Tavern (don't know the source or purpose)				
May 22, 2013	Team Meetings all day	TM			
May 24, 2013	Executive Member conference call	EM			
May 28, 2013	Bruce Orr in office; meeting with Bruce and Kerrigan				
May 29, 2013	Kerrigan in office for meeting with me				
June 7, 2013	[6]Gary Smith in office with me and Simmons				
June 10, 2013	Gary Smith in office; not likely an investor				
June 11, 2013	Jeff Teets in office for visit; see him as possible CFO for advisors or Holding Company, depending on where we put the staff and non-X members				
June 18, 2013	Team Meeting; Ron Coleman and some of his staff attended	TM			
June 21, 2013	Simmons in the office				
June 24, 2013	Call with [7]Richard Minor (Atlanta, REIT directors & officers insurance)				
June 25, 2013	Allen Weintraub in office to go over our setup to support his marketing of the Barcelona Realty Offering / Bob and Tom attended.				X
June 28, 2013	Charlie @ Paradise Bakery / review Crowd Funding / SEC's proposed rules; conference call with Kinseth Hotel's management team / Ben and Bruce Kinseth / Kathi Elder and Jeff Schrader / possible purchase of select hotels from them by Barcelona Realty / REIT.				
July 1, 2013	Bruce Orr in office;				
July 9, 2013	Charlie in office				
July 10, 2013	Rod Eaves and Bob in office; Jeff Teets at Talking Stick / golf / discuss joining company			X	

ACC006349
FILE #8503

July 16, 2013	Bruce Orr in office; Jeff Teets in office to meet with Executive Members				
July 17, 2013	Executive Member meeting	EM			
July 18, 2013	Rod Eaves and Bob in office; Jeff and Chuck Mathews on computer system and software			X	
July 23, 2013	[10] Kathi Caroline in office / accounting work				
July 25, 2013	Jeff Teets and Tom / lunch at Remingtons / official offer to join company?				
July 31, 2013	Executive Member meeting; Jeff Teets in office	EM			
August 1, 2103	Charlie in office				
August 2, 2013	Yarnell Benefit at Gainey Ranch				
August 7, 2013	Jeff Teets @ Paradise Bakery; Dawn Berry at Tommy Bahamas				
August 8, 2013	Jeff Teets in office.				
August 9, 2013	Team Meeting in office	TM			
August 13, 2013	Bruce Orr in office; [11] Patrick McDonough introduced in office by Bob Kerrigan				
August 14, 2013	Executive Member meeting; [12] Ross Horwitz in office / marketing Reg Ds	EM			
August 15, 2013	Kathi Caroline in office / tax work				
August 16, 2013	Simmons and [13] Paul Ganzisky / discuss private equity fund investing in REIT shares				
August 21, 2013	Executive Member meeting & Invitees (Weintraub called in and cancelled??)	EM			

ACC006350
FILE #8503

August 22, 2013	[14] Patrick Bartday, Newmark Financial in office				
August 23, 2013	Chuck Mathews at his office / computers and software systems / security				
August 26, 2013	[15] Tom Burns in office / their fund investing in REIT				
August 28, 2013	Team Meeting / lunch / Remingtons	TM			
August 29, 2013	Lunch with [16] Rich Dozier				
August 30, 2013	Weintraub and Simmons, in office / REIT offering / his progress				X
September 3, 2013	Lunch / [17] Lucas Donahue / NorthMarc Capital / me, Tom and Jeff attended				
September 5, 2013	Bruce Orr in office; Executive Members on call with Charlie	EM			
September 9, 2013	Lunch / [18] Ken Labbe & [19] Tim Terrill				
September 10, 2013	Begin Sedona Company Retreat / through Thursday				
September 16, 2013	Lunch Meeting; Executive Members	EM			
September 17, 2013	Bruce Orr in office; Lunch / Dozier; [20] Mike Foxx and Kerrigan in office; Biltmore / Hotel Conference reception				
September 18, 2013	At Biltmore: [21] Jay Krupin – Baker Hostetler;				
September 19, 2013	At Biltmore: [22] Bruce Baltin / PKF				
September 19, 2013	Dozier in office;				
September 25, 2013	Lunch - Executive Members meeting @ PVCC; Dozier and Berry in office; [23] Mitch Everitt in office	EM			

September 26, 2013	Principals from ZMC Hotel Group in office / Bruce Orr set up; [24] Jim Kennedy and party in our office				
September 27, 2013	Patrick McDonough in office; me, Bruce, Tom and [25] Jeff Stone (not certain it was this date)				
October 2, 2013	Allen Weintraub in office / discuss where he is on REIT stock offering / he was very illusive / suspect he's not going to deliver / he says he is ??				X
October 3, 2013	Tony Allred in office (Wells Fargo Bank)				
October 4, 2013	McDonough in office; Mitch Everitt for lunch; Charlie in office				
October 7, 2013	Weintraub brought [26] Harlan Lyons into office for meeting / he's a fund raiser / don't think he can do us any good; McDonough in office; Dozier in office				X
October 8, 2013	Bruce Orr in office;				
October 9, 2013	Bank conf room technology presentation				
October 10, 2013	Team Meeting	TM			
October 14, 2013	[27] Lisa McAlister in office				
October 15, 2013	Lisa McCalister in office / possible role in company; Jeff Stone in office				
October 16, 2013	Baker Hostetler in office ([28] Jay ?); [29] Art Cunningham in office; Charlie in office				
October 18, 2013	Kathi Carolin in to work on books				
October 21, 2013	Lunch Mitch Everitt / Oppenheimer; Team Meeting	TM			
October 22, 2013	[30] John Pascal, JMB in office; call with Mitch and [31] Conrad Vlak, Oppenheimer's national director of capital formation / new deals with new client companies				
October 23, 2013	Bruce Orr in; Jeff Stone in office (DCK acquired Summit); Patrick McDonough in office				

October 24, 2013	[32] Jose Cardenas in office; attended Art Cunningham's open house at his newly acquired office building				
October 25, 2013	[33] Stewart Kirk at his office at McCormick Ranch GC				
October 28, 2013	Dawn Berry out of office meeting; Team Meeting				
October 30, 2013	Reception and Dinner at Lon's				
November 1, 2013	Patrick McDonough starts today; [34] Denise Resnick (not sure if at office or at lunch)				
November 5, 2013	[35] Glenn Moon, Franchise rep for Cambria Hotels, in office; conf call with [36] Chris Corpus and [37] Tony Manos				
November 15, 2013	Rich Dozier in office				
November 20, 2013	Bob Kerrigan and [38] Jim Wilkerson for lunch				
November 21, 2013	Meeting out of office with Oppenheimer, Everitt and Vlak				
November 25, 2013	Denise Resnick in office				
November 29, 2013	Out of office meeting with Dawn Berry				
December 3, 2103	Executive Member meeting	EM			
December 16, 2103	[39] Gary Trejillo in office				
December 26, 2103	Executive Member meeting	EM			
December 27, 2103	Rod Eaves and Executive Members at Remington / requested a short-term gap loan			X	
December 30, 2103	Rod Eaves in office RE Loan Request			X	

Jan 2, 2014	Preferred Units as a possible company offering; want to get away from issuing debt instruments; discussion of possible Preferred Unit ("PU") Offering				
Jan 6, 2014	Wilkerson & Tom Simmons – Paradise Bakery				
Jan 8, 2014	Team Meeting; Allen Weintraub in office re / Barcelona Realty Offering				X
Jan 9. 2014	Wilkerson and [40] Mike Britz / possible investor - meeting				
Jan 10, 2014	Kerrigan and [41] Dr. Bernie Lemieus / possible investor (I did not join the meeting)				
Jan 13, 2014	Richard Dozier; Team Weekly Meeting; Patrick / BD discussion; PU Meeting / Team discussion				
Jan 14, 2014	Team – web site; Tom and [42] Dick Cornwall; Steve Gold's clients in office regarding a site they have/control in Wash DC near Fed-X	TM			
Jan 15, 2014	Team Meeting – main topic: personnel files / Simmons project; Executive Members – business agenda for the year	TM + EM			
Jan 17, 2014	Kerrigan / Dr. Lemieus – not certain if this meeting occurred (I didn't take part)				
Jan 19, 2014	Monday Team Meeting	TM			
Jan 21, 2014	[43] Larry Heath about a hotel site; Jeff Stone about new hotel construction construction management				
Jan 22, 2014	PU PPM structure review .. Dozier visit				
Jan 27, 2014	Dozier visit (possible last week's was cancelled); Monday Team Meeting				
Jan 29, 2019	Gary Trujillo – possible board member candidate (for Barcelona Realty / REIT)				
Jan 30, 2014	Rod Eaves; [44] Dr. Lou Adams (Kerrigan client);			X	
Jan 31, 2014	Charlie Berry here				
Feb 3, 2014	Team Meeting; call [45] Will Creekmar / Kerrigan associate re Broker Dealer selling our offerings	TM			

ACC006354
FILE #8503

Feb 4, 2014	Executive Committee meeting / Kerrigan gave overview of possible investors	EM			
Feb 5, 2014	Rod Eaves @ office			X	
Feb 7, 2014	Kerrigan spoke of meetings at his office (I do not attend those); [46]LaGrande (possible placement agent/broker dealer?) and Bob here for lunch;				
Feb 10, 2014	Rich Dozier, Gary Trujillo and Denise Resnick (possible board members for Realty/REIT) at office; gave a presentation on our plans; Rod Eaves at office				
Feb 12, 2014	Executive Member meeting	EM			X
Feb 13, 2014	Allen Weintraud & [47] Steve Taddit at Biltmore .. bank conf room with Jeff and Chuck on computer/security/software				X
Feb 14, 2014	Simmons, McDonough and I pertaining to crafting a letter to go to construction companies ie as JV partners; follow-up process/goals and objectives of a JV				
Feb 17, 2014	Dawn Berry @ Kierland; call with Weintraub; Patrick meeting re/BD's; Team Meeting less Tom and Jeff	TM			X
Feb 18, 2014	Denise Resnick and Tom (4PM); 11:30 [48] Steve Betts at Lon's / Chanen first meeting; PM – Budget review		X		
Feb 19, 2014	Preferred Stock PPM meeting; discuss if we want to proceed with this				
Feb 20, 2014	Office w/[49] Dan Rama re New Gen Financial				
Feb 24, 2014	Monday Team Meeting; call scheduled with [40] Mike Britz	TM			
Feb 25, 2014	Rod Eaves in office; Jeff Stone in office			X	
Feb 26, 2014	Lunch with [51] Steve Chanen (several of us) @ University Club		X		
Feb 27, 2014	Maxmont Capital visited / [52] Kevin Barr and [53] Vin Basa				

ACC006355
FILE #8503

March 3, 2014	Monday Team Meeting	TM			
March 4, 2014	Office meeting on graphics / outside party / name?				
March 10, 2014	Monday Team Meeting; Mc Shane Const / [54] Ed Ledger @ office	TM			
March 11, 2014	Chanen Meeting @ their office		X		
March 12, 2014	Mitch Everitt – Oppenhiemer				
March 14, 2014	Call w/Charlie on 'Hotel Land Company I' offering ideas				
March 17, 2014	Team Meeting; Charlie at office	TM			
March 21, 2014	Jim Wilkerson @ Paradise Bakery				
March 24, 2014	Team Meeting;	TM			
March 25, 2014	Wilkerson at office; Tom and Patrick met with Ryan Const their office				
March 26, 2014	Chanen meeting – their office		X		
March 27, 2014	Valley Leadership Luncheon AZ Biltmore				
March 28, 2014	Charlie in office/ Land Company PPM discussion				
March 31, 2014	Team Meeting ; Rod Eaves in office; Wilkerson starts in office today	TM			
April 2, 2014	Weintraub in office				x
April 3, 2014	Dawn Berry @ Starbucks				

ACC006356
FILE #8503

April 4, 2014	Chanen meeting their office; Hole In The Wall party in PM		X		
April 7, 2014	Team Meeting ; several meetings thru the day on specific assigned topics	TM			
April 8, 2014	Rod Eaves here; Executive members discuss Chanen proposal; Chanen meeting (there)	EM		X	
April 9, 2014	Charlie in office/ PPM review / Land Co				
April 11, 2014	Wilkerson meeting				
April 14, 2014	Team Meeting; Horwath meeting	TM			
April 21, 2014	Team Meeting	TM			
April 22, 2014	CP Carey, [56] Reginald Winsinger				
April 23, 2014	Patrick and Jim giving mockup Broker Dealer presentations				
April 24, 2014	Patrick and Jim giving mockup Broker Dealer presentations				
April 25, 2014	Rod Eaves in office; Wilkerson client ([40] Mike) in office			X	
April 28, 2014	Team Meeting	TM			
May 2, 2014	Denise Resnick in office to discuss marketing program				
May 5, 2014	Mitch Everett/ Oppenheimer with Simmons				
May 8, 2014	Denise Resnick in office to discuss marketing program				
May 9, 2014	Kerrigan in office, HLC-I program review with him				

ACC006357
FILE #8503

May 12, 2014	Monday Team Meeting; Rod Eaves starts on team full time in office.	TM		X	
May 14, 2014	Denise Resnick in office to discuss marketing program				
May 15, 2014	Dozier in office; Denise in office				
May 16, 2014	Trip to Prescott with [55] Marlin Kuykendall/Rod/Bruce/Tom/Dick; review sites; call with Steve Gold and his clients RE Wash DC site				
May 19, 2014	Team Meeting; radio interview with KINN at office (about advertising and having talk show spot)	TM			
May 20, 2014	Chanen meeting their office; [57] Joe Aster visit at our office / Kerrigan intro		X	X	
May 23, 2014	Getting ready for next week meeting; Hilton franchise rep here; SkySong meeting; Chanen meeting; Kerrigan's prospects				
May 26, 2014	Team Meeting	TM		X	
May 29, 2014	Chanen Meeting, their place		X		
June 2, 2014	Team Meeting	TM		X	
June 4, 2014	SkySong meeting; [58] Shawn Harper / Plaza Co ; [59] Howard Berry , Bob Evans Resturants				
June 5, 2014	[60] Kevin Coleman in at office/Orr's associate from CA;				
June 6, 2014	Weitz Const meeting at Remingtons				
June 9,2014	Team Meeting; lunch with Steve Chanen Capital Grill (him and me)	TM	X		
June 10, 2014	Call w/[61] Sam Murty/Kerrigan				
June 12, 2014	Call with Rim Mgt				

ACC006358
FILE #8503

June 16, 2014	Conf Call with Plaza Companies; Rick Andrade $5K note today	TM			
June 17, 2014	Call with [62] Bill and Sheryl Sharp / Kerrigan				
June 18, 2014	Conf Call with Plaza Companies; [63] Greg Francois with Hilton in office				
June 23, 2014	Team Meeting; send demand to Weintraub to refund the $75K retainer we paid him / non-performance	TM			X
June 25, 2014	Camelback Inn meet [64] Phil Black and Roberta Burleson; at McCormick Ranch Golf Club with [65] Kieran Dunlevy and owner of golf course/[66]Stewart Kirk; ie/hotel site				
June 30, 2014	Team Meeting	TM			
July 3, 2014	Call with Kevin Coleman; office Holiday through Monday				
July 7, 2014	Executive Committee accepts Rod Eaves as the 5th Executive Member			X	
July 8, 2014	Tuesday / Team Meeting; call with Sam Murty/Kerrigan; Rod to discuss some possible investors			X	
July 14, 2014	Team Meeting	TM			
July 15, 2014	[67] Steve Jurich meeting at Remingtons				
July 16, 2014	Steve Betts at office		X		
July 17, 2014	[68] Jeff Covill meeting at office; [69] Greg Koontz/Eaves friend/ general contractor; [70] Buzz Slavin attorney at office to discuss McCormick Ranch GC zoning				
July 18, 2014	PM Open House at office				
July 21, 2014	Team Meeting; U of Wisc Board Meeting/Investment possibility	TM		X	
July 23, 2014	Executive Committee meeting / Tom,Bruce,Bob,Rod, and Jeff,Connie,Paul	EM		X	

July 24, 2014	Rod Eaves/ Greg Koontz here for meeting			X	
July 25, 2014	Steve Jurich at his office				
July 28, 2014	Team Meeting	TM		X	
July 30, 2104	Tom to Prescott to meet Jason Gisi				
August 1, 2014	Rod Eaves/ [71] Steve Belleu; Kerrigan reports "no capital coming in"			X	
August 4, 2014	Team Meeting; Buzz Slavin here re McCormick;	TM		X	
August 6, 2014	[72] Rod James from Prescott in office				
August 7, 2014	Marriott franchise rep / [73] Scott McAllister in office				
August 8, 2014	[74] Craig Emerson/Rod Eaves intro here for meeting / buys and sells land; Executive Member Meeting; Bruce hands in resignation letter; reveals he has been associated with another group for at least a month; I dismiss him from the meeting; he insists on staying as an Executive Member / I declare that will not happen; Steve Jurich, Charlie and I meet	EM		X	
August 13, 2014	[75] Bill Zurick / Leasing agent for building in to discuss our situation				
August 15, 2014	Call with [76] Mary Beth Cutshel w/Hospitality Ventures in Atlanta; Kerrigan reports he has no potential capital investors; he puts up $2,500 to meet Connie's payroll				
August 18, 2014	Team Meeting	TM		X	
August 20, 2014	Rod invites me to a meeting at Kierland to hear Troon Golf Mgt guy speak (Dana Garmany).			X	
August 22, 2014	Kerrigan reports no capital				

ACC006360
FILE #8503

August 25, 2014	Executive Committee meeting; Rod with some folks that want someone to build a hotel in south Phoenix near the Casino. Indian situation; doesn't make sense to me	EM		X	
August 29, 2014	Meet with Steve Jurich; call with [77] David Marvin in Atlanta.				
Sept 1, 2014	Team Meeting	TM		X	
Sept 4, 2014	Putting together info for possible JV or funding arrangement thru [78] Jerry Clark with Arden; Hotel Land Fund meeting				
Sept 5, 2014	Sent info to Jerry Clark				
Sept 8, 2014	Met with Stewart Kirk at McCormick Ranch GC				
Sept 15, 2014	Executive Committee Meeting	EM		X	
Sept 19, 2014	Call with David Marvin in Atlanta; met with Bob and Tom on the Advisor's situation at hand;				
Sept 22, 2014	Dawn Berry at Starbucks; Executive Committee meeting – Tom, Bob, Rod, me; I state that tomorrow we start moving most office equipment to storage or consignment; need dollars for move to storage;			X	
Sept 23, 2014	Consignment's movers took most of the equipment and furniture; they don't take server, large printers, some computers and some file cabinets				
Sept 24, 2014	Arrive at office to find the landlord has locked us out; had several conversations with building owner in Dallas but they will not allow us to take our remaining assets without making a financial arrangement with them, on which we could not reach an agreement.				
Sept 25, 2014	Met Kathy Carolin at Paradise Bakery to explain what was happening; less than thrilled of course but offered to do tax returns or whatever I needed at a reduced rate.				
	That's the last entry in my book				

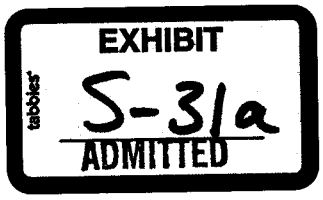
USA BARCELONA REALTY ADVISORS, LLC
SUMMARY OF SOURCES & USES
FROM OCTOBER 18, 2012 THROUGH NOVEMBER 28, 2014

RECEIPTS	NOTES			
INVESTORS	2	$	1,405,000	86.9%
PAYMENTS BY PRINCIPALS			210,000	13.0%
UNKNOWN			2,174	0.1%
TOTAL RECEIPTS		**$**	**1,617,174**	**100.0%**

DISBURSEMENTS				
INVESTORS	2	$	86,876	5.4%
VARIOUS DISBURSEMENTS	3		1,424,577	88.1%
UNKNOWN*			94,805	5.8%
OTHER INDIVIDUALS & ENTITIES			8,190	0.5%
CASH			2,703	0.2%
TOTAL DISBURSEMENTS		**$**	**1,617,151**	**100.0%**

BEGINNING BALANCE (AS OF 10/18/12)	$	0
ADD: TOTAL RECEIPTS		1,617,174
LESS: TOTAL DISBURSEMENTS		1,617,151
ENDING BALANCE (AS OF 11/28/14)	$	23

*JOHNSON BANK (ACCOUNT: XXX3203) IS UNABLE TO PROVIDE DETAILS FOR FOUR DISBURSEMENTS TOTALING $74,927 BECAUSE THE ITEMS WERE NOT ARCHIVED IN ITS SYSTEM.



USA BARCELONA REALTY ADVISORS, LLC
NOTES TO SUMMARY OF SOURCES & USES
NOTE 1: ACCOUNTS SUMMARIZED
FROM OCTOBER 18, 2012 THROUGH NOVEMBER 28, 2014

ACCOUNT NAME	USA BARCELONA REALTY ADVISORS, LLC	BARCELONA ADMINISTRATION COMPANY, LLC	USA BARCELONA REALTY ADVISORS, LLC
PERIOD REVIEWED	4/2/13-5/12/14	10/18/12-4/3/13	3/3/14-11/28/14
AUTHORIZED SIGNERS	RICHARD HARKINS	RICHARD HARKINS	JEFFREY S TEETS, RICHARD HARKINS, TOM SIMMONS
INSTITUTION	JOHNSON BANK	JOHNSON BANK	WESTERN ALLIANCE BANK N.A.
ACCOUNT NUMBER	XXX3203	XXX4775	XXX8870
BEGINNING BALANCE	$ 0	$ 0	$ 0
DISBURSEMENTS	$ 1,185,107	$ 337,000	$ 277,461
DEPOSITS	$ 1,185,107	$ 337,000	$ 277,484
ENDING BALANCE	$ 0	$ 0	$ 23

USA BARCELONA REALTY ADVISORS, LLC
NOTES TO SUMMARY OF SOURCES & USES
NOTE 2: INVESTORS
FROM OCTOBER 18, 2012 THROUGH NOVEMBER 28, 2014

INVESTOR	INVESTMENT	RETURN
OCTOBER 2012 OFFERING		
K.E.B.	$ 20,000	$ 4,099
R.E. & M.E.	250,000	38,158
R.B.	100,000	13,130
R.J.W.	100,000	12,097
CAROLIN GROUP, LLC	25,000	5,793
R.E. & M.E.	250,000	
CAROLIN GROUP, LLC	25,000	
CHEYENNE KASSIE, LLC	50,000	4,552
RJR GROUP, LLC	100,000	8,439
N.C.R.T.	50,000	608
TOTAL - OCTOBER 2012 OFFERING	**$ 970,000**	**$ 86,876**
DECEMBER 30, 2013 INVESTMENT		
R.E. & M.E.	$ 125,000	
TOTAL - DECEMBER 30, 2013 INVESTMENT	**$ 125,000**	
JANUARY 2014 OFFERING		
JP STEWART ENTERPRISES, LLC	$ 100,000	
R.A. & E.A.	50,000	
TOTAL - JANUARY 2014 OFFERING	**$ 150,000**	
FEBRUARY 28, 2014 INVESTMENT		
R.E. & M.E.	$ 125,000	
TOTAL - FEBRUARY 28, 2014 INVESTMENT	**$ 125,000**	
JUNE 2014 OFFERING		
R.A. & E.A.	$ 5,000	
TOTAL - JUNE 2014 OFFERING	**$ 5,000**	
JULY 14, 2014 INVESTMENT		
R.E. & M.E.	$ 15,000	
TOTAL - JULY 14, 2014 INVESTMENT	**$ 15,000**	
AUGUST 1, 2014 INVESTMENT		
R.E. & M.E.	$ 15,000	
TOTAL - AUGUST 1, 2014 INVESTMENT	**$ 15,000**	
TOTAL - INVESTORS	**$ 1,405,000**	**$ 86,876**

USA BARCELONA REALTY ADVISORS, LLC
NOTES TO SUMMARY OF SOURCES & USES
NOTE 3: VARIOUS DISBURSEMENTS
FROM OCTOBER 18, 2012 THROUGH NOVEMBER 28, 2014

DESCRIPTION	TOTAL
Payments to Principals *<3A>*	$ 502,245
Consultants & Advisors *<3B>*	242,253
Payroll & Expenses *<3C>*	221,600
Legal	163,125
Rent	98,135
Office Supplies/Print/Mail	47,134
Conference/Promotions/Marketing	44,263
Internet/IT/Web/Communications/Computer	31,814
Hotel	28,614
Furniture/Interior Design/Consignment	17,418
Restaurant/Food	9,793
Insurance	3,376
Accounting	3,375
Retail Disbursements	2,811
Not-for-Profit	2,600
Airline	2,128
Bank Charges/Service & Wire Fees	1,071
Financial Institutions	1,000
Grocery Store	993
Golf Course & Casino	595
Gas/Convenience Store	234
TOTAL - VARIOUS DISBURSEMENTS	$ 1,424,577

USA BARCELONA REALTY ADVISORS, LLC
NOTES TO SUMMARY OF SOURCES & USES
NOTE 3: VARIOUS DISBURSEMENTS (CONTINUED)
FROM OCTOBER 18, 2012 THROUGH NOVEMBER 28, 2014

***3A:* Payments to Principals**	
Richard Harkins	$ 273,990
George T. Simmons	99,593
Bruce Orr	91,537
Robert Kerrigan	35,700
Bruce Orr and Associates	1,425
Total - Payments to Principals	$ 502,245

***3B:* Consultants & Advisors**	
Precision Advisors Group [Allen Weintraub]	$ 75,000
Jeff Teets	73,196
Glenn Erler	59,169
Patrick McDonough	25,000
Erler Technology Associates [Glenn Erler]	5,809
Jerry Austin	2,200
Chris Corpuz	1,016
Anthony J Manos	863
Total - Consultants & Advisors	$ 242,253

***3C:* Payroll & Expenses**	
Payroll Service Company	$ 120,994
Paul Meka	53,800
Connie Cook	32,540
Employee Benefits	13,981
Other	285
Total - Payroll & Expenses	$ 221,600

USA BARCELONA REALTY ADVISORS, LLC
INVESTOR LIST
PER BANK STATEMENTS FROM OCTOBER 18, 2012 THROUGH NOVEMBER 28, 2014

INVESTOR	INVESTMENT DATE	INVESTMENT AMOUNT	AMOUNT REPAID	BALANCE
KELLY E. BAIR	10/12/12	$ 20,000	$ 4,099	$ 15,901
RODNEY & MELISSA EAVES	03/11/13	250,000	38,158	211,842
ROBERTA BURLESON	05/31/13	100,000	13,130	86,870
RICHARD J. WOODS	07/02/13	100,000	12,097	87,903
CAROLIN GROUP, LLC	07/05/13	25,000	5,793	19,207
RODNEY & MELISSA EAVES	07/18/13	250,000		250,000
CAROLIN GROUP, LLC	07/30/13	25,000		25,000
CHEYENNE KASSIE, LLC	10/02/13	50,000	4,552	45,448
RJR GROUP, LLC	10/22/13	100,000	8,439	91,561
THE NANCY C HAIMSON REVOCABLE TRUST	11/25/13	50,000	608	49,392
RODNEY & MELISSA EAVES	12/30/13	125,000		125,000
JP STEWART ENTERPISES, LLC	04/03/14	100,000		100,000
RICHARD & ELIZABETH ANDRADE	04/16/14	50,000		50,000
RODNEY & MELISSA EAVES	02/28/14	125,000		125,000
RICHARD & ELIZABETH ANDRADE	06/16/14	5,000		5,000
RODNEY & MELISSA EAVES	07/14/14	15,000		15,000
RODNEY & MELISSA EAVES	07/31/14	15,000		15,000
TOTAL		**$ 1,405,000**	**$ 86,876**	**$ 1,318,124**

EXHIBIT
S-316
ADMITTED

1 BEFORE THE

2 ARIZONA CORPORATION COMMISSION

3 SECURITIES DIVISION

4

5

6 IN THE MATTER OF:) FILE NO.
7 USA BARCELONA REALTY ADVISORS, LLC, USA BARCELONA HOTEL LAND) 8503
8 COMPANY I, LLC, RICHARD C. HARKINS, ROBERT J. KERRIGAN,)
9 GEORGE T. SIMMONS, and BRUCE ORR.)

10

11

12 EXAMINATION UNDER OATH OF RICHARD C. HARKINS

13

14

15 Phoenix, Arizona
16 September 15, 2015

EXHIBIT S-32 ADMITTED

17

18

19 COASH & COASH, INC.
Court Reporting, Video & Videoconferencing
1802 N. 7th Street, Phoenix, AZ 85006
20 602-258-1440 mh@coashandcoash.com

21

22 Prepared by:
Karen L. Kessler, RPR
23 Certified Reporter
Certificate No. 50821

24

25

1 INDEX TO EXAMINATIONS

2 WITNESS PAGE

3 RICHARD C. HARKINS

4 Examination by Mr. Kitchin 7

5

6

7 INDEX TO EXHIBITS

8

NO.	DESCRIPTION	MARKED	IDENTIFIED
Exhibit 1	Investor Questionnaire and Subscription Agreement; Bates Nos. ACC000832-826	7	54
Exhibit 2	Instructions for Completing Subscription documents; Bates Nos. ACC000869-875	7	54
Exhibit 3	Instructions for Completing Subscription documents; Bates Nos. ACC000990-996	7	55
Exhibit 4	Instructions for Completing Subscription documents; Bates Nos. ACC000980-986	7	55
Exhibit 5	Promissory Note to Kelly Bair; Bates Nos. ACC000906-907	7	56
Exhibit 6	Promissory Note to Rodney and Melissa Eaves; Bates Nos. ACC000827-828	7	56
Exhibit 7	Promissory Note to Roberta Burleson; Bates Nos. ACC000896-897	7	56
Exhibit 8	Promissory Note to Kathleen Carolin; Bates Nos. ACC000886-887	7	57

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1 INDEX TO EXHIBITS

NO.	DESCRIPTION	MARKED	IDENTIFIED
Exhibit 9	Promissory Note to Richard and Sharon Woods; Bates Nos. ACC000838-839	7	57
Exhibit 10	Not Utilized.	7	--
Exhibit 11	Not Utilized.	7	--
Exhibit 12	Promissory Note to Robert Kerrigan; Bates Nos. ACC000955-956	7	82
Exhibit 13	Not Utilized.	7	--
Exhibit 14	Promissory Note to RJR Group; Bates Nos. ACC000858-859	7	58
Exhibit 15	Not Utilized.	7	--
Exhibit 16	Promissory Note to JPEnterprises; Bates Nos. ACC000997-998	7	58
Exhibit 17	Not Utilized.	7	--
Exhibit 18	Not Utilized.	7	--
Exhibit 19	Not Utilized.	7	--
Exhibit 20	Not Utilized.	7	--
Exhibit 21	Promissory Note to Rodney and Melissa Eaves; Bates Nos. ACC000972-973	7	59
Exhibit 22	Promissory Note to Rodney and Melissa Eaves; Bates Nos. ACC000974-975	7	99
Exhibit 23	Promissory Note to Rodney Eaves; Bates Nos. ACC000976-977	7	59

1 INDEX TO EXHIBITS

NO.	DESCRIPTION	MARKED	IDENTIFIED
Exhibit 24	Promissory Note to Rodney Eaves; Bates Nos. ACC000978-979	7	99
Exhibit 25	Confidential Private Placement Offering Memorandum - 12/6/12; Bates Nos. ACC000724-819	7	59
Exhibit 26	Confidential Private Placement Offering Memorandum - 10/5/10; Bates Nos. ACC005712-5817	7	62
Exhibit 27	Confidential Private Placement Offering Memorandum for USA Barcelona Hotel Land Company I, LLC; Bates Nos. ACC005818-5947	7	64
Exhibit 28	June 11/2014 letter; Bates No. ACC005410	7	96
Exhibit 29	Order for Cancellation of Certificate of Purchase for Failure to Make Payment; Bates Nos. ACC004272-4276	7	106
Exhibit 30	AVC Carefree Village DevCo, LLC, General Ledger as of December 31, 2006; Bates No. ACC004599	7	108
Exhibit 31	USA Barcelona Realty Advisors Profit & Loss Detail; Bates No. ACC005478	7	108
Exhibit 32	Photocopy of Newspaper ad; Bates No. ACC006221	7	110
Exhibit 33	December 31, 2013 letter to William Jordan; Bates Nos. ACC005493-5494	7	112
Exhibit 34	December 31, 2013 letter to Kathleen Carolin; Bates Nos. ACC005317-5318	7	114

1 INDEX TO EXHIBITS

NO.	DESCRIPTION	MARKED	IDENTIFIED
Exhibit 35	April 21, 2015 letter to USA Barcelona Realty Advisors' Noteholders from Richard Harkins; Bates Nos. ACC0005499-5501	7	115
Exhibit 36	May 5, 2015 email from Dick Harkins to Rich Andrade; Bates Nos. ACC005402-5403	7	120
Exhibit 37	April 23/2013 USA Barcelona Realty Advisors Meeting - Agenda; No Bates numbers	124	125
Exhibit 38	October 15, 2012 Barcelona Update; No Bates numbers	128	128
Exhibit 39	October 15, 1012 Barcelona Update - Major Events in the Works; No Bates numbers	128	129
Exhibit 40	Duplicate of Exhibit 38	128	129
Exhibit 41	February 1, 2014 Talking Paper; No Bates numbers	130	130
Exhibit 42	July 9, 2014 email from Dick Harkins; No Bates numbers	132	132
Exhibit 43	August 5, 2014 email from Dick Harkins to G. Tom Simmons; No Bates numbers	133	133

1 EXAMINATION UNDER OATH OF RICHARD C. HARKINS
2 was taken on September 15th, 2015, commencing at
3 9:10 a.m., at the Arizona Corporation Commission,
4 Securities Division, 1300 West Washington Street,
5 Phoenix, Arizona, before KAREN L. KESSLER, RPR,
6 Certified Reporter No. 50821 in and for the County of
7 Maricopa, State of Arizona.
8
9 APPEARANCES:
10
For the Arizona Corporation Commission Securities
11 Division:
12 Mr. Paul Kitchin, Staff Attorney
1300 West Washington Street, Third Floor
13 Phoenix, Arizona 85007-2996
14
For Respondent Richard C. Harkins:
15
Mr. Richard C. Harkins, Pro Per
16 [redacted]
[redacted], Arizona [redacted]
17
18
ALSO PRESENT:
19
Mr. Dee Morin, Special Investigator
20
21
22
23
24
25

1 (Exhibits 1 through 36 were marked for
2 identification.)
3 RICHARD C. HARKINS,
4 called as a witness herein, having been first duly sworn
5 by the Certified Reporter to speak the truth and nothing
6 but the truth, was examined and testified as follows:
7
8 EXAMINATION
9 BY MR. KITCHIN:
10 Q. Good morning. This is part of an inquiry by the
11 Securities Division of the Arizona Corporation
12 Commission in the matter of USA Barcelona Realty
13 Advisors, LLC, USA Barcelona Hotel Land Company I, LLC,
14 Richard C. Harkins, Robert J. Kerrigan, George T.
15 Simmons, and Bruce Orr to determine if there has been
16 full compliance with the Securities Act of the State of
17 Arizona. The information obtained today may reveal
18 violations of statutes outside the Securities Act.
19 Mr. Harkins, you have the right to refuse to
20 answer any questions if you think the answer may tend to
21 incriminate you. You have the right to refuse to
22 produce any private papers which you feel may tend to
23 incriminate you. You do not have the right to refuse to
24 produce corporate papers based upon any claim of
25 self-incrimination.

1 Do you understand that you have the right to be
2 represented by counsel?
3 A. I do.
4 Q. Would you like to go forward without an
5 attorney?
6 A. I do.
7 Q. It will be assumed that you are waiving your
8 right to counsel. If, at any time, you feel you need
9 legal counsel, tell me immediately and we will stop the
10 proceeding to allow you to obtain counsel.
11 The reporter will go off the record at my
12 direction. If you or your attorney would like to go off
13 the record, tell me and I will try to accommodate you.
14 Since your testimony is being recorded by a
15 reporter, please respond verbally, as opposed to nodding
16 or shaking your head. Also, please let me finish asking
17 a question before you answer so there will not be two
18 people speaking at once.
19 If you don't hear a question or don't understand
20 a question, say so and the reporter will repeat it or I
21 will explain the question further. And you are under
22 oath, so any false statements you make may be criminally
23 prosecuted as perjury.
24 Do you understand what I have explained to you?
25 A. I do. I have a question.

1 Q. Sure.
2 A. I may, subsequent to this meeting, retain
3 counsel?
4 Q. Of course, yes, any time. Or in the middle of
5 it if you want to.
6 What is your full name?
7 A. Richard C. Harkins.
8 Q. And what is does the C stand for?
9 A. Conners, with an S.
10 Q. And have you have used any other name?
11 A. Negative.
12 Q. Are you taking any medication? Do you have a
13 physical problem that would prevent you from hearing and
14 understanding my question?
15 A. Do not.
16 Q. What is your home address?
17 A. [redacted], [redacted].
18 Q. And how long have you lived there?
19 A. Approximately two, two and a quarter years.
20 Q. And do you rent or own your home?
21 A. I cohabitate with the owner.
22 Q. And where did you live before that address?
23 A. Century Lane. Don't remember the address. In
24 [redacted]
25 Q. And how long did you live there?

1 A. One year.
2 Q. And prior to that address?
3 A. I believe the street name was Cortez,
4 Scottsdale, Arizona.
5 Q. And how long did you live there?
6 A. One year.
7 Q. And before that?
8 A. Turquoise Avenue in Phoenix -- or in Scottsdale,
9 six months.
10 Q. And before then?
11 A. Karen Drive, [redacted], four years.
12 Q. All right. And what is your home telephone
13 number?
14 A. I do not have a home telephone number.
15 Q. What is your mobile telephone number?
16 A. [redacted]
17 Q. And next I'm going to ask your social security
18 number; however, under the Federal Right to Privacy Act,
19 you are not obligated to answer. If you do answer, the
20 information will only be used for identification
21 purposes.
22 What is your social security number?
23 A. [redacted]
24 Q. And what is your occupation?
25 A. Good question. Real estate development.

1 Q. And where are you currently employed?
2 A. Self-employed.
3 Q. And what is your business address?
4 A. Same as my residence, 4422 East Lupine, Phoenix,
5 Arizona.
6 Q. And your business telephone number?
7 A. Same as my mobile number (602) 694-3589.
8 Q. And how long you have you been self-employed in
9 the current capacity?
10 A. I have been self-employed since 1987.
11 Q. Where, where was your last employer, other than
12 yourself -- or who was your last employer other than
13 yourself?
14 A. Let's make a correction to that statement that I
15 said.
16 Q. Sure.
17 A. I was employed for a ten-month period by
18 Pierce-Eislen, P-I-E-R-C-E, E-I-S-L-E-N -- it's a market
19 research firm in Scottsdale -- for a ten-month period
20 ending September of 2012.
21 Q. All right. And before then you were
22 self-employed from early 2000 -- from 1987 to --
23 A. That's correct.
24 Q. -- early 2012?
25 And where had you been employed before you were

1 self-employed in 1987?
2 A. Cardinal Industries.
3 Q. And what was your job there?
4 A. I was vice president, director of national
5 investment sales.
6 Q. And before that employer?
7 A. Gulf Oil Real Estate Development Corporation.
8 Q. And what was your job there?
9 A. Director of economic research feasibility
10 studies.
11 Q. And when did you switch from Gulf Oil to the
12 next employer?
13 A. To Cardinal Industries?
14 Q. Yes.
15 A. 1976.
16 Q. And how long were you at Gulf Oil?
17 A. I was there approximately two years.
18 Q. All right. And what is your educational
19 background?
20 A. Military, electronic schools of various sorts.
21 Post military, University of Alabama, accounting degree,
22 B.S. in accounting.
23 Q. Have you taken any courses in investments?
24 A. No. I don't believe I have.
25 Q. Have you taken any -- or what courses in

1 accounting have you taken?
2 A. Do you want my curriculum?
3 Q. Approximately.
4 A. It was a major, which required six semester
5 hours of basic accounting, six semester hours of
6 intermediate accounting, six semester hours of basic and
7 advanced cost accounting, three semester hours of tax,
8 three semester hours of audit, three semester hours of
9 computer information systems, three semesters hours of
10 advanced accounting. That's probably it.
11 Q. And are you an officer or a director of any
12 company?
13 A. I'm a, I'm an officer and I'm a director of
14 several companies, starting with USA Barcelona Realty
15 Advisors, LLC, USA Barcelona Realty, Inc., USA Barcelona
16 Realty Holding Company, LLC, USA Barcelona Hotel Holding
17 Company, LLC. And there may be some surviving companies
18 from the Arizona Village Communities days that are
19 still -- none would still be current, so I would
20 discount those.
21 Q. And are you an officer or director if USA
22 Barcelona Hotel Land Company I, LLC?
23 A. That would be correct. Thank you.
24 Q. And how about Barcelona REIT I, Incorporated?
25 A. Yes. But I believe that was rolled up into USA

1 Barcelona Realty, Inc., I believe. But it was an entity
2 at one time.
3 Q. How do you mean by rolled up?
4 A. Absorbed, consolidated.
5 Q. And what were the Arizona Village Communities
6 entities that you were an officer or director of?
7 A. Complicated story, but here goes.
8 In the beginning, Arizona Village Communities,
9 LLC, which was owned by three companies, which leads to
10 my role. Desert Fox Associates, of which I was a
11 member, is one of the three owners; Kitchell Custom
12 Builders, which was the second owner; and Coldwell
13 Banker Developer Marketing Services, which was the third
14 owner. There was no direct individual ownership in
15 Arizona Village Communities. That's kind of the
16 beginning.
17 The second step of Arizona Village Communities
18 was the creation of Arizona Village Communities
19 Operating Company, Inc., which was, of which I was the
20 president and one of seven board members. And
21 underneath Arizona Village Communities Operating Company
22 was a number of single purpose LLCs, each of which owned
23 a parcel of land, and, I believe, the member of that was
24 entities not individuals. And -- I might get the name
25 of this wrong -- Arizona Village Communities Realty

1 Brokerage, I'm sure is not the right name, previously
2 known and subsequently known as Heesch Realty. It was a
3 point where Arizona Village Communities absorbed Heesch
4 Realty and I was a member, slash, officer of it.
5 Subsequently was reverted back to Heesch Realty.
6 H-E-E-S-C-H.
7 Q. And were there any other companies in the AVC
8 structure?
9 A. Not in the AVC structure. Outside of AVC
10 structure there was a company that was put together to,
11 post-Arizona Village Communities, of which I was an
12 officer, and I don't necessarily really remember the
13 name of it. It never did anything. I was an officer
14 along with John Keller and Tom Simmons.
15 Q. And where were you an officer or director of
16 Desert Fox --
17 A. Associates?
18 Q. Yes.
19 A. It was an LLC. I was a member.
20 Q. And then there was Desert Fox, something, and
21 Coldwell Banker, I don't remember the middle one though.
22 A. Kitchell.
23 Q. And were you an officer or director of that?
24 A. Well --
25 Q. Or a member?

1 A. -- that was Arizona Village Communities.
2 Q. Oh, okay.
3 A. It was owned by three entities, Desert Fox,
4 Kitchell, and Coldwell Banker.
5 Q. Right. Were you an officer, director, or member
6 of the owners?
7 A. I was a member of Desert Fox. There were no
8 person members of Arizona Village Communities, LLC.
9 Q. All right. And were you an officer or director
10 or member of Kitchell?
11 A. No.
12 Q. And of Coldwell Banker?
13 A. No.
14 Q. And were you an officer, director, or member
15 of -- I'm sorry -- an officer or director of Arizona
16 Village Communities, LLC?
17 A. Yes. I was the president and the chairman of
18 the board.
19 Q. And are there any other businesses that you were
20 connected with, other than the ones we have mentioned so
21 far?
22 A. Not in the current era, as we know it.
23 Q. Any other you've been connected with in the past
24 15 years, other than the ones we have mentioned so far?
25 A. No.

1 Q. So I guess from 2000 to the present?
2 A. No.
3 Q. Have you ever been convicted of any crime other
4 than a minor traffic offense?
5 A. No.
6 Q. Have you ever been arrested?
7 A. No.
8 Q. Have you ever been indicted?
9 A. No.
10 Q. Have you ever been the defendant in a civil
11 lawsuit?
12 A. On a promissory note, which was probably a civil
13 action, yes.
14 Q. And when and where was that?
15 A. That was a Colorado action that was brought to
16 the State of Arizona. That was on a personal note
17 guarantee, an obligation of one of the Arizona Village
18 Communities entities, and it was a note guarantee on one
19 of the Cardinal, Arizona Village Communities entities
20 and MKA action on a note guarantee.
21 Q. And when was this?
22 A. An MKA filing, which may not have been brought
23 to the State of Arizona -- I don't know, it was a
24 California company -- that was most likely initiated in
25 or about 2009 or '10.

1 Q. And the first case you mentioned?
2 A. It was brought to Arizona, and that was a, one
3 of those two years, 2009, 2010.
4 Q. And the California case, what was the basis of
5 that one?
6 A. Personal guarantee on an entity note.
7 Q. And do you know what county that was in in
8 California?
9 A. Whatever county Newport Beach is in. Orange
10 County most likely.
11 Q. And what were the outcomes of those two cases?
12 A. In the case of the Colorado filing, there was a
13 judgment against myself and one other individual who
14 were guarantors on those notes. And in the case of the
15 MKA, MKA, California, to my knowledge, there was no
16 judgment.
17 Q. Do you know how the case was resolved then?
18 A. No.
19 Q. Do you know if it was dismissed?
20 A. No.
21 Q. Have you ever filed for a personal bankruptcy?
22 A. No.
23 Q. Have you ever been the subject of an
24 investigation by any governmental agency other than
25 this?

1 A. Probably NSA, relative to securities clearances
2 in the military.
3 Q. Have you ever given any prior testimony in
4 connection with any of the USA Barcelona companies?
5 A. Yes. I was called in front of the Securities
6 Commission in 2009 in an interview. I was not
7 subpoenaed. And there was no further action in that.
8 Q. And are you a registered broker/dealer?
9 A. Negative.
10 Q. Are you a registered securities salesman?
11 A. Negative.
12 Q. Are you a licensed investment advisor?
13 A. Negative.
14 Q. Have you ever been a registered broker/dealer,
15 registered securities salesman, or licensed investment
16 advisor?
17 A. Yes.
18 Q. When was that?
19 A. Period, most likely, covering 1984, perhaps '83,
20 through '89, at which time I retired my licenses.
21 Q. And which licenses did you have during that
22 time?
23 A. I had three licenses, Series 7, Series 24, and
24 Series 63.
25 Q. And why did you retire the licenses?

1 A. I had no further use for them at that time.
2 Q. Do you have any state licenses other than a
3 driver's license?
4 A. No.
5 Q. What is your date of birth?
6 A. [redacted]
7 Q. And what is your place of birth?
8 A. [redacted], Alabama.
9 Q. And what is your marital status?
10 A. Single.
11 Q. Have you been previously married?
12 A. Yes, I have.
13 Q. How many times?
14 A. Four times.
15 Q. What is the -- what were the names of your
16 previous spouses?
17 A. Francis Lorelle Williams, maiden name; Linda
18 Francis Hollingsworth; Caranelle K. Stump, S-T-U-M-P;
19 and Susan R. Theobald, T-H-E-O-B-A-L-D.
20 Q. And when was the most recent of those marriages?
21 A. When did it terminate?
22 Q. When did it begin and terminate?
23 A. It began in 1999 and terminated in 2013, I
24 believe.
25 Q. And do you have any children?

1 A. Two children.
2 Q. What are their full names?
3 A. Married names?
4 Q. I guess maiden and married names.
5 A. Kitty Nicole, and the last name now is Dunlap;
6 and Richelle Conners Harkins has never married.
7 Q. And what are their ages?
8 A. Kitty is 44 and Richelle is 32.
9 Q. And what are their addresses?
10 A. I don't know their addresses. They both reside
11 in Murrieta County, Atlanta, Georgia.
12 Q. And where do you hold your personal bank
13 accounts?
14 A. Johnson Bank, Scottsdale.
15 Q. And where has USA Barcelona Realty Advisors ever
16 held its bank accounts?
17 A. Johnson Bank, Scottsdale, Alliance Bank,
18 Scottsdale.
19 Q. And who were the signers on those accounts?
20 A. Myself, and Jeff Teets, T-E-E-T-S, and possibly
21 Tom Simmons, S-I-M-M-O-N-S.
22 Q. And did you have access to the bank accounts,
23 debit cards, and electronic transfers?
24 A. Yes.
25 Q. And who else had access to those for those

1 accounts?
2 A. Jeff Teets, from the standpoint of managing bank
3 accounts, which would include wire transfers. Jeff did
4 not hold -- we had one debit card, it rotated between
5 who needed it. So access to would be Tom Simmons, Jeff
6 Teets, and myself.
7 Q. And where has USA Barcelona Hotel Land
8 Company I, LLC ever held its bank accounts?
9 A. It never had a bank account. I believe that's
10 correct.
11 Q. And who has done any formal or informal
12 accounting work for any of the USA Barcelona companies?
13 A. Outside parties?
14 Q. Inside or outside.
15 A. Connie Cook was our accountant. Jeff Teets was
16 our chief financial officer.
17 Q. And no outside?
18 A. One. May I peek at my notes here?
19 Q. Sure. Go ahead.
20 A. She's one of the noteholders. I can't think of
21 her last name. Kathy Carolin, Carolin.
22 Q. And for USA Barcelona Realty Advisors, LLC, how
23 was it started?
24 A. How was it started?
25 Q. Yes.

1 A. You mean the premise?
2 Q. Basically, yeah.
3 A. The premise was to create an advisory company
4 that would advise a real estate investment trust and its
5 subsidiaries. That was the premise.
6 Q. And how did it -- what work went into setting up
7 the premise?
8 A. You can't, you can't do a hmm, can you?
9 An incredible amount of work.
10 Q. What kinds?
11 A. Organization, capitalization, business plans,
12 offering documents for itself, offering documents for
13 its, the entities that it would advise, such as USA
14 Barcelona Realty, arranging for a capital market
15 specialist to capitalize the REIT, the selection of
16 early employees, selection of initial nonexecutive
17 members, office space, equipment, relationships with
18 outside professionals, relationships with counsel,
19 relationships with the State Securities Division.
20 We've done practice under you in the past,
21 extensively, with no complaints.
22 Q. And who was involved with the start of the
23 company?
24 A. Tom Simmons, Dick Harkins, and Bob Kerrigan.
25 Q. And how was the company funded?

1 A. With assets contributed such as printers,
2 computers, servers, furniture, myself with capital
3 contributed in the form of loans, Bob Kerrigan, Rod
4 Eaves, and over some period of time, nine other
5 individual noteholders that subscribed to one of our two
6 note offerings.
7 Q. And what employees and independent contractors
8 has the company had?
9 A. Two employees, Connie Cook and Paul Meka.
10 Independent contractors by definition were nonexecutive
11 members, Jeff Teets, Patrick McDonough. Independent
12 contractor as an outside agent, Glen Erler, E-R-L-E-R.
13 Executive --
14 Did you ask about executive members? No you
15 didn't.
16 Q. No, but who were they? Just to be sure.
17 A. The four executive members were Tom Simmons,
18 Dick Harkins, Bob Kerrigan, and Bruce Orr, and Rod
19 Eaves.
20 Q. Oh, Mr. Eaves was an executive member?
21 A. Yes.
22 Q. When did he become an executive member?
23 A. I believe he was voted in -- it was two dates if
24 I might -- in July of '14 -- and I could, specific dates
25 and chronology that's here for you.

1 Q. All right.
2 A. And he was -- attended his first executive
3 committee meeting in August of '14.
4 May I elaborate? Or should I --
5 Q. Sure.
6 A. -- wait for your question?
7 Q. Oh, no. That's fine.
8 A. Mr. Eaves was an integral part of our doings and
9 goings-ons from early 2013 until we decided to close the
10 office, not close the company, in September of 2014. I
11 have delineated for you, because I know this might be
12 something you're not aware of, his involvement with the
13 company, just by the nature of your inquiry. I have, I
14 have material for you.
15 Q. All right.
16 A. You've asked for meetings and significant
17 persons. I have a chronology of my meetings and where I
18 thought it was important. Somebody else's meetings I
19 didn't, I didn't attend, which really focus on Chanen,
20 Rod Eaves, and Allen Weintraub. Based on your inquiry,
21 those are three things I feel like you need to grasp,
22 put in their right place, in order to get an essence
23 of -- you asked me how it started, what went on.
24 Q. Sure.
25 A. Yeah. There was a lot that went on.

1 Q. All right. And the interconnection between
2 those three is something that's described in there, or
3 is that something you want to describe now?
4 A. Relative to their presence at meetings, it's
5 described herein.
6 Q. I see.
7 A. Not in its entirety, because its entirety is
8 buried somewhere in a server I don't have access to.
9 Q. What's the, sort of the broad description, then,
10 of the involvement of each of those three in the
11 company?
12 A. Well, Chanen, we determined in 2014 that we
13 needed a strategic partner in the building business;
14 business plan being to build hotels.
15 And the assignment was given to Patrick
16 McDonough and Tom Simmons to research companies that had
17 a lineage, among other things, in building hotels, and
18 they had a major presence in the Phoenix market.
19 Numerous major companies that were national companies or
20 local companies were interviewed by Simmons and
21 McDonough. And from that that there was one that had
22 particular interest to us because of their, the breadth
23 of the hotel work they had done, the local presence, and
24 the reputation, and that was Chanen, C-H-A-N-E-N,
25 construction.

1 Patrick McDonough made the initial contact with
2 Chanen. And it started with a meeting with the
3 president of their development company, Steve Betts who
4 was previously president of the large companies and a
5 securities lawyer before that. From that meeting with
6 Steve, there were, I believe, seven meetings with Steve
7 Chanen and, in one case, Herman, the father, Chanen
8 about a strategic alliance that resulted in an agreement
9 for them to be our general contractor and provide
10 parallel assistance and due diligence work and things of
11 that sort.
12 In your assertions, you asserted there was no
13 agreement; there was no written agreement. There was
14 certainly an agreement. The disclosure of Chanen in the
15 Hotel Land Company document is at Chanen's approval. I
16 think you might concur that if there was no agreement,
17 it wouldn't be in the document. So I think that's
18 something you need to know. So you need to know the
19 evolution of the relationship with Chanen.
20 You need to understand the evolution of the
21 relationship with Allen Weintraub. Because had that
22 relationship not been in place, we would not have
23 started USA Barcelona Realty Advisors or USA Barcelona
24 REIT in October of 2012. It was on Weintraub's strong
25 assertion that he could raise the capital for the REIT,

1 Barcelona Realty, if he was retained at a certain
2 compensation to proceed, that he could achieve that
3 objective for us. And he attended numerous meetings,
4 including our retreat in Sedona in 2013, attended by
5 many people, where he stood and assured us all he would
6 get the job done. Well, he didn't, which led to large
7 adjustments that we had to make. So the role of Allen
8 Weintraub, it's important to us, and his lack of
9 performance and the difficulties he caused us is
10 important in understanding us.
11 Rod Eaves. Rod is a client, and has been a
12 client, I can't tell you for how long, but many years,
13 of Bob Kerrigan. And Rod retired as a president of a
14 regional division of a major construction company,
15 national construction company. Liked our business plan,
16 met me, eventually others, and decided that he wanted to
17 make a substantial investment in the company and, at
18 some point, be involved in the company. He did both.
19 He made substantial investment, made short-term loans,
20 came in-house in May of '14 as a nonexecutive member
21 part of the team -- I think you would call that
22 independent contractor -- and, later in the year, as
23 previously stated, accepted our invitation to become an
24 executive member.
25 I delineated the amount of presence Rod had at

1 meetings in our office so that you were aware that he's
2 not an uninformed person to the degree that you're
3 suggesting they were uninformed people.
4 Q. And backing up to USA Barcelona Realty Advisors'
5 employees and independent contractors. How were they
6 paid?
7 A. Well, as a member, you're entitled to, under the
8 statutes of LLCs, a guaranteed payment, which doesn't
9 mean that a guarantee be made, but it's a definition
10 that you know is in the statutes. So they were paid
11 under a compensation agreement along those lines.
12 The two employees, which would be Paul Meka -- I
13 do want to come back and talk about Paul -- and Connie
14 Cook, were on a salary. And they, Connie had insurance,
15 Paul did not, didn't need it. He had social security
16 things that happened that way, and payroll tax
17 deductions and things of that sort.
18 Q. And how are the independent contractors paid?
19 A. Under their guaranteed payment agreement with
20 the company. They were paid to the degree the company
21 had the capital to pay any member. And when we didn't,
22 it was the members that didn't get paid some or all.
23 Q. Were all of the independent contractors also
24 members of the company?
25 A. Yes.

1 Q. What revenue did the company ever have?
2 A. The company never got to a revenue generating
3 position. It was a new company. It was a growth
4 company. It was an emerging company. It grew through
5 capitalization.
6 Q. And did the company ever make any investment
7 offerings beyond the two note offerings that you
8 mentioned before?
9 A. I don't believe we did. It's alleged that we
10 did. You have alleged in one of your points that at
11 least one offering was made of Barcelona Land Company.
12 And that may be. I don't know of anyone, and I have
13 interviewed all of our members except Bruce Orr, I don't
14 have access to Bruce, no one recollects making an
15 offering.
16 Now, might an offering document had been shared
17 with someone, not for the purpose of making an
18 investment, but to talk about a business plan? Quite
19 possibly. Because Chanen was only, Chanen was only
20 disclosed in the Hotel Land Company document. It was
21 not a part of Advisors, it was a part of Land Company.
22 So, to my knowledge, an offering was never made,
23 a sale was never, I know a sale was never made.
24 Q. And how was USA Barcelona Hotel Land Company I,
25 LLC started?

1 A. Oh, it was started by, under the direction of
2 the holding company.
3 Q. And what was its premise?
4 A. To contract, to acquire potential wholesale
5 hotel sites that our staff had vetted and deemed to be
6 appropriate; to entitle those sites -- entitlement being
7 our definition of ready to be built -- and then to sell
8 those sites to individual, single purpose entities that
9 were in the control group of families of our companies
10 that would build on and operate a hotel.
11 Q. And who was involved with the start of Hotel
12 Land Company I?
13 A. Oh, the company. I mean, it was in the
14 entirety.
15 Q. The Realty Advisors?
16 A. Yeah. Sure a holding company. The same people.
17 Q. And how was USA Barcelona Hotel Land Company I
18 funded?
19 A. It didn't require specific capital. We never
20 contracted to acquire parcel of land, which would have
21 required capital. The work was done by the staff of
22 advisors, which it's its job in which it would have been
23 paid for from the proceeds of the offering or profits of
24 the land company as reimbursements, as disclosed in the
25 documents.

1 Q. And did Hotel Land Company I have any employees
2 or independent contractors?
3 A. No.
4 Q. And what investment offerings did Hotel Land
5 Company I ever make?
6 A. As previously stated, it made none.
7 Q. How was USA Barcelona Realty Advisors managed?
8 A. It was managed by -- it was a manager managed
9 LLC. A tricky term in the LLC world. Manager was also
10 defined as the president, and the president was myself.
11 The president made the day-by-day decisions for advisor,
12 with the exception of major decisions, which were
13 delineated in materials you have. And those major
14 decisions were brought to the executive committee by me,
15 the manager, for a majority approval or disapproval.
16 Q. And did the nonexecutive members have any
17 responsibilities for company management?
18 A. No.
19 Q. What was Robert Kerrigan's role at Barcelona
20 Realty Advisors?
21 A. He wasn't at Barcelona Realty Advisors. He was
22 an outside party. He did not work in our offices.
23 Q. He was an executive member, right?
24 A. Right.
25 Q. Okay. What was his role as an executive member?

1 A. To review major decisions, be a voting member,
2 and making major decisions.
3 Q. What was George Simmons role at USA Barcelona
4 Realty Advisors?
5 A. Twofold. He was the chief operating officer,
6 and he was an executive committee member.
7 Q. And what did he do as the chief operating
8 officer?
9 A. He handled the oversight of the administration
10 of the company. Specific responsibilities: Making sure
11 that our employee documentation was correct, that, as
12 one of many things, was the recipient of grousing and
13 complaining as it occurred, and had specific assigned
14 responsibilities, such as the pursuit of a major joint
15 venture partner.
16 Q. And who was the major joint venture partner that
17 he was pursuing?
18 A. As previously stated, we had to research the
19 construction companies, and that was, within that family
20 of companies, was our pursuit to select one to be a
21 joint venture partner.
22 Q. And that was Chanen?
23 A. Chanen was selected, but ultimately we
24 determined jointly that it would not be a joint venture.
25 Q. I see. What was your role at USA Barcelona

1 Realty Advisors?
2 A. Manage the day-to-day affairs. Primary role was
3 long-term planning, constructing the capital structure
4 of the organization as to what would be capitalized how,
5 the orchestration of offering documents in concert with
6 counsel, and anything that required a concluding meeting
7 to determine if we were going to go forward, such as
8 with a general contractor, or something of that nature,
9 or other projects that we could discuss, if we so
10 choose. My role was that.
11 Q. What was Bruce Orr's role with the company?
12 A. Bruce Orr's role was somewhat narrow to working
13 to find suitable hotel land parcels for construction,
14 was involved in -- he was an executive member, so he was
15 involved in most of our executive committee member
16 meetings. Bruce lived in California and commuted over
17 here most weeks.
18 Bruce had a relationship with the Lewis
19 companies, the Lewis companies, a major California
20 developer. And that relationship, for us, was focused
21 on several hotel sites that Lewis had in large
22 commercial multiuse projects they had built and/or were
23 building in California. And those sites were the key
24 component in the land company business plan.
25 Q. And what was Paul Meka's role with the company?

1 A. Paul was a clerical. Paul, being intimately
2 familiar with his background and difficulties with his
3 felony charge and things of that sort, Paul had nothing
4 to do with investor dealings. Paul handled very
5 clerical things in nature. He made copies of private
6 placement memorandums; he kept a log of where they went.
7 He had nothing to do with the sale of securities.
8 A few edification, as was suggested, beyond suggestion,
9 in your filings.
10 Paul and I go back aways. Not prior to the
11 company he was with that caused him the problems it
12 caused. I didn't know about that for several years, but
13 I knew about it. So we probably date back to 2002, or
14 so, when he introduced us to a land parcel in Ocotillo.
15 He is a real estate broker.
16 Q. And did he have any role in preparing the
17 offering memorandum?
18 A. No. Outside of copying them.
19 Q. Did he have any role in preparing the financial
20 information that might have gone into an offering memo?
21 A. Absolutely not.
22 Q. And who had a say in the content of each
23 investment offering at USA Barcelona Realty Advisors?
24 A. Well, I was a chief draftsman. Let's start with
25 that. I was secretary in charge of drafting. I

1 conceptually put together all the offerings that we did
2 and all the offerings we didn't do, including the
3 financials and the business plans and the forecast. I'd
4 say the team in general -- I call the team everybody
5 that worked in that office -- had some role in editing,
6 reviewing those documents.
7 Major input came from Simmons and Orr and our
8 outside counsel, not so much Kerrigan.
9 Q. And backing up to Paul Meka for a moment.
10 Why did you hire him for, for clerical help with
11 the company?
12 A. Why not?
13 Q. There might be cheaper alternatives for clerical
14 help.
15 A. Might be.
16 Q. What was he, what was Paul Meka paid?
17 A. Paul is paid a monthly salary at 6500, well,
18 $5500. I don't know the lineage. I think it ended out
19 at 6500. The same as Connie Cook. They were paid the
20 same.
21 Q. And what were Connie Cook's responsibilities?
22 A. Communication, public relations, and,
23 ultimately, accounting, under the tutelage of Jeff
24 Teets, our chief financial officer.
25 Q. Why would she and Meka be paid the same if she

1 was responsible for accounting and he was responsible
2 only for clerical work?
3 A. I determined that was appropriate.
4 Q. Why was that appropriate?
5 A. My determination.
6 Q. What was the, what was your reasoning for that
7 determination?
8 A. I don't know that that's germane to this
9 hearing.
10 Q. I can ask and find out.
11 A. Well, that's fine. I think it's irrelevant. I
12 can't delineate my reasoning.
13 Most people in their capacities with our company
14 were aligned in about the same bracket of pay.
15 Q. Who else was in the same bracket of pay?
16 A. Only two there, Connie and Paul.
17 Q. And how was USA Barcelona Hotel Land Company I
18 managed?
19 A. Its manager was the hotel holding company. The
20 advisor did all the work. It wasn't anything to manage
21 because it never got to the point of buying anything or
22 making an offer.
23 Q. And who managed the hotel holding company?
24 A. Hotel Holding Company's manager, excuse me,
25 members would be myself and Simmons. I don't believe --

1 I think just the two of us were the executive -- were
2 the members of that entity.
3 Q. Did that make you the manager, as well, to the
4 extent that any management was needed?
5 A. No. Because in the essence of things, its
6 business plan is crafted by myself and its work was
7 undertaken by our staff. So there was -- for want of a
8 better term -- common management of the entirety.
9 Q. And USA Barcelona Realty Advisors was common
10 manager of the overall --
11 A. Wasn't the manager. It was an advisor. It did
12 the work. It did the work it was asked to do, and was
13 asked to do by the members of those entities.
14 Q. Who made the USA Barcelona Hotel Land
15 Company I's business decisions?
16 A. I'd say Simmons and myself and Orr.
17 Q. And that was as members of that company, or
18 because you were members of its manager?
19 A. A little treatise here on how advisors work with
20 entities.
21 Advisors generate a business plan for an entity
22 that needs a business plan. Advisors go about
23 implementing that business plan under the approval of
24 the entity for which it's an advisor to. So when you
25 look in the real estate investment trusts that are

1 externally managed, the trust, nor any of its
2 subsidiaries or TRSs -- TRS is a term in REITs -- there
3 are no employees in these entities. They have a board
4 of directors; they have something that owns them, C
5 corporation, LLC, depending. The advisor is the entity
6 that houses all the overhead, all the people, does all
7 the work at the will of these entities. It's the role
8 of an externally managed organization, where the manager
9 is an advisor. But I'm sure you know that.
10 Q. And who made the decision for Hotel Land
11 Company I to pursue a joint venture with that
12 construction company?
13 A. It was made, probably the thought originated
14 with me, but the executive committee made the decision
15 to pursue it.
16 Q. USA Barcelona Realty Advisors executive
17 committee?
18 A. Yeah. We had to figure out how to implement it.
19 So that's how you make decisions.
20 Q. And describe your business background.
21 A. First of all, I have never practiced as an
22 accountant. My entire business life has been in the
23 world of real estate development and finance and either
24 executive management of a region of a company, such as
25 Cardinal Industries, specific responsibilities within

1 that company, land acquisition for both its department
2 division and its Knights Inn hotel division.
3 A great deal of focus, as my business career
4 matured, in capital markets, real estate syndication,
5 primarily in the broker/dealer community, managing,
6 creating and managing broker/dealer selling groups.
7 Been an officer of a broker/dealer where we were the
8 lead broker/dealer in our selling groups. Creation of
9 economic models and business plans, through the
10 evolution of things, developed a pretty thorough
11 expertise in various computer programs used for
12 financial modeling.
13 I have a, contrary to certain belief, I have a
14 deep knowledge of the way Regulation D works and the
15 requirements to operate in that environment. Also, the
16 Arizona Statutes 140, which we have used on several
17 occasions over the years, one of the few companies that
18 have used them.
19 So I think I'm versed, and if one wants to take
20 me on in the securities arena and say I have done
21 something wrong, I feel like I'm armed with pretty good
22 knowledge of it, and maybe I could -- I'm not going to
23 challenge you on who has the best securities knowledge
24 here, but I think we know what we are doing in the arena
25 of Reg D and private placements.

1 So that's a deep part of my business background.
2 You never get it perfect, I might add.
3 Q. And you said you were the officer of a
4 broker/dealer.
5 What company was that?
6 A. Cardinal Securities Corporation. It was a
7 wholly owned subsidiary of Cardinal Industries. And
8 Epoch Capital Security, E-P-O-C-H, Epoch Capital
9 Securities Company.
10 Q. And when did you work there?
11 A. Epoch, 19 -- post-Cardinal Industries. I left
12 Cardinal in 1987. Epoch Capital Corporation was formed
13 in 1988, and I was an, associated with that company and
14 its broker/dealer subsidiary in '88 and '89.
15 Q. And what was its broker/dealer subsidiary
16 called?
17 A. I'm not sure, but it was Epoch Capital
18 Securities Corporation, probably, and it was ultimately
19 renamed long after my presence to a Florida capital
20 corporation, I believe.
21 Q. What were your responsibilities at Epoch Capital
22 Corporation?
23 A. I was one of three persons responsible for
24 creating the company and developing a capital market in
25 a broker/dealer community.

1 Q. And what did that involve?
2 A. A lot.
3 Q. For example?
4 A. Travel, meeting broker/dealers I had met with in
5 the past, introducing them to the builder company we
6 were associated with, ultimately introducing them to any
7 offering that we wanted them to approve for sale by the
8 registered reps, the structuring of those offerings.
9 Q. What real estate experience have you had since
10 leaving Epoch Capital Corporation?
11 A. I have been involved in the golf course
12 community. I have been involved with people that built
13 two golf courses, one in North Carolina, one in Florida.
14 I have been involved in the investigation of Creative
15 Golf Real Estate Investment Trust, which we did not
16 create, and the evolution of Arizona Village
17 Communities, and the evolution of the Barcelona Company.
18 Q. What was the, what was the outcome of the two
19 golf course ventures?
20 A. They were good. One was sold, and one
21 continues, I think, under the original ownership to
22 operate.
23 Q. They were built and opened for business?
24 A. Uh-huh.
25 Q. And so it's the golf courses and then Arizona

1 Village Communities and then USA Barcelona, but no other
2 real estate involvement in between those?
3 A. No.
4 Q. And what unsuccessful business ventures have you
5 ever been involved in?
6 A. That I was a principal of?
7 Q. Principal, but also other involvement besides
8 principal.
9 A. Well, Cardinal Industries, two years after I
10 left it, courtesy of the 1986 Tax Reform Act, filed
11 bankruptcy.
12 Q. Any other?
13 A. Arizona Village Communities, of course, was
14 brought to, courtesy of the 2007 international economic
15 collapse, was brought to its knees. And the
16 determination was made to protect three of its single
17 purpose entities in Chapter 11, tried to renegotiate
18 their debt with the bank, which was unsuccessful.
19 Ultimately, the Feds took the bank. And we had bought a
20 parcel of land from Carefree auction, financed by the
21 state, and held that for several years and concluded
22 that, as the economy got worse and the state couldn't do
23 anything to negotiate what was owed on it, so we
24 voluntarily gave back the certificate.
25 I'd like to go off the record here for a minute.

1 Q. Sure.
2 A. Because I don't want to offend you.
3 Q. Oh, okay. We can go off the record for a break,
4 but for any substance, we should stay on the record. I
5 won't be offended.
6 A. Well, it's a difference with some wording in
7 your complaint.
8 Q. We should talk about that --
9 A. I don't mind being on the record.
10 Q. Okay. Well, then let's stay on the record, or
11 go back on it, depending on what you have already done.
12 So, sorry, go ahead then.
13 A. Your wording in the charge -- I didn't bring the
14 complaint against the companies -- you have wording in
15 there that the state took back the Carefree parcel.
16 They didn't take it back. It was negotiated with the
17 state. We remained paying interest on that parcel for a
18 couple of years. The economy got worse and worse. They
19 wanted us to stay in the deal; they'd do what they can,
20 but we'd have to pay the interest. And we said we
21 can't, it doesn't make any sense, it will never be worth
22 this much again. And so we gave the certificate back to
23 the state.
24 Your wording, you said the state took back the
25 land, but in your wording, it looked like it took back

1 all the land Arizona Village Communities ever had, which
2 is not the case. The only piece the State of Arizona
3 was involved with was the Carefree piece.
4 Q. How many different parcels were there in total?
5 A. Four.
6 Q. And what were the other parcels besides the
7 Carefree one?
8 A. Estrella Mountain Ranch, which was acquired from
9 Newland Corporation, which we had financed with the
10 bank, bought it, closed, had it fully approved for
11 development.
12 Two parcels in Chandler; one which was
13 developed, and one which was planned to be developed,
14 but wasn't. They were all, not cross-collateralized,
15 but they had the same bank as lenders on them.
16 Q. And each parcel was owned by a different
17 single purpose --
18 A. Single purpose entity, yeah.
19 Q. And the three parcels, other than Carefree, were
20 those owned by the three entities that ultimately were
21 in bankruptcy?
22 A. That's correct.
23 Q. And what was, what happened to the parcels,
24 ultimately, for those three entities?
25 A. I wouldn't know. Oh, the bankruptcy plan was,

1 our plan was not confirmed in any of the three cases, so
2 the properties went back to the lender.
3 Q. And --
4 A. So I do know. The properties went back to the
5 lender.
6 Q. Okay. What was the -- can you describe the
7 premise, as you said before, of Arizona Village
8 Communities?
9 A. Sure. Build upscale village communities, for
10 sale housing, ultimately get company to a point where it
11 was large enough to go public.
12 Q. And what was the, the relationship and the, I
13 guess, the different duties of Arizona Village
14 Communities, LLC, versus AVC Operating Company,
15 Incorporated, versus AVC Realty Brokerage?
16 A. Well, it began with what you referred to as AVC.
17 I'm not sure what you know about -- so AVC was a
18 company. It was Arizona Village Communities, LLC, owned
19 by three companies, which you got that.
20 Q. Desert Fox, Kitchell, and Coldwell Bank?
21 A. Right. Then a holding company was created,
22 called Arizona Village Communities Operating Company.
23 And it was deemed that Arizona Village Communities
24 Company didn't serve any purpose. So it was acquired,
25 rolled up into Arizona Village Communities Operating

1 Company, it disappeared.
2 Q. And what was AVC Realty Brokerage's role?
3 A. To handle the brokerage on parcels acquired by
4 USA Barcelona Realty.
5 Q. And was it owned by, or did it own Arizona
6 Village Communities, LLC or AVC Operating Company?
7 A. No. It was a standalone, nonconsolidated
8 entity.
9 Q. How much money was raised by each of the four
10 single purpose AVC entities?
11 A. None for Estrella. It was not syndicated. None
12 for Chandler property No. 2. Well, let me think about
13 that. I think that's correct. Although, Chandler
14 property 2 had a first and second mortgage deed on it.
15 Chandler property 1 was syndicated. I think it had a
16 million dollars of investor cap on it. And Carefree --
17 well, you didn't ask about Carefree, so you're going to
18 have to ask me about Carefree.
19 Q. And how much money was raised for Carefree?
20 A. I believe it was $5 million.
21 Q. And how did Estrella and Chandler property 2 buy
22 their land parcels if they hadn't had any --
23 A. Through a combination of debt and investment by
24 their owner, which was Arizona Village Communities.
25 Q. And how much money did Arizona Village

1 Communities raise?
2 A. Well, we had an intrastate note offering in the
3 State of Arizona that raised about $11.7 million. That
4 came to a screeching halt with the 2007 economic
5 collapse. And I believe it sold some senior notes. It
6 might have been $5 million of senior notes, but it might
7 have been $2 million of senior notes. I don't
8 recollect.
9 Q. Was it one or the other, or somewhere in between
10 those two?
11 A. It would be a number like that.
12 Q. Okay. And did Arizona -- did AVC Operating
13 Company raise any money before, I guess, separately from
14 Arizona Village Communities?
15 A. Arizona Village Communities Operating Company
16 did not have any equity investors.
17 Q. Any debt investors?
18 A. It didn't have debt investors. I referenced an
19 intrastate, registered in the State of Arizona only,
20 note offering we did.
21 Q. Right.
22 A. I'll differentiate that from investors.
23 Q. And the, the -- you mentioned the 11.7 million
24 in notes for Arizona Village Communities --
25 A. Operating Company.

1 Q. Oh, okay. So that was, that was raised -- I'm
2 sorry, I thought -- so the 11.7 million was raised by
3 Arizona Village Communities Operating Company,
4 Incorporated?
5 A. That's correct.
6 Q. Not by Arizona Village Communities, LLC?
7 A. That's correct.
8 Q. I see. And did Arizona Village Communities, LLC
9 raise any money?
10 A. I do not believe so, no.
11 Q. And did AVC Realty Brokerage raise any money?
12 A. No.
13 Q. And for AVC Realty Brokerage, was it actually
14 called AVC, or was it Arizona Village Communities Realty
15 Brokerage?
16 A. I don't know.
17 Q. Okay.
18 A. I don't recall.
19 Q. I might be getting confused with my own
20 shorthand here.
21 But AVC Operating Company was actually Arizona
22 Village Communities Operating Company.
23 Was that the formal name?
24 A. That's correct.
25 Q. Okay. What was Paul Meka's role in the AVC

1 Companies, or in the venture generally?
2 A. Paul was an in-house real estate broker. His
3 role was to locate suitable land parcels for us to
4 acquire and on which we would build our product.
5 Q. And what was George Simmons' role in the AVC
6 venture?
7 A. He was an outside director on the board of
8 Arizona Village Communities Operating Company.
9 Q. And how was, how were the Arizona Village
10 Communities entities fairing before the financial
11 crisis?
12 A. Excellent.
13 Q. No problems with any of them before then?
14 A. No.
15 Q. What was the next -- what was anticipated for
16 them that didn't come to pass as a result of the
17 financial crisis?
18 A. Well, we were an emerging company, capitalized
19 by the inflow of our note offering. And, to the degree
20 we syndicated a single purpose entity by syndication
21 capital, we were, per plan, still two years away from
22 being a profitable company. We had a certified audit
23 for the year 2006, which gave a going concern statement,
24 which an emerging company would get. But we were on
25 plan. But I didn't answer the question.

1 The stoppage of the capital market is what
2 stopped us.
3 Q. And do you think that the note purchasers in the
4 USA Barcelona companies, would they have had any
5 interest in the fate of the AVC companies?
6 A. Say that again.
7 Q. Would the note purchasers in the USA Barcelona
8 companies have had any interest in the fate, the failure
9 of AVC companies?
10 A. I think they'd want to know why, and I had
11 several ask me. We gave disclosure that it ceased
12 business in 2009. And there was an infinite amount of
13 information on the Internet about the company and
14 myself.
15 Q. And who, in particular, asked you about it?
16 A. I don't really recall whether it was discussed
17 at numerous meetings. It was really deemed that that
18 was a positive. Not for the investors in the company,
19 but we had some leadership that had gone through a
20 horrible economic time that might enable us to get
21 through another horrible economic time that happens to
22 occur in the real estate development industry.
23 Q. Do you think that all of the note purchasers in
24 the USA Barcelona companies were aware of the AVC
25 companies?

1 A. I don't know how to answer that. I couldn't
2 answer that.
3 Q. What meetings was -- you mentioned that AVC
4 companies were mentioned in some meetings.
5 What meetings were those?
6 A. Well, personal meetings. We had people attend
7 in-house meetings that were investors. At one point or
8 another, I made a point to bring up AVC. We had one or
9 more of our investors at our Sedona meeting, and that
10 was certainly a topic at the Sedona meeting. We used it
11 as a reference point of how to get through troubled
12 times. It wasn't a shoved under the rug issue.
13 Q. And why did you make a point to bring up the AVC
14 companies in meetings?
15 A. It was important.
16 Q. Why was it important?
17 A. It gave me -- the adage that you learn more from
18 difficult times than you do good times -- I felt like
19 that added to an arrow of my quiver as to how to steer
20 us, us being the Barcelona companies, through difficult
21 times, and through the emergence of going from an early
22 stage company to a second stage company, where we were,
23 to a third stage company.
24 Q. And when it was discussed that the AVC companies
25 had ceased operation, did you ever mention the specifics

1 of the bankruptcy of three of the four single purpose
2 entities?
3 A. Sure. I talked about Chapter 11 as being a
4 mechanism you use to attempt to adjust an entity in
5 troubled times.
6 Q. And was the, the surrendering of the Carefree
7 parcel ever raised?
8 A. I'm sure it was.
9 Q. What was Paul Meka's role at Barcelona REIT I
10 supposed to be?
11 A. He had no role.
12 Q. Oh, none at all?
13 A. He was in my environment. He was the clerk.
14 Q. Oh. But no role beyond being a clerk in
15 Barcelona --
16 A. No managerial or executive role. He had a
17 clerical -- look, I have been involved -- I know Paul's
18 situation. I was a character witness at his felony
19 hearing. I knew to keep him out of harm's way, and I
20 did.
21 Q. Let's go off the record and take -- sorry.
22 Go ahead.
23 A. I believe. You might not believe. I believe.
24 MR. KITCHIN: Let's go off the record and take a
25 break for a little bit.

1 (Recess taken from 10:22 a.m. 10:29 a.m.)
2 MR. KITCHIN: Let's go back on record.
3 BY MR. KITCHIN:
4 Q. Mr. Harkins, I'm going to hand you what's been
5 marked as Exhibit 1. This is ACC821. And just on the
6 back page of this.
7 Is that your signature?
8 Actually, I'm sorry, it's on the absolute back
9 page. They're double sided.
10 A. Yes.
11 Q. This is your signature on the back for Barcelona
12 Administration Company, correct?
13 A. That's correct.
14 Q. What is Barcelona Administration Company, LLC?
15 A. It was the predecessor to Barcelona -- USA
16 Barcelona Realty Advisors. It was renamed.
17 Q. Okay. But it's the same entity?
18 A. Yes.
19 Q. Next, I'm going to hand you what's been marked
20 as Exhibit 2, ACC869, instructions for completing
21 subscription documents.
22 A. Is this yours or mine?
23 Q. Oh, I'm sorry. That's sort of the communal
24 pile. We can just put it face down there. Or actually,
25 let's --

1 A. It's not mine. It stays here, right?
2 Q. Yeah, yeah. Ultimately, yeah. But for you to
3 look back at if you need to.
4 And then on the final page of this one, page
5 seven of the document, that's your signature as well,
6 correct?
7 A. That's correct.
8 Q. Okay. There's going to be a bunch of questions
9 like this, but I just need to make sure, because they're
10 not super easy to read.
11 So next I'm going to hand you what's been marked
12 as Exhibit 3, ACC990, instructions for completing
13 subscription documents. And, likewise, this is your
14 signature on page ACC996?
15 A. Yes.
16 Q. And, next, I'm going to hand you what's been
17 marked as Exhibit 4, ACC980, instructions for completing
18 subscription documents. And then, on the last page of
19 this, which is ACC986, is that a George Simmons signing
20 as COO?
21 A. I believe that would be correct.
22 Q. Was it common for him to ever sign subscription
23 documents or notes?
24 A. I don't know that it's uncommon, but that's his
25 signature.

1 Q. All right. And next I'm going to hand you
2 what's been marked as Exhibit 5, ACC906, promissory
3 note.
4 And on the second page, ACC907, what does this
5 signature line writing there indicate?
6 A. It indicates that this is a copy of an original
7 that was executed.
8 Q. And what is the S, slash, L mean?
9 A. Don't know. Something I was taught back with
10 Cardinal Industry. That's what you do with a document
11 that's not the signed copy.
12 Q. All right. And below the signature line is your
13 name.
14 Would you have signed the original that was sent
15 to --
16 A. That would be correct.
17 Q. Okay. And next I'm going to hand you what's
18 been marked as Exhibit 6, ACC827, promissory note.
19 And this is your signature on the second page of
20 this?
21 A. Yep. Yes. Sorry.
22 Q. And next I'm going to hand you what has been
23 marked as Exhibit 7, ACC896, promissory note.
24 A. Same as Kelly Bair.
25 Q. All right. And that's -- are those your

1 initials?
2 A. Yes.
3 Q. All right. And you would have signed the
4 original?
5 A. That's correct.
6 Q. And next I'm going to hand you what has been
7 marked as Exhibit 8, ACC886, another promissory note.
8 And on the back of this one, it, again, says S, slash,
9 L, 6/30/2013.
10 Did you sign the original of this note?
11 A. I couldn't tell you. Let me see who it is.
12 Kathleen Carolin.
13 Are these documents I gave you in March?
14 Q. Yeah, they are. Or at least all the ones in
15 like the 7, 8, 900 series are yours. I think all the
16 ones we have looked at so far are from you.
17 A. Well, does not look like my writing, but I would
18 have been the one that would have accepted Kathy.
19 Q. All right. And next I'm going to hand you
20 what's been marked as Exhibit 9, ACC838, another
21 promissory note.
22 And the back, that's your signature or initials?
23 A. Yes. Here is the reason for all this. The
24 investor has the originals.
25 Q. Right. I just, you know, for documents of which

1 we don't have the original, I just want to confirm
2 whether or not --
3 A. Sure.
4 Q. -- the things you would have signed.
5 But for this one, Exhibit 9, promissory note to
6 Richard and Sharon Woods, that's the original, you
7 signed the original?
8 A. I believe we could summarize and say I signed
9 all the original promissory notes.
10 Q. Okay.
11 A. However, we did see Simmons sign one, didn't we?
12 Q. I think he signed a subscription --
13 A. That might be the exception.
14 Q. Yeah. But you think that in general, anything
15 that Simmons didn't sign, you would have signed?
16 A. That's correct. We could shortcut this that
17 way.
18 Q. Next I'm going to hand you what's been marked as
19 Exhibit 14, ACC858, a promissory note to RJR Group.
20 And the back of this is blank, but is this one
21 that you would have signed the original of?
22 A. That's correct.
23 Q. And next I'm going to hand you what's been
24 marked as Exhibit 16, ACC997, promissory note to
25 JPEnterprises, LLC.

1 And, again, the back of this is blank, but you
2 would have signed the original?
3 A. Correct.
4 I have a question for you.
5 Q. Sure.
6 A. Do you have a 10/5/10 offering memorandum?
7 Q. We do.
8 A. Okay. Good. I don't.
9 Q. We'll get to it in a bit, soon actually.
10 Next I'm going to hand you what has been marked
11 as Exhibit 17, ACC5406 -- actually, never mind. There's
12 no need to go through that one.
13 Next I'm going to hand you what's been marked as
14 Exhibit 21, ACC972, a note to Rodney and Melissa Eaves.
15 And the back of this is unsigned, but, again,
16 you would have signed the original?
17 A. I would have signed it, yes.
18 Q. Next I'm going to hand you what's been marked as
19 Exhibit 23, ACC976, a promissory note to Rodney L.
20 Eaves.
21 And, again, blank on the back, but you would
22 have signed the original?
23 A. Yes.
24 Q. All right. Next I'm going to hand you what's
25 been marked as Exhibit 25, ACC724, confidential private

1 placement offering memorandum.
2 Do you know what that is?
3 A. It's a second amendment of the offering
4 memorandum.
5 Q. And do you know what changed from the original
6 to the first amendment, approximately?
7 A. We would have just updated, my guess would be --
8 now that you asked me do I remember -- we would have
9 updated note, note three would have been pertinent,
10 which is a change of ownership, Kerrigan's interest
11 increased. I don't have a good point of disembarkation.
12 There are eight notes here, and I couldn't tell you for
13 sure which ones are pertinent to the first amendment.
14 This is the second amendment, so it incorporates
15 them all. But I wouldn't understand your point.
16 Q. Would the, would the, on page 26 and 27, which
17 is ACC 751 and 752, these biographies of the management
18 and advisors, would they likely have stayed the same
19 between the different versions?
20 A. Likely. More likely than not. This was the
21 original cast of characters.
22 Q. And it's not likely that a change in biography
23 would have merited revising the memorandum?
24 A. A change in biography?
25 Q. Right. If you wanted to update one of the

1 biographies, that itself probably wouldn't merit
2 amending the memorandum, correct?
3 A. To the best of my recollection, no biography was
4 edited or updated.
5 Q. And, in general, did each investor, or each note
6 purchaser receive the version that was most recent at
7 the time that they bought their note?
8 A. To the best of my knowledge, that would be our
9 protocol.
10 Q. And on page 26, which is ACC5 -- I'm sorry --
11 ACC751, your, your description, the last sentence of the
12 first paragraph:
13 Since 1987, he has been involved in the real
14 estate industry in the development of high-end daily fee
15 golf courses, and over the period 2002 through mid-2009
16 in the creation and executive management of Arizona
17 Village Communities Operating Company, Incorporated, a
18 land acquisition and investment company.
19 What would be the significance of mentioning the
20 AVC venture in your biographical summary?
21 A. Significant.
22 Q. How so?
23 A. It's significant.
24 Q. But what --
25 A. Several years of the life in a big company.

1 That's not the only disclosure. You see, it continues
2 in the second paragraph.
3 Q. Right. And that's the, where it says:
4 Mr. Harkins remains president of AVC, which exists in a
5 state of inactivity and continues to examine possible
6 uses of AVC's loss carry forward tax asset.
7 A. Correct. AVC did not file bankruptcy.
8 Q. And next I'm going to hand you what has been
9 marked as Exhibit 26, ACC -- starting at ACC5712,
10 another confidential private placement offering
11 memorandum.
12 Do you know what that is?
13 A. That's the one I don't have.
14 Yes. It's what we call the 10/5/10 is what you
15 call the January '14.
16 Q. And just browsing through it as much as you need
17 to, does this appear to be an actual copy of the USA
18 Barcelona offering document?
19 A. Well, it's certainly one of ours. This was
20 Andrade's copy.
21 Q. What makes you say that?
22 A. Rich, his name is right above the logo.
23 Q. On the top?
24 And this mentions this is copy -- on the first
25 page it says this is copy 138 of the offering.

1 Does that mean that at least 137 copies before
2 this were distributed?
3 A. 138 is probably cumulative through the, of
4 everything printed, starting with 12/6/12.
5 Q. I see. So this would have been the 130th copy
6 of any of USA Barcelona's offering memorandum?
7 A. Any of the note offerings.
8 The vast majority of the copies never got
9 distributed. There were eight investors in the 12/6/12
10 offering, and there were two investors in the 10/5/10
11 offering. Your October '12 and your January '14. I
12 doubt that there were over 20 offerings made. So most
13 of these would be offerings that never got out of the
14 house.
15 Many times we would run a series of 10 to 12
16 offerings early on, and there would be some edit and
17 those 10 to 12 had to get thrown away to the point we
18 finally had the end product that we used. So we kept
19 track of how many we did.
20 Q. And if you can turn to page 32, which is
21 ACC5744.
22 A. Okay.
23 Q. So there's, under executive management team,
24 there's a paragraph describing you, Richard Harkins.
25 This paragraph doesn't expressly call out AVC, unlike

1 the, unlike Exhibit 25.
2 Why would that be different for this memorandum?
3 A. Could not tell you.
4 Q. And next I'm going to hand you what's been
5 marked as Exhibit 27, which begins ACC5818, confidential
6 private placement offering memorandum.
7 A. Bear with me here a moment.
8 Q. Sure.
9 A. That's where it would be. What is it,
10 disclosure of Arizona Village Communities.
11 Q. And so handing you Exhibit 27, what is that?
12 A. Oh, what is that?
13 Q. Yes, sir. What is this document?
14 A. That is the USA Barcelona Hotel Land Company I
15 offering memorandum, early generation.
16 Q. How can you tell --
17 A. It was a $10 million offering. We reduced that
18 to $5 million. But no offering was ever made.
19 Q. About what time would the memorandum have been
20 changed to 5 million?
21 A. Oh, boy, I would think July or August of '14.
22 These were internal documents. There are numerous
23 iterations of them.
24 Q. Is there any -- how would -- if someone outside
25 of the company received one, how would that have

1 occurred?
2 A. It could have occurred in a meeting in the
3 office or out of the office where somebody was asking us
4 something with the current business plan, we'd say the
5 current business plan is best described in the land
6 company documents.
7 Q. And does this appear, overall, to be an accurate
8 copy of the early version of this document?
9 A. Wouldn't be the early version, because Chanen
10 wasn't in the early version until we reached agreement
11 with Chanen that they would be disclosed in the early
12 version, or in the version.
13 Q. Is it -- does it appear to be an accurate copy
14 of some iteration of the document?
15 A. It's an early iteration because of all the
16 markets identified here. The last version that was
17 printed, we isolated some Phoenix and California
18 specific sites, and we didn't elaborate to other markets
19 we had an interest in. So this was fairly early. But
20 it was old enough to have Chanen in it. Our dealings
21 with Chanen, they needed in order for them to be
22 efficient, for us to really focus on tight geographic
23 areas, that we had enough opportunity in Phoenix and
24 Southern California to do that. So there's a version of
25 this later.

1 But I'm going to assert and insist that this is
2 essentially irrelevant. No sale was ever made of the
3 land company. And you have asserted that at least one
4 offering was made. I'd say if somebody has one of these
5 documents, it's for informational purposes only. They
6 probably had some prior relationship with us. That
7 would be my thinking.
8 Q. Actually, could you turn to page 44 of that,
9 which is ACC5862?
10 A. Okay.
11 Q. And under selection of our general contractor,
12 it says:
13 Our parent company has reached agreement with
14 Chanen Construction Company to coordinate with us in the
15 entitlement work and handle all site development and
16 construction requirements of the new build affiliates.
17 Who was the parent company in that context?
18 A. It would be the parent of this entity, which
19 would be Hotel Holding Company.
20 Q. And you mentioned that, that Hotel Holding
21 Company did not have a written agreement with Chanen
22 Construction Company for entitlement work and site
23 development construction.
24 Does that mean it had a verbal agreement?
25 A. Yes, we did.

1 Q. And what were the, what were the terms -- I'm
2 sorry. Go ahead.
3 A. Well, I'll remind you Chanen approves
4 specifically of this disclosure.
5 Q. And did he approve of it by, by email or letter?
6 A. I don't recall. But I'm quite certain that
7 Steve Chanen would tell you, yes, they approved of this
8 disclosure.
9 Q. So you mention that USA Barcelona Hotel Land
10 Company did not have a written agreement with Chanen
11 Construction Company.
12 Does that mean they had a verbal agreement with
13 Chanen Construction Company?
14 A. We -- yes.
15 Q. And what were the terms of the agreement?
16 A. The scope of work they would do and the fees
17 they would be paid for doing it.
18 Q. And what was, what was the scope of their work
19 in terms of the entitlement work?
20 A. In terms of entitlement, they would work
21 parallel with us and our entitlement people while
22 property went through entitlement so as there were no
23 surprises when it was handed to them for construction.
24 Q. And what does entitlement work consist of in
25 this context?

1 A. Everything required to bring a parcel of land
2 to, what we call, shovel ready.
3 Q. And what steps does that include?
4 A. They're included in this document.
5 Q. Do you know where?
6 A. Sure. In excruciating detail.
7 Well, first addressed -- entitlement process is
8 on, that went from page 38, continues through 39 and 40.
9 Q. And the entitlement process described on these
10 pages is that, are those the steps that Chanen
11 Construction Company agreed to coordinate with you on,
12 or coordinate with USA Barcelona Hotel Holding Company
13 on?
14 A. They would be involved -- yes. In a point in
15 the entitlement process, that's important to them in
16 understanding project approval and timing and cost,
17 which most likely would pick up on page 38, the civil
18 engineering. That was at their suggestion that they be
19 involved in the process to avoid surprises.
20 Q. And you mentioned, you mentioned before that
21 someone might have received a copy of this document to
22 inform them, inform them of what the company's current
23 business plan was.
24 What would be the purpose of giving someone a
25 draft PPM to inform them of the business plan if they

1 were already an investor?
2 A. Well, if there were already investor notes, they
3 might not, well, might not have been up to speed on what
4 we planned to do with Hotel Land Company.
5 Q. What would be the value of giving them the draft
6 document to let them know?
7 A. It would answer their question.
8 Q. Hmm?
9 A. It would answer their question.
10 Q. What question would that have been?
11 A. What is your business plan --
12 Q. I see. So this would have been given out in
13 response to someone's specific question about what is
14 the company up to right now?
15 A. I can't hypothesize what question might have
16 been asked someone that gave them this in order to
17 inform them what the land company plans to do. The land
18 company is an evolution of the original business plan.
19 It's not a Plan B; although, I have used that term in
20 the past. It's one plan. It was one plan to buy
21 hotels, apartments, other real estate. Build
22 apartments, build hotels was one plan. This is part of
23 that plan.
24 Q. All right. Were -- sorry. Go ahead.
25 A. I don't suppose you'd give me a copy of this,

1 would you? Not this, the 10/5/10. That's the one I
2 don't have.
3 Q. I'm afraid we can't. By statute all the
4 material we receive is confidential.
5 A. I knew that.
6 Q. Sorry. But I understand why you'd ask.
7 For USA Barcelona Realty Advisors Series A
8 notes, the 12/6/12 notes, how did the company search for
9 buyers for the Series A notes?
10 A. They were Bob Kerrigan's clients, and one person
11 introduced to me, and my significant other, Roberta
12 Burleson, who was also a client of Kerrigan's.
13 Q. And besides Kerrigan, did the USA Barcelona work
14 with anyone else from First Financial Equity Corporation
15 to find note buyers?
16 A. I believe I'm going to say this correctly.
17 There was a person that introduced us to Rich Andrade,
18 but I believe that person, at that time, had resigned
19 from his broker/dealer, and that would be Jim Wilkerson,
20 who at one time was with Kerrigan's broker/dealer, but
21 came to work in our shop for about a month as an
22 in-house person, after which he had resigned from his
23 broker/dealer and that would be the only other person.
24 Q. And did the company provide a note buyer, or
25 prospective buyers with any offering documents other

1 than Exhibit 25 and the previous iterations of
2 Exhibit 25, the original or first amended version?
3 A. Well, the company didn't provide anything to
4 anybody. Individuals did. And Kerrigan was the,
5 almost, sole person dealing with our offerings with
6 prospective investors.
7 Q. If he was the almost sole person, who else would
8 have been involved?
9 A. Jim Wilkerson sold one unit, placed one unit
10 with Richard Andrade, and I placed one unit with Kelly
11 Bair.
12 Q. And the individuals who communicated with the
13 note buyers, did they provide any offering documents,
14 other than one of the versions of Exhibit 25?
15 A. I couldn't tell you.
16 Q. Do know if the company prepared offering
17 documents for the Series A offering, other than
18 Exhibit 25, in its prior versions?
19 A. Offering documents?
20 Q. Right. Is there --
21 A. We didn't have anything like a summary or
22 anything of that sort. That was it.
23 Q. Right. Okay. But there's no other document,
24 besides the prior versions of this, that offered the
25 Series A notes?

1 A. That's correct.
2 Q. And who drafted Exhibit 25?
3 A. Drafted. Predominantly, I did.
4 Q. And who else had any hand in it?
5 A. Various people in the office read the documents
6 for editorial purposes.
7 Q. And when were, what's the time frame in which
8 Series A note memoranda were given to potential buyers?
9 A. I believe the first buyer that received one, or
10 the first offeree that received one, would be Kelly Bair
11 in October of '12. And the last would be sometime in
12 late '13, probably November of '13, we filed a Form D
13 with the SEC in '13. Was not a closing of sale form, it
14 was -- we made two sales subsequent to the filing of
15 Form D.
16 Q. And what were the funds from the Series A notes
17 going to be used the for?
18 A. General purposes of the company.
19 Direct your attention, if I might, to page two
20 of the memorandum where it would states -- excuse me --
21 note 3:
22 Working capital will be established from
23 offering proceeds to address contingencies and operating
24 requirements of the company including loans made to
25 USA --

1 THE REPORTER: Slow down, please.
2 THE WITNESS: Working capital will be
3 established from offering proceeds to address
4 contingencies and operating requirements of the company.
5 That's as far as I need to read.
6 BY MR. KITCHIN:
7 Q. And were commissions ever paid to anyone --
8 A. Negative.
9 Q. -- for the sale of Series A notes?
10 A. Don't have to finish. No.
11 Q. I just need to clarify what you're saying
12 through, just to make sure. Sorry.
13 How much total was raised from the Series A
14 notes?
15 A. I gave you that information in March.
16 Q. Do you recall offhand what that total --
17 A. I believe it was 920,000 and 250,000 was
18 reclassified to what we call the straight note. That
19 was the Rod Eaves' second purchase, which reduced the
20 amount to 5, 6.
21 Q. And what do you mean by reclassified to a
22 straight note?
23 A. He wanted it to be in a different
24 classification. He didn't want to be under those terms
25 and conditions. And by putting it into a straight note,

1 he had a, I believe, a quicker repayment period, or
2 something of that nature. I don't recall.
3 Q. Did offerees receive any documents about the
4 company before investing, in addition to the memoranda?
5 A. I wouldn't know.
6 Q. Who would know?
7 A. Robert Kerrigan.
8 Q. For Kelly Bair, did you give her any documents
9 about the company, apart from the memorandum, prior to
10 her investment?
11 A. I met with her with the memorandum and went
12 through the subscription agreement at her office with
13 the memorandum. She subsequently subscribed.
14 Q. And how did you find her to be --
15 A. She was introduced to me by Jerry Austin, who's
16 a friend and her insurance agent and also,
17 prospectively, our insurance agent for the company.
18 Q. What did you know about her personal finances
19 before you met with her?
20 A. I didn't know anything. She's Jerry's client.
21 She asserted to be an accredited investor and testified
22 in the documents to be an accredited investor, and my
23 job is to accept accredited investors only.
24 Q. Did anyone represent to you that she was an
25 accredited investor before you met with her?

1 A. I don't know. She asserted that she had an
2 interest in REITs and understood REITs before I met with
3 her. But we weren't selling a REIT. We were advisor to
4 a REIT.
5 My job is not --
6 (Lights went out.)
7 THE WITNESS: That's what happened in my house
8 last night.
9 My job is not to investigate the authenticity of
10 an investor's representation. My job is to review it,
11 and if they assert that they are an accredited investor,
12 I'm given what I need to know.
13 Now, if she has an investment advisor, which she
14 asserted she did not, it's his job to know that.
15 BY MR. KITCHIN:
16 Q. Whose job?
17 A. If she had an investment advisor --
18 Q. Oh.
19 A. -- it would be his job.
20 Q. I see.
21 A. I believe her subscription agreement would state
22 that she was not making this investment under the
23 opinion of an investment advisor.
24 Q. Were there any USA Barcelona note buyers about
25 whom you had any doubts about whether or not they were

1 accredited as they represented on their documents?
2 A. No. The only one I had a personal relationship
3 with is Roberta, with whom I live. And it was the
4 decision she and Kerrigan made that it was a suitable
5 investment.
6 Q. Do the two of you still live together now?
7 A. Yes.
8 Q. For the USA Barcelona Realty Advisors Series B
9 notes, the 10/5/10 offering, how did the company search
10 for buyers for those notes?
11 A. There was no search. Kerrigan had a client, and
12 Jim Wilkerson had a client that invested. He actually
13 had several clients that didn't.
14 Q. Did the company have any plans to find any
15 buyers besides those two?
16 A. We didn't have any capital outreach to investors
17 beyond Kerrigan. And Wilkerson wasn't brought on to
18 deal with individuals. He was brought on to deal with
19 RIAs, but he had a client or two he wanted to introduce
20 it to. One of whom was Rich Andrade who acquired a
21 $50,000 position in it.
22 Q. And moving back to the Series A notes.
23 Were the, were any of USA Barcelona Realty
24 Advisors notes ever advertised in any mass media?
25 A. We did a 140, Arizona 140 ad, which was my

1 Exhibit C to the information I gave you. I might have
2 given this to you in March.
3 Q. And where did it run?
4 A. The Arizona Republic.
5 Q. When was that ad run, approximately?
6 A. Mid, early to mid '14.
7 Q. And you mentioned a meeting in --
8 A. Probably mid '14.
9 Q. You mentioned a meeting in Sedona.
10 What was that meeting?
11 A. It was a businesses retreat. It was attended by
12 our counsel, Charlie Berry, and our employees and our
13 executive members and Roberta Burleson. And Patrick
14 McDonough was probably, at that time, not involved in
15 the company, although he might have been. And my
16 favorite two-man band from Manuel's Mexican restaurant
17 entertained in the evening.
18 Q. Were there any potential note buyers who
19 attended the retreat?
20 A. Well, we say Roberta, because I don't think at
21 that time she had made an investment.
22 I have got a delineation here for you who, more
23 or less, to the best of my knowledge -- let's see -- I
24 did; Tom Simmons did; Bob Kerrigan did -- I'm going too
25 fast -- Bruce Orr did; Rod Eaves did; Jeff Teets; Connie

1 Cook; Glen Erler, our IT guy; Patrick McDonough; Charlie
2 Berry; Don Berry, not related; Steve Gold, one of our
3 advisors; Jim Tilker, an attorney friend of mine; Judy
4 Wells, his girlfriend; Allen Weintraub; Roberta
5 Burleson; Jerry Austin; Paul Meka.
6 Q. And that's also the attendees at the Sedona
7 retreat?
8 A. That's what I was referring to, the Sedona
9 retreat.
10 Q. I was just making sure.
11 And who is Jerry Austin?
12 A. Jerry is an insurance broker. Kelly Bair is a
13 client of his, an insurance client. He's a friend of
14 mine and also was going to handle our REIT insurance and
15 officers and directors, admissions, and all that
16 business.
17 Q. Why would he have been at the retreat in Sedona?
18 A. Pertinent to have a voice about what kind of
19 insurance we would have in the company.
20 Q. How was Kathy Carolin identified as a possible
21 note buyer?
22 A. She was a client and a personal acquaintance of
23 Bob Kerrigan's.
24 Q. And how was William Jordan found as a possible
25 note buyer?

1 A. Client of Bob Kerrigan's.
2 Q. And Nancy --
3 A. Jamison.
4 Q. Jamison?
5 A. Client and girlfriend of Bob Kerrigan's.
6 Q. And which note buyers did you ever give or send
7 a memorandum to?
8 A. Kelly Bair, Roberta Burleson.
9 Q. Anyone else?
10 A. Not to my knowledge.
11 Q. And which investors did you communicate with at
12 all before they bought their notes?
13 A. Kelly Bair and, by default because I live with
14 her, Roberta Burleson.
15 Q. And what did you tell Kelly Bair about the,
16 about the company before she bought the note?
17 A. I couldn't give you any specific thing I said to
18 her. I went through the memorandum with her. We talked
19 about REITs. She liked REITs.
20 Q. And what did you tell Burleson about the company
21 before she bought her note?
22 A. Well, she knew everything about the company.
23 She knew it from its foundation by osmosis.
24 Q. Did you tell her that the company investment
25 would be good as long as the economy was stable?

1 A. I could have well have said that. I said that
2 to many people. I said, what could make this fail, I
3 said, lack of capital or wrecked economy.
4 Q. And before they invested, do you know which
5 investors were told about the result of the AVC
6 ventures?
7 A. I couldn't tell you that. More than one were.
8 Q. More than, I'm sorry, what?
9 A. More than one were.
10 Q. Oh, more than one was aware.
11 Before they invested, were any investors told
12 about any legal judgments against Bob Kerrigan?
13 A. No. No one knew. I didn't know. What I do know
14 now -- well, I guess you're going to interview him, so
15 he can tell you.
16 Q. What do you know in the meantime?
17 A. It was a marital issue, ran through his divorce.
18 His wife extracted some money from the bank, I guess she
19 was entitled to. He demanded she put it back in the
20 bank. She didn't. The bank, I don't know the, how it
21 worked. I don't know that there was a lawsuit or a
22 judgment, but he did say it was resolved long before he
23 got involved with AVC.
24 Q. And when did the -- the description you just
25 gave is that what Robert Kerrigan described to you?

1 A. Uh-huh.
2 Q. And when --
3 A. Yes.
4 Q. -- did he describe it to you?
5 A. Well, certainly recently, when we asked him
6 about it, when we saw it in your assertions.
7 Q. Had you ever known before that, at all, about a
8 bank suing him?
9 A. No. Not to my knowledge.
10 Q. And before they invested, were any investors
11 told about Paul Meka's involvement in the company?
12 A. No. But it would be my position it's
13 irrelevant.
14 One would have been Bobbie Burleson. She knew
15 Paul very well.
16 Q. What did she know about him?
17 A. She knew he had the felony charge and convicted,
18 and knew he spent some time in custody, and she knew all
19 that.
20 Q. Did she know what, what his conduct was that
21 lead to the conviction?
22 A. We know what the alleged conduct was, which was
23 good enough to get him convicted.
24 Q. Right. What was the alleged conduct that she
25 knew of?

1 A. That she was told?
2 Q. Yes.
3 A. That he was involved with some shady characters
4 and didn't know they were shady. And then he was
5 convicted under the auspice of a sophisticated person is
6 supposed to know.
7 Q. And did she know anything else about the
8 allegations that lead to his conviction?
9 A. I don't know anything else about the allegations
10 that lead to his conviction.
11 Q. And I hand you, again, what's been marked as
12 Exhibit 12, which is ACC955, a promissory note.
13 In the terms 1(a) -- so this is a note to Robert
14 J. Kerrigan, and term 1(a) is: Principal and any earned
15 and unpaid interest shall be paid from proceeds received
16 by maker from new investors in the maker Series A
17 12/6/12 note offering.
18 This is from October 1st, 2013.
19 A. Correct.
20 Q. Were any of the investors who bought notes after
21 October 1st, 2013, were they told about the fact that
22 Kerrigan was going to have this note paid back from
23 their proceeds?
24 A. No. But I don't know that it's relevant. We
25 had the authority for the offering document to use the

1 proceeds of the offerings for the general purposes of
2 the company.
3 Q. And were any investors who bought notes after
4 October 1st, 2013, told that the company had shelved its
5 original business plan, 2013, in September 2013?
6 A. To use the quote, shelved, I can't tell you. To
7 use the quote that we're not going to do the REIT first,
8 we are going to do the REIT last, yes, in any
9 conversation I had with anybody that discussed the
10 business plan of the company, where we were.
11 What the investors that invested subsequent to
12 that date were told, I can't tell you, because I did not
13 make the presentation.
14 Q. And for any that you talked to, do you know if
15 they were told why the company had changed business
16 plans and --
17 A. We didn't change business plans.
18 Q. Oh, I'm sorry. What --
19 A. We shuffled the business plan. We put the REIT
20 from first to last.
21 Q. What was the original order?
22 A. REIT first.
23 Q. Follow by?
24 A. Mature properties, go public.
25 Q. Okay. And what was the reason that the order

1 was changed in September 2013?
2 A. Because Allen Weintraub did not perform raising
3 capital for the REIT.
4 Q. And were investors, after October 1st, 2013,
5 told that that was the reason for changing the order of
6 the steps the company would take?
7 A. I can't tell you, because I wasn't the one that
8 sold the investments post that date.
9 Q. Were those all sold by Kerrigan?
10 A. Except for Andrade. That was the last investor,
11 I think, that came in under the 10/5/10. It was sold by
12 Wilkerson. But Andrade also met in our offices with --
13 he and Tom Simmons had a prior relationship in some
14 electronics company. So he and Tom would have discussed
15 what he and Tom would have discussed. I wasn't in the
16 meeting.
17 Q. Were there any, were there ever any guidelines
18 given to Kerrigan about what he was required to tell
19 potential note buyers?
20 A. Like a sales presentation or --
21 Q. Right.
22 A. I have given Kerrigan -- I gave, I gave a
23 memorandum to everybody as to how to discuss the
24 company. And I think that's in the documents I have
25 given you here, if you didn't have them before.

1 Q. And did it -- do any of those guidelines ever
2 instruct him to explain the, the change in plan in
3 September of 2013 and the reasons for the change in
4 plan?
5 A. I don't know. Frankly, I don't know for sure I
6 gave him any guidelines on how to present the offering.
7 May I have a moment to look at this?
8 Q. Oh, sure.
9 A. I have a talking paper dated February 1st that
10 went to Patrick McDonough, Tom Simmons, Bruce Orr, Jeff
11 and Connie and Glenn, Paul and Rod and Bob, and Rich and
12 Jim. I suppose Rich would be Dozier; although, he
13 wasn't involved in the company. And Jim would be, I'm
14 guessing, Wilkerson.
15 Q. And --
16 A. Yeah. May I highlight it for you?
17 Q. Sure. Yeah.
18 A. This is explaining the presentation of the land
19 company. So it probably doesn't get to what you were
20 wanting to get to.
21 So I don't have any directions in here as to
22 what not to bring up. I'm talking about the key points
23 of the business plan of the land company. That's what
24 that document does that's dated February the 1st of
25 2014. It's in my Exhibit E that I'll leave with you.

1 Q. And then turning to the Series B notes again.
2 Did the company prepare any documents to give to
3 potential note buyers, other than Exhibit 26?
4 A. Pertaining to the investment offering?
5 Q. To the offering, or to the company generally.
6 A. Well, the company generally, we had a business
7 plan; we had monthly news letters; we had a sundry of
8 materials that would give somebody the essence of what
9 the company does. I can't tell you of anybody who got
10 them. I know broker/dealers got them. I don't know if
11 anybody presenting our investment to anyone, which would
12 be predominantly Kerrigan and, in one or two cases,
13 Wilkerson, if they use them or not.
14 Q. And were there any guidelines about any
15 documents, apart from the offering documents, that they
16 were allowed to share with potential note buyers?
17 A. They were allowed to share our newsletters.
18 Q. And who drafted Exhibit 26?
19 A. I would be the predominant drafter of it.
20 Q. And who else would have been involved?
21 A. Office in general, edit and review. That wasn't
22 a substantive involvement, that was a, did you spell cap
23 backwards kind of thing.
24 Q. And were any commissions paid for the sale of
25 any Series B notes?

1 A. Negative.
2 Q. And what was the time period in which the
3 Series B note offering was available?
4 A. The dates that you had in your complaint were a
5 pretty tight set of dates in the summer of 2014. It was
6 a brief period of time. Brief being less than a month
7 probably.
8 Q. And were there any -- was anyone offered the
9 Series B note, other than the two people who actually
10 bought it?
11 A. Andrade and --
12 Q. The Stewarts?
13 A. -- Stewarts. Not to my knowledge. But, again,
14 that would be a question for Kerrigan.
15 Q. Kerrigan was authorized to offer it to other
16 people if he found appropriate people?
17 A. Uh-huh. Yes.
18 Q. Which Series B note buyers did you personally
19 give or send the offering memorandum to?
20 A. There was only two, and I do not -- certainly
21 with the Stewarts. I never met the Stewarts. I had met
22 Andrade. I doubt that I gave him the offering
23 memorandum, but it's not out of the question that I did,
24 because he was in our office on more than one occasion.
25 Q. And when did you meet with Mr. Andrade?

1 A. When did I -- I'm not sure that, per se, I did.
2 He met with Tom Simmons in our offices prior to the
3 investment.
4 Q. Did you ever communicate with Mr. Andrade before
5 he invested?
6 A. Before he invested?
7 Q. Correct.
8 A. I don't know that I did.
9 Q. And were Andrade or the Stewarts told about the
10 failure of the AVC venture before they invested?
11 A. I don't know what they were told.
12 Q. Do you know if they were told about the judgment
13 against Kerrigan before they invested?
14 A. I don't know.
15 Q. Do you know if they were told about Meka's
16 involvement with the company before they invested?
17 A. I would say they were not.
18 Q. Do you know if they were told about the
19 company's failure to make its interest payments on the
20 Series A notes before they invested?
21 A. The failure to pay has several different
22 components to it. There was a late payment and there
23 was a failure to pay.
24 Q. Were either Andrade or the Stewarts told that
25 the company hadn't made its December 31st, 2013 interest

1 payment on that date for the Series A notes?
2 A. I don't know. I wouldn't know.
3 Q. Were the Stewarts or Andrade told whether the
4 proceeds from their notes would be used to pay interest
5 on the Series A notes?
6 A. I don't know, but that's a moot point. The
7 company had the authority to use the note proceeds for
8 general purposes of the company, one of which was to
9 service debt.
10 Q. And were the --
11 A. So, therefore, I would say, yes, it was in the
12 offering memorandum.
13 Q. Was it in the offering memorandum more
14 specifically than the general statement that the
15 proceeds could be used for the company's operating
16 expenses?
17 A. I don't know that it was, but I don't know that
18 it should have been.
19 Do you have a copy of the memorandum?
20 Q. Actually, yeah. Let's see here.
21 A. It's not a disclosure that I would have broken
22 out in any memorandum. It's part of the obligations of
23 the company. I mean, clearly, we're emerging the
24 company on the raising of capital, and the servicing of
25 notes comes from the raising of capital.

1 So I suppose, if I'm on your side of the table,
2 I could appreciate the point. But I think it's a moot
3 point.
4 Q. And were the proceeds from the Series B notes,
5 in fact, used to pay interest payments on the Series A
6 notes?
7 A. No.
8 Q. How were the Series A notes paid after
9 December 31st, 2013?
10 A. They would have been paid from proceeds of, you
11 know, the timing of the sale of the 10/5/10 program, it
12 came after the last payment of interest to the 12/6/12
13 notes.
14 Q. Well, the 12/6/12 last payment was due
15 December 31st, 2014, wasn't it?
16 A. I said after the last payment of it. We didn't
17 sell any 12/6/12 notes until the summer of '14. That's
18 after we had made our last interest payment on the
19 12/6/12 notes. So the proceeds from the 10/5/10 notes
20 could not have made an interest payment.
21 Q. How did the company make payments on the Series
22 A notes after December 31st, 2013?
23 A. From the proceeds of the sale of 12/6/12 notes,
24 or loans to the company. Predominantly, or not
25 predominantly, but component of the capital we had to

1 move forward with were the Eaves' loans made in '13 and
2 the first quarter of '14.
3 Q. So the Eaves' loans proceeds might have been
4 used to pay the Series A interest payments?
5 A. Well, it was in the -- there is no
6 differentiation in our company and anybody else's
7 between this dollar came in and paid this bill. So the
8 money came in from Eaves in the form of loans and money
9 came in from the sale of 12/6/12 notes. From that
10 capital we paid the bills of the company.
11 Q. Did the company make any interest payments on
12 the Series A notes after December 31st, 2013?
13 A. Yes, they did.
14 Q. When, when were they, approximately?
15 A. Well, you have that information. It's scheduled
16 for you. You already know the answer.
17 Q. I'm not sure I do, and I don't know offhand.
18 A. Oh, okay.
19 Q. Do you know offhand? I mean, I know they were
20 delayed. Were they ever paid?
21 A. They were paid, and they were paid with a bonus
22 payment.
23 Q. And if a company didn't have the money to make
24 those payments on December 31st, 2013, how could it have
25 had the money to make the payments after December 31st,

1 2013?
2 A. Either the Eaves loans or a subsequent sell of
3 notes.
4 Q. And what other notes were sold after
5 December 31st, 2013?
6 A. Eaves acquired four notes.
7 Q. Right. Well, you mentioned Eaves loans and the
8 sale of notes as if to distinguish them from the Eaves
9 loans.
10 A. Well, they were additional sale of notes, and
11 they were the Eaves loans. You've categorized them in
12 different groups in your pile. So I'm just answering it
13 that way.
14 Q. And the notes you're referring to, are they also
15 Eaves' notes or non-Eaves' notes?
16 A. Subsequent to December 31st of '13 there were
17 additional sales, I believe, of 12/6/12 notes.
18 Q. And --
19 A. And Eaves' loans and the Kerrigan loan, and the
20 Andrade and Stuart investment. All that came in '14.
21 Q. And that's how the company would have been able
22 to eventually make the interest payments on the Series A
23 notes?
24 A. Not from the 12 -- not from the 10/5/10 sales.
25 From loans from Eaves and sale of 12/6/12 notes.

1 Q. And were either Andrade or the Stewarts told
2 that the offering that they were buying into was the
3 company's plan B business model after not being able to
4 raise enough money for the first business model?
5 A. They would not have been told that because
6 that's not a fact. The 12/6/12 note -- the 10/5/10
7 notes they bought into, not a plan B, it was an offering
8 that offered less, because I thought the 12/6/12 program
9 offered too much.
10 Q. If the -- all right.
11 Were they told that the company's business plan,
12 at the time that they bought notes, was the company's
13 plan B after it had been unable to raise enough money
14 for the first business model?
15 A. No. Those are your words and mine. It's not a
16 statement of fact. I testified earlier there was one
17 business plan and not two. There was no plan A, no plan
18 B. I used the terms in the memorandum plan B. So keep
19 throwing that one at me if you choose to. There was no
20 plan B.
21 Now, what they were told, I don't know. I
22 didn't make the presentation.
23 Q. Were any guidelines given to anyone who was
24 going to give the presentation about how they would be,
25 how the business plan would be described to them?

1 A. No. I would not think so. I'd say no.
2 Q. Might it have been significant to them that the
3 company had to change priorities after Mr. Weintraub was
4 unable to raise the money that he had intended to?
5 A. You could argue that either way. My, my
6 position would be the land company plan was our go
7 forward plan that would lead to selling the REIT. And
8 the land company plan was a very good plan. It did not
9 diminish successful execution of the Land Company plan
10 did not invest -- did not diminish investors' potentials
11 to get what they were supposed to get.
12 Q. Was the REIT plan a good plan?
13 A. It was an excellent plan.
14 Q. Were they told that the plan had to be changed
15 because it was, the company was not able to execute the
16 original good plan?
17 A. I don't know what they were told.
18 Q. And were there any guidelines about how the
19 change of priorities from REIT to the Hotel Land Company
20 would be explained to people?
21 A. I didn't give any guidelines. But do keep in
22 mind that the four executive members, one of whom's
23 clients were the ones buying notes, knew what everyone
24 else knew, and how he chose to make his presentations is
25 how he chose to make them. I don't know.

1 Q. Did the executive committee ever generate
2 guidelines for any of the sellers about how to disclose
3 anything about the company outside of what the offering
4 memorandum described?
5 A. No.
6 Q. And --
7 A. But --
8 Q. Sorry. Go ahead.
9 A. But Kerrigan was an executive committee member,
10 and he was the only one on the executive committee,
11 besides me that sold to Kelly Bair, making sales.
12 Q. And the land company member units, which I
13 understand were ultimately not sold.
14 Did the company ever get to the point of
15 searching for buyers for the Land Company Member units?
16 A. Only on the broker/dealer community. We were
17 looking for broker/dealers to prove the offering for
18 their reps to sell.
19 Q. And did any of them approve the offering?
20 A. No. We had a very dismal performance by the
21 person responsible for that job.
22 Q. Who was that?
23 A. Patrick McDonough.
24 Q. Who was involved in writing the Hotel Land
25 Company member units offering memorandum?

1 A. Well, again, the preponderance of it is
2 writings. It had substantial opinion. I don't know if
3 that opinion altered anything from our attorney, Charles
4 Berry.
5 Q. And next I'm going to hand you what's been
6 marked as Exhibit 28, ACC5410, a June 11, 2014 letter.
7 The first line says: This communique is
8 directed to each noteholder in USA Barcelona Realty
9 Advisors.
10 Was it in fact mailed to each of the noteholders
11 at that point?
12 A. It would be my opinion it was.
13 Q. And about two-thirds of the way down the page, a
14 new paragraph begins: We currently require 150,000 to
15 get us through the month of June.
16 Why would that amount be required to get through
17 just one month?
18 A. It's the amount that was required to get through
19 one month.
20 Q. Is that a representative amount of what
21 typically would take $150,000 to get through one month
22 of the company?
23 A. A little more than what -- we had some arrearage
24 that needed to be taken care of.
25 Q. And what kind of arrearage was that?

1 A. I wouldn't know from memory.
2 Q. And for the short-term loans that are sought in
3 this letter, did the company search for other lenders
4 for these funds in any way apart from this letter?
5 A. Not to my recollection. This went to existing
6 noteholders.
7 Q. And were the people who were sent this letter
8 sent any additional information about the company for
9 this request, or just what's in this letter?
10 A. I would imagine just what's in this letter.
11 And, as you would know, Andrade is the one person that
12 came forward and responded to this. I think he
13 literally was the only respondent and, that made a
14 $5,000 loan.
15 Q. And before, before Andrade made that loan, was
16 he told about the failure of the AVC venture?
17 A. I wouldn't know.
18 Q. Do you know if he was told about the previous
19 judgment against Kerrigan?
20 A. I wouldn't know.
21 Q. Do you know if he was told about Meka's
22 involvement in the company?
23 A. I wouldn't know.
24 Q. Do you know if he was told about the company's
25 inability to make the December 31st, 2013 interest

1 payments for the Series A notes on time?
2 A. On time? I wouldn't know about that, but he
3 certainly knew about the condition of the company.
4 Q. What did he know about the condition of the
5 company?
6 A. We needed money bad.
7 Q. Did he know anything about the condition of the
8 company, apart from what is described here in the
9 letter?
10 A. It probably would have been represented to him
11 that we anticipated having additional cash input to the
12 company, which we did.
13 At that time I could have delineated where that
14 might come from. From memory I can't.
15 Q. How would that have been communicated to him?
16 A. Conversation.
17 Q. Did he, did anyone have a meeting or a phone
18 call with him when he responded to this letter?
19 A. He came into our office when I met him the first
20 time. Met with Tom Simmons.
21 Q. So your first meeting with him was when he was
22 following up on this request?
23 A. May or may not be correct. But I know he did
24 come into the office relative to this.
25 Q. And you and Simmons met with him then?

1 A. Simmons met with him. I think I met with him so
2 he could show me his Porsche.
3 Q. I'm sorry. Who could show you his Porsche?
4 A. Andrade. He is a 928 guy, so am I.
5 Q. And before he made his loan in June of 2014, was
6 he told whether proceeds from his loan would be used to
7 pay interest on the Series A notes?
8 A. I would seriously doubt he was told that,
9 because -- I go back to, we have the right to use
10 proceeds from note sales for general purposes of the
11 company.
12 Q. And do you know if before he loaned money in
13 June of 2014, if he was told about the reason for the
14 company changing the order of its REIT versus hotel
15 plan?
16 A. I wouldn't know.
17 Q. Were any guidelines given to Simmons about what
18 could or was required to tell Andrade about the company
19 before you met with him about this loan?
20 A. No. I want to make a general statement.
21 There was no instruction given by myself or, to
22 my knowledge, from any other executive member to tell
23 anyone to not disclose anything.
24 Q. All right.
25 A. There was no gerrymandering of the facts, or

1 conspiracy to defraud or evade, none of that. Our
2 insiders knew that we had a cash problem. This letter
3 evidences that. We told them that.
4 Are you suggesting that all the noteholders did
5 not get this letter?
6 Q. No.
7 A. Am I still looking at this? This is the
8 security note.
9 Q. No. We can put this aside.
10 So turning back to -- oops, now I need to get
11 enough copies for you -- turning back to Exhibit 21, 22,
12 23, and 24, which are all notes to Rod and/or -- Rodney
13 Eaves and/or Melissa Eaves.
14 You mentioned earlier that Eaves wanted to
15 reclassify his second Series A note?
16 A. Uh-huh. Yes.
17 Q. Were any of these notes the documentation of
18 that reclassification? Or were these separate loans?
19 A. No. These were all separate loans.
20 Q. And who communicated with Eaves about the
21 company prior to him making each of these loans?
22 A. Each of these loans was made -- well, let's give
23 some chronology to it.
24 There's a December 31st, $125,000 loan, where
25 the four members of the executive committee met with him

1 at Remmington's restaurant and ask if he could put
2 $125,000 in the company on a short-term basis, because
3 we had a delay in Kerrigan's sale of notes to certain
4 parties. And he agreed to do that, and he did that.
5 Some 60 days later, when the delay continued, we asked
6 him if he could see his way to put in another 125,000,
7 and he did. Same parties met with him, the executive
8 committee members, the four of us.
9 The last two loans from the Eaves to the company
10 of $15,000 each, came in August of '14 and October of
11 '14 when he was intimately in-house and he was an
12 executive member and knew what was going on. We needed
13 those amounts of money to make payroll and pay rent;
14 payroll to Connie Cook and Paul Meka, and pay our rent.
15 Q. And for each of those explanations to Eaves
16 about why each loan was needed, who was involved in
17 communicating with him about those?
18 A. It represented all four members of the executive
19 committee.
20 Q. So all four members met with him prior to each
21 one of these loans about this?
22 A. That's correct.
23 Q. And was Eaves ever told about the details of the
24 failure of AVC ventures?
25 A. I would think it more likely than not that that

1 was discussed with him, my background.
2 Q. Do you know -- you don't necessarily know what
3 he would have been told about that?
4 A. He would have been told, generally, the, the
5 story.
6 Q. And --
7 A. The creation of it, the economy, what happened
8 to it and why.
9 Q. And when you say you're not sure what he was
10 told, does that mean that you didn't describe it, but it
11 was somebody else that described it to him?
12 A. If anybody told him it would have been me,
13 because I had a very close relationship with him through
14 all of this.
15 Q. And before any of these four Eaves loans, was he
16 told about the judgment against Kerrigan?
17 A. Only if Kerrigan told him, because I didn't know
18 about it.
19 Q. And before each of these four Eaves loans, was
20 he told about the facts of -- or the allegations behind
21 Meka's criminal conviction?
22 A. It would be my belief that he was.
23 Q. Why do you believe that?
24 A. We told everyone in the company.
25 Q. And when you say you told everyone, who do you

1 mean, like you personally, or --
2 A. Uh-huh.
3 Q. And is there any reason --
4 A. That was yes.
5 Q. Sorry. Yeah.
6 Do you know if anyone else in the company told
7 him, apart from you, told Eaves about the allegation
8 behind Meka's conviction?
9 A. I don't know.
10 Q. You mentioned that Kerrigan -- that the first
11 two of these Eaves notes were because Kerrigan was
12 delayed in getting some additional note purchasers.
13 Who were those offerees that he wasn't able to
14 get at the time?
15 A. I don't recollect.
16 Q. Do you know how many offerees there were in USA
17 Barcelona besides the, maybe approximately, 11 people
18 who ultimately did buy notes?
19 A. My speculation earlier stated was probably 20 at
20 the most, not additional, but total. It's just based on
21 people Kerrigan talked about he was meeting with.
22 MR. KITCHIN: Let's take a break for lunch.
23 And is it okay if we come back at 1 o'clock?
24 THE WITNESS: Sure.
25 (Recess taken from 11:50 a.m. to 1:00 p.m.)

1 MR. KITCHIN: Let's go back on the record.
2 BY MR. KITCHIN:
3 Q. Have you or any company that you control made
4 any investment offerings since September 2014?
5 A. Not in my opinion.
6 Q. What has happened that, in your opinion,
7 wouldn't be an offering but in someone else's opinion
8 might be?
9 A. A written summary of a thought about a business
10 plan could be deemed to be an offering.
11 Q. And what summary are you referring to?
12 A. None in particular.
13 Q. What kind of summaries of business plans have
14 you sent since September of 2014?
15 A. To the noteholders, I have given them several
16 communications regarding, my objective is to create a
17 business undertaking that would involve them in someway
18 that would allow them to carry forward the investments
19 that they made in advisors.
20 Q. And any communications like that but made to
21 people other than the previous noteholders?
22 A. I don't believe so.
23 Q. And are there any new investment offerings that
24 you or a company you control are preparing to offer?
25 A. In the spirit of preparation, yeah. In the

1 assemblage of the preparation, no.
2 Q. What offerings do you have in the spirit of
3 preparation?
4 A. Well, the general thought about an investment
5 fund that invest in funds, which you're aware of.
6 Q. Any besides that?
7 A. No.
8 Q. Did USA Barcelona Realty Advisors have any data
9 backup system?
10 A. No. We had the server, and the server was
11 confiscated by the landlord.
12 Q. Did you use Carbonite, or any similar service,
13 that would have stored documents remotely?
14 A. No.
15 Q. And what was the company's email system?
16 A. We would need my IT guy, consultant on that.
17 Q. Are the company's, are your -- are the company's
18 emails something that you still have access to?
19 A. Only mine. Until the date we set up the system
20 in the office.
21 Q. Okay. So you have access to your emails?
22 A. On my computer, the history of it, yeah.
23 Q. The history of it. I see.
24 A. Which, I think, dates back to June of '13, I
25 believe.

1 Q. And what computers did other people at the
2 company use for their email communication?
3 A. Everybody had a computer in their office.
4 They -- desktop or floor top, or whatever.
5 Q. And were any of those kept after the company
6 moved out of the office?
7 A. One was kept, and the rest were in the office
8 when the office was locked up.
9 Q. And which computer was kept?
10 A. I'm not certain. Our IT guy had possession of
11 that, but I believe it was Connie Cook's. It was -- I
12 described Connie and her function.
13 Q. And is it possible that any of the other people
14 from the company still have their computers from the
15 company?
16 A. No. I don't think so.
17 Q. And next I'm going to hand you what's been
18 marked as Exhibit 29, beginning ACC4272, an order for
19 cancellation of certificate of purchase for failure to
20 make payment.
21 What is this?
22 A. Pertains to the Carefree land parcel, as we
23 refer to it. It's the state's acknowledgment of our
24 surrender of the certificate.
25 Q. And does this appear to be an accurate copy of

1 the state's order?
2 A. I have never seen this document before.
3 Q. Okay.
4 A. To the best of my memory. I'm looking at the
5 address they have. That would be mine.
6 It's interesting, because it's not the address
7 we had when we bought the parcel.
8 Q. The circumstances describing this document, do
9 they seem to correspond to the facts of the Carefree
10 parcel?
11 A. Bought it in '06. It was an extension granted
12 by the state, paid some money, decided not to continue
13 with it.
14 I think most of the parcels bought in that
15 period of time, whether it was us or Toll Brothers, or
16 anybody else would return to the state.
17 Q. I mean, does this appear to be consistent
18 with --
19 A. I think it's fair.
20 Q. Sorry. Go ahead.
21 A. It does what it's supposed to do, yeah. I don't
22 take any objection to it.
23 Q. Right. Do you have any doubt this would be the
24 actual order that it claims to be?
25 A. I have no reason to doubt that.

1 Q. And next I'm going to hand you what's been
2 marked as Exhibit --
3 A. I'm sorry. I didn't mean to sail that back at
4 you.
5 Q. Exhibit 30, ACC4599, a page from an AVC Carefree
6 Village DevCo general ledger. And one of the entries on
7 here is for November 16, 2006 from Harry Zipse, a
8 deposit for $50,000.
9 Does that correspond to a note purchased by
10 Harry Zipse on that date?
11 A. No. That would have most likely, this, more
12 likely than not, been a capital call that was met by
13 Harry.
14 Q. Was he, was he an investor in AVC Carefree
15 Village?
16 A. I don't recall. But it would be logical, in
17 that it is on this ledger, that it would be the case.
18 Q. And the heading for the section says, Class A
19 Membership.
20 Was Class A a class of membership interests in
21 this company?
22 A. It was the only class.
23 Q. And next I'm going to hand you what's been
24 marked as Exhibit 31, ACC5478.
25 A. Excuse me. May I make kind of a backup

1 statement here?
2 Q. Sure.
3 A. I'm looking at the dates. These would all be
4 the original subscription dates when these investors
5 subscribed to this entity. It would not be subsequent.
6 We did have capital calls in this, but they would not be
7 capital calls. This would be original purchases of the
8 member interest in the entity.
9 Q. And it would indicate that Harry Zipse is one of
10 the investors?
11 A. Yes.
12 Q. Next I'm going to hand you what has been marked
13 as Exhibit 31, ACC5478, a page from a profit and loss
14 detail.
15 And this is part of a USA Barcelona Realty
16 Advisors record, correct?
17 A. That's correct.
18 Q. And in the final section on this page, it says
19 interest expense. The first line is for a March 12th,
20 2013 check to Harry Zipse for $6,500.
21 Why would the company have made an interest
22 payment to Harry Zipse for his investment in an older
23 entity?
24 A. Well, you're assuming it was in an older entity.
25 Q. Was Harry Zipse an investor in USA Barcelona

1 Realty Advisors?
2 A. Yeah, that wasn't -- there is a
3 misclassification. That would not have been an interest
4 payment to Harry. That would have been a principal
5 payment for some amount of money he loaned Barcelona
6 advisors at some point.
7 Q. Do you know when that loan was?
8 A. I don't know.
9 Q. And do you know if 6,500 was repaying the full
10 amount of that loan?
11 A. That would be reasonable, yes.
12 Q. Do you know, was this loan documented in a
13 promissory note?
14 A. More likely than not, but I don't know for
15 certain about that.
16 Q. And next I'm going to hand you what's been
17 marked as Exhibit 32, ACC6221, a page from a newspaper.
18 Is this one of the mid-2013 ads that USA
19 Barcelona ran for the Series A notes?
20 A. Not -- I wouldn't think they would be Series A.
21 Not -- I don't necessarily recall this. I think this
22 was a 506(c) ad. And 506 was authorized by the SEC to
23 be active, and we were testing the marketplace to see if
24 the marketplace would respond to a 506(c).
25 Let me bear down on this.

1 Q. Sure. Yeah. I think it's kind of hidden, but
2 there is a line after the third bullet point, it says
3 $500,000.
4 A. Uh-huh.
5 Q. And I think it says of Series A notes.
6 Does that look correct?
7 A. Well, that might be correct. I'm not certain,
8 but I'm looking down here in the legend, and it looks
9 like it's, it looks like it's an AZ 140 offering, as we
10 call it, of the Arizona Administrative Code.
11 Q. And --
12 A. Offered and sold to Arizona residents,
13 accredited investors only under AZ 140.
14 You know, it's not an -- I think it's an
15 offering we were prepared to make. I don't think we had
16 any response to it. We certainly didn't make any sales.
17 Q. Why was it that this ad advertises 8 percent
18 interest and 8 percent bonus, as opposed to the
19 12 percent interest and 6 percent bonus?
20 A. It's just what we would offer under this. Same
21 as 10/5/10, 12/6/12, different offerings.
22 Q. Was there any separate offering memorandum
23 written for this?
24 A. I'm not sure about that. There's an
25 advertisement. There's no human that ever received a

1 document. I don't know what kind of response we had to
2 this. I didn't take the response.
3 Q. Who would the contact have gone to?
4 A. As stated on here, contact Connie Cook.
5 Q. Why would she be the contact person for
6 potential investors?
7 A. Take a name and hand that name off to somebody
8 to handle it.
9 Q. Who would have -- who would she have handed one
10 to if anyone had called?
11 A. Possibly Tom Simmons.
12 Q. And next I'm going to hand you what's been
13 marked as Exhibit 33, ACC5493, a December 31, 2013,
14 letter.
15 A. Excuse me. On your point, just for the record,
16 assuming there was a memorandum for this, I don't know
17 that there was, but all of my memorandums stated that
18 sales can be made by executive members and members of
19 the company that would not be paid commission. So there
20 wouldn't be anything extraordinary about that.
21 Q. So here's Exhibit 33. So this is a letter
22 addressed to Tom Jordan, but was this same letter sent
23 to the other noteholders as well?
24 A. I think it was a matter of policy, there was a
25 note accepting them and thanking them for their

1 investment.
2 Q. Do you recall if this particular letter is one
3 that would have been sent to all of the noteholders?
4 A. Maybe not this particular letter, because they
5 came in at different points in time. But a similar
6 letter would have been a matter of policy.
7 Q. And in the second paragraph, the final sentence
8 refers to: We met with several investors delaying the
9 funding of previous commitments.
10 Do you know what investors that would refer to
11 in December of 2013?
12 A. No. I would not know specifically.
13 Q. Who would know?
14 A. Don't know. I'm still trying to find what
15 you're --
16 Q. Oh, I'm sorry. Right around here. We met with
17 several investors.
18 A. I'm trying to get this in context. When we met
19 with several investors delaying the funding of previous
20 commitments.
21 That must be the investors that delayed their
22 funding is the way I take that.
23 Q. Right.
24 A. Well, Kerrigan brought several people into our
25 offices for meetings with myself and/or Simmons and/or

1 Orr to get familiar with the management.
2 Q. And --
3 A. But I don't, I can't recall specifically who,
4 but, yeah, there were people that said they were going
5 to do something and didn't, at least in that time frame,
6 that caused us problems.
7 Q. And who's among the approximately 20 offerees
8 that you estimated?
9 A. When I said I think no more than 20 offerings
10 were made, that would be in that batch, yeah.
11 Q. And on the second page, the second to last
12 sentence is: Rest assured these interest payments will
13 be made as soon as the funds are available to do so.
14 Where would funds have come from to be able to
15 make the delayed payments?
16 A. Well, you've asked me that before.
17 Q. What was the answer?
18 A. It would come from loans to the company and with
19 the sale of notes as authorized in the offering
20 memorandum.
21 Q. And then next I'm going to hand you what has
22 been marked as Exhibit 34, ACC5317, a December 31, 2013,
23 letter to Kathleen Carolin. The letter appears to have
24 the same content as Exhibit 33.
25 Do you agree, after you've had a chance to

1 compare them?
2 A. Well, in block diagram, cursory review, yes.
3 Q. And would that be consistent with a letter, a
4 form letter, sent to all of the current investors at the
5 time?
6 A. I would think so. We didn't tell one guy
7 something and tell somebody else something else.
8 Q. And next I'm going to hand you what has been
9 marked as Exhibit 35.
10 A. These go in this one?
11 Q. Yeah.
12 ACC5499, an April 21st, 2015 letter.
13 A. That was my birthday. It was a special day.
14 Q. And on the first page, the second paragraph in
15 Section 2, starts:
16 In September 2013, with the $50 million offering
17 shelved, we took inventory of our work product and
18 evaluated what it was we could use in a Plan B mode.
19 What does that refer to?
20 A. Exactly what it says. We put the REIT offering
21 on the shelf. It was actually a $70 million offering.
22 So it was a misstatement. And then it goes on to say
23 exactly what we were going to do. We were going to take
24 the land component of the hotel business and proceed
25 with that, which was part of the REIT plan.

1 Q. And on the second page, which is ACC5500,
2 underneath, in Section 3, underneath the bullet points,
3 it says: This opportunity will be pursued by a new
4 company, which I will refer to as NewCo.
5 What was the purpose of describing this NewCo
6 business plan to the former USA Barcelona investors?
7 A. Well, I previously stated that the Barcelona
8 Advisory Company would not go forward for several
9 reasons, and I'm creating the platform here for people
10 to be involved and their capital to be carried forward
11 for, hopefully, future recovery.
12 Q. And their involvement would be, potentially, to
13 invest in the NewCo offering?
14 A. Probably be A and B. At the time I was crafting
15 this letter, I believe the only picture I painted, in
16 reality the only picture I would paint, was if they did
17 something in NewCo, they would get an extraordinary
18 position that would allow them to carry the old
19 investment forward.
20 Q. And turning back to the first page, the to line
21 says: USA Barcelona Realty Advisors' Noteholders.
22 Was this likely sent on all of the, all of the
23 previous USA Barcelona noteholders?
24 A. I believe I gave you my distribution list.
25 Q. I'm just making sure this letter would have been

1 one that was sent to everyone.
2 A. It was sent to insiders. It was sent to prior
3 relationship noteholders, yes.
4 Q. And then on the third page, which was ACC5501,
5 after Section 4, there's a paragraph that goes back to
6 the justified all the way to the left, and the last
7 sentence is:
8 Bob and I have reviewed this letter and the
9 specified plan laid out therein, to which he has stated
10 his general endorsement?
11 Does that refer to --
12 A. Bob Kerrigan.
13 Q. -- Bob Kerrigan?
14 What was his involvement in discussing this
15 plan?
16 A. It's not so much this plan. These are his
17 clients, with two exceptions, Andrade and Bair. And he
18 is entitled to know what I'm communicating to his
19 clients. They are his clients, not mine.
20 Q. And did he approve of you letting them know he
21 had made his endorsement, this endorsement?
22 A. Say that again.
23 Q. You --
24 A. Did he approve this letter?
25 Q. Right.

1 A. Yeah. He approved me telling them that he had
2 reviewed this.
3 Q. All right.
4 A. It was a courtesy to him.
5 Q. And then the next sentence is: Within the next
6 30 days, I intend to present the plan within its
7 entirety to you.
8 Was this plan ever further presented to any of
9 the noteholders?
10 A. No. I had a minor interference.
11 Q. What was that?
12 A. You.
13 Q. Oh. Is there any plan to present it to the, in
14 the future if possible?
15 A. Well, we'll see.
16 Q. Have you --
17 A. We'll see if I'm allowed to operate under the
18 Arizona Securities.
19 Q. Right. If you are allowed to is it something
20 that you would be interested in pursuing?
21 A. Absolutely.
22 Q. Next --
23 A. I want to ask you a question now, which I have
24 discussed with my attorney. He's given me his read on
25 it. I don't think this does it. It's your charges

1 against me.
2 I have been ordered to cease and desist from
3 violating the securities laws of the State of Arizona.
4 Q. Correct.
5 A. Okay. I don't think I have violated any
6 securities laws to date. So does that order stop me
7 from practicing under the security laws of the State of
8 Arizona, or does it preclude me from violating them?
9 Q. You should check with your attorney. I don't
10 want to misquote the language, and I can't provide legal
11 advice. But I think, if I recall, it's just an order
12 not to violate, not an order not to do anything. But I
13 don't have it in front of me, and I can't be sure, so
14 you should ask your attorney.
15 A. Your speculation is that it's an order not to
16 violate, but not an order not to practice under it?
17 Q. Off the top of my head, I think that is correct?
18 A. Okay.
19 Q. But the effect of it being an order is that
20 there is potentially, you know, an additional penalty if
21 it's violated beyond just what the statute itself says.
22 A. Okay.
23 Q. But ask your attorney about that.
24 And moving on to Exhibit --
25 A. Are we through?

1 Q. Yes.
2 I'm going to hand you what has been marked as
3 Exhibit 36, which is ACC5402, an email dated May 5,
4 2015.
5 So this is an email from you to Rich --
6 A. Andrade.
7 Q. And the first line of the first full paragraph
8 is: As my recent communication included, I am working
9 on the plan.
10 Is that a reference to Exhibit --
11 A. The April 21st email.
12 Q. And in the third full paragraph, you mention
13 that you're offering a sneak preview of the plan, will
14 reveal that it is designed to be an investment fund.
15 What is the purpose of sending Rich a sneak
16 preview of the plan?
17 A. He wants to know what's going on. He's
18 communicating with me, can you tell me what your
19 thoughts are and what your ideas are.
20 He is the only one that's communicated with me
21 out of this group.
22 Q. And what was it that he asked?
23 A. I don't know specifically, except he'd like to
24 know what my plans are.
25 Q. So the hour glass fund refers to what had been

1 referred to as NewCo --
2 A. Yes.
3 Q. -- in the previous letter?
4 And in the fourth full paragraph, the third
5 sentence is:
6 I believe the plan will be deemed by those who
7 see it to be a solid plan with instant returns, based on
8 a conservation investment philosophy --
9 A. Should have been conservative.
10 Q. A conservative investment philosophy, managed by
11 a proven real estate investment management team.
12 How would such a plan offer instant returns?
13 A. By investing in funds that have ongoing current
14 returns.
15 Q. And what does the conservative investment
16 philosophy refer to?
17 A. Investing in proven funds that are operating
18 funds, rather than speculative funds that are still in
19 their real stage.
20 Q. And when it says managed by a proven real estate
21 investment management team, who would that team consist
22 of?
23 A. It would be the teams of each investment fund.
24 So if we invested in seven funds, we have seven proven
25 management teams.

1 Q. And then the next sentence is: So we're close
2 to putting the plan out there.
3 Was the plan ever put out there for --
4 A. No. No, I had a distraction.
5 Q. And then, let's move on to your folder. I will
6 clean these up later.
7 And you were going to explain this first
8 document to me.
9 A. Sure. I'd be happy to. This is not stapled
10 together. The pages are numbered, except for -- our
11 storm last night took my computer out. We have never
12 had a power failure at my house, and it took me out when
13 this document was sitting there waiting for me to finish
14 it. So I had to do a little recreation this morning.
15 Okay. It's really three things. First of all,
16 it's an answer to your 14 requests for information.
17 Q. Uh-huh.
18 A. And answering what I deem you haven't received
19 that I can provide, I have Exhibit A, which is somewhere
20 in there, I think it's about the third paragraph, refers
21 to Exhibit A, again, which question I'm answering. I
22 highlighted, if you can find a big Exhibit A jumping out
23 at you somewhere.
24 Q. Eight.
25 A. What was eight?

1 Q. All list of persons who attended seminars,
2 classes or meetings held or --
3 A. Okay. So pages one through five is that.
4 Q. All right. And how do you have such a detailed
5 recollection of who attended everything?
6 A. I have, I have two diaries, one of which started
7 in about April of '13. And so I was just going off my
8 notes in those diaries. And I still do have some mental
9 recollection of things. Page 74 is not what it used to
10 be.
11 Then Exhibit B is a chronology of meetings,
12 because I think somewhere in there you asked about
13 people I met with and things of this sort. So starting
14 with October 12th, which is a recollection where I met
15 with Allen Weintraub and Kelly Bair, I pick up after
16 that in March of '13 from my diary.
17 I don't want to hand these to you page by page,
18 so I'm handing them to you in aggregate.
19 Now, something I mentioned earlier, there are
20 four columns over here on the right. I deemed these to
21 be significant relationships that I want you to be aware
22 of existed, and giving you a sense of how often meetings
23 occurred with these people. And so I move along through
24 here. There's an annotation by each name with a little
25 number up there, and that refers to the second part of

1 this where I'll give a brief description of the
2 relationship as I know it. There's several people in
3 here that I have no clue who they are, but I met with.
4 This goes along for a bit and concludes on page
5 19, the chronology of meetings offered. This is still
6 Exhibit B. Now it takes those annotations and gives you
7 some sense of who the people are, to the best of my
8 knowledge.
9 Q. All right. And then was there anything else you
10 needed to -- oh, okay, that was just the explanation of
11 what these were?
12 A. Uh-uh. This is on top of that.
13 Q. Okay. And then I have a few questions on some
14 of these. I guess I need to break up --
15 A. Now, those came -- you were asking about emails.
16 When I discovered I had an email history, which was
17 subsequent to my March, the middle, I wasn't aware I had
18 such a history. Then I dug through there and I believe
19 everything in there came from email history.
20 MR. KITCHIN: Can we mark this, please?
21 (Exhibit 37 was marked for identification.)
22 BY MR. KITCHIN:
23 Q. And sorry. What were you saying?
24 A. Charlie Berry, my attorney, asked me to review
25 the subpoena and ascertain if it was a, quote, ongoing,

1 unquote, subpoena.
2 Q. No, it is not. It doesn't call for you to
3 produce anything that you, that arrives to you after, in
4 the future.
5 A. Okay. Well, within that, how about things I
6 discover subsequently that were in my control, such as
7 email? Would you be interested in seeing further email
8 traffic that I can --
9 Q. Yes, please.
10 A. I have dug pretty deep, so I can't tell you
11 anything is going to come up, but I'm attempting to play
12 good guy here.
13 Q. Sure. No, I appreciate that. And, yeah, the
14 previous subpoena asked for everything you had up to the
15 due date. So if it turns out you had things but didn't
16 realize them, they were in fact things that you had,
17 they would be responsive to the old subpoena.
18 A. Okay.
19 Q. So, yeah, it would be different than new things
20 that you received for the first time.
21 I'm going to hand you what's been marked as
22 Exhibit 37, no Bates number, April 23rd, 2013, agenda.
23 And, in particular, this, on the third page of this
24 document, there's this table that continues on to the
25 fourth page, I think.

1 What is this a table of?
2 A. It appears to be, to me, projects underway,
3 significant pieces of work that were undertaken in our
4 office.
5 Q. And the, one of the projects is the company
6 business plan.
7 What does that refer to?
8 A. A business plan of the company.
9 Q. And what would that include?
10 A. Well, I guess you're asking me to describe what
11 is a business plan.
12 Q. Yeah. In this context, what was included in the
13 business plan that was a project?
14 A. It's called an execution plan.
15 How do you execute a business plan? You
16 describe a business plan and you give the execution
17 steps of it. The description of the business plan is
18 all the facets of what Barcelona Realty Advisors intends
19 to advise, what entities, what kinds of entities; and
20 what order they appear; how would they be owned; how
21 would they be capitalized; what would be their business
22 function; what's the critical path for each one of them;
23 how do they interface; how do they roll up ultimately
24 into a public company.
25 Q. And the project manager for that task is, refers

1 to Paul.
2 Does that refer to Paul Meka?
3 A. Well, Paul -- that would be Paul Meka, project
4 manager for putting together the elements of the
5 business plan.
6 This is more of a structural thing than a
7 writing thing would be, because most of it's written in
8 one form or another. Paul's job is to assemble it.
9 Q. Why would he be the project manager of the
10 business plan if he only worked in a clerical capacity?
11 A. It's a clerical function. He's not writing the
12 business plan; he's putting pieces together.
13 Q. What would he be doing with it then?
14 A. Taking 20 pieces from 20 different places and
15 sticking them in order and presenting them to a
16 committee to go through and determine what stays in the
17 business plan, what order it ought to be in, things of
18 that sort.
19 Q. And then there's another item there. It says
20 that is separate USA Barcelona Realty PPM RIA sales
21 subscription package.
22 That project, what does that refer to?
23 A. Putting together the subscription documents that
24 are crafted by others into a package that would go with
25 the PPM specifically for registered investment advisors.

1 It's an assembly job.
2 Q. And what would be involved in that, in that
3 project?
4 A. Taking the work product of others. The RIA
5 subscription package is different based on the way RIAs
6 are compensated versus broker/dealers, making that part
7 of the stock memorandum that's done for that purpose for
8 a particular offer. It's a clerical job.
9 MR. KITCHIN: And next can we mark each of these
10 three things, please?
11 (Exhibit 38, Exhibit 39, and Exhibit 40 were
12 marked for identification.)
13 BY MR. KITCHIN:
14 Q. What were you saying?
15 A. Oh, thank you.
16 There's, the second part of this table is the
17 next page, it shows who the worker bees are that do the
18 work under the tutelage of this program manager.
19 That's what this little guy is. It fits the far
20 end of this.
21 Q. It's a continuation of the same table?
22 And next I'm going to hand you what's been
23 marked as Exhibit 38, Barcelona Updates, dated
24 October 15, 2012, no Bates number.
25 Is this a communication that was sent out to

1 people?
2 A. This would have gone to the executive member
3 team of Orr, myself -- maybe not Orr, he might not have
4 been one yet -- Simmons and Kerrigan were the three that
5 started it.
6 Q. And anyone beyond those, anyone beyond that
7 group?
8 A. Maybe Charlie Berry, our attorney. It's kind of
9 directed to people that are or would be executive
10 members, because I'm talking about the amount of time
11 that's going to be required. It's not a -- I appreciate
12 it if you'd give thought to how much time you could
13 allocate to Barcelona matters on a monthly basis.
14 That paragraph, that paragraph the one, two,
15 three, four, five, six, seven, eighth is specifically
16 talking about executive members and their function and
17 duties.
18 Q. All right. Next I'm going to hand you what has
19 been marked as Exhibit 39, Barcelona Update, October
20 15th, 2012, no Bates number.
21 Is this the same memo to the executive members?
22 A. Yes. It wouldn't be, have any distribution
23 outside of that.
24 Q. Next I'm going to hand you what has been marked
25 as Exhibit 40, Barcelona update, dated November 15,

1 2012, no Bates number.
2 Similarly, would this be distributed to just the
3 executive members?
4 A. I think that's one you just went through. It's
5 a dupe.
6 Q. They actually all have the same date. Have you
7 ever -- that's identical to 38. Never mind.
8 A. I did that to increase your workload.
9 Q. Now it's increased yours.
10 Mark that, please.
11 (Exhibit 41 was marked for identification.)
12 BY MR. KITCHIN:
13 Q. And what is this?
14 A. A talking paper for your review and use and
15 discussion with broker/dealers, investors, registered
16 investment advisors, and others. Review this and let's
17 go over the many points that spring from it.
18 Giving these people the steppingstone to
19 describe the business plan of Hotel Company I, which
20 became Barcelona Hotel Company I, what it's about, how
21 to describe it, and how it works.
22 Q. And on the distribution list, does Paul refer to
23 Paul Meka?
24 A. Yes.
25 Q. Why would he be on the distribution list for

1 this document?
2 A. For his information.
3 Q. Why would it be --
4 A. Same with Rich Dozier, same with Jeff. Jeff had
5 nothing to do with distributing, the talking to
6 investors. Same with Glenn. We had team meetings.
7 When we had team meetings, and you'll see in my
8 documentation here, when I had a team meeting, everybody
9 in the office was in the team meeting, including outside
10 people. And the agendas were very broad and covered
11 issues that had to do with our offering programs and
12 administration, everything else.
13 So this would not be extraordinary that I copied
14 Paul Meka, and that, you seem to be focused on Paul, was
15 something that goes on in the office. As Connie, Connie
16 had nothing to do with investments, just like Paul
17 didn't. Patrick's supposed to, but he didn't. Rod, at
18 the time, certainly didn't. Rich Dozier is an outside
19 party. And Jim, I'm not even sure in February what Jim
20 we are talking about. But it seems like it predated
21 Wilkerson, but it may have been Wilkerson.
22 Q. And who is Richard Dozier?
23 A. Richard Dozier would show up in my meetings. He
24 and Colangelo put together the baseball team here and
25 had a lot to do with the basketball team. He was

1 Colangelo's No. 1 man for a lot of years. I think he
2 might have been president of the Diamond Backs at one
3 time.
4 Q. What was his -- why would he be involved in a
5 company meeting?
6 A. We invited him to attend several meetings. He
7 was looking into being a director of the real estate
8 investment trust. We invited him to consider that.
9 MR. KITCHIN: Can we mark that, please?
10 (Exhibit 42 was marked for identification.)
11 BY MR. KITCHIN:
12 Q. So next I'm going to hand you what has been
13 marked as Exhibit 42, an email from you, July 9, 2014,
14 no Bates number. The first bullet point says:
15 As you all know, the University of Wisconsin
16 Madison (its endowment fund) is considering a sizable
17 ($1,000,000) purchase of units in the Hotel Land Fund.
18 What does that paragraph refer to?
19 A. Bob Kerrigan is on the, Kerrigan, Bob Kerrigan
20 is on the board of the University of Wisconsin Madison,
21 and on their, some form of investment committee, and he
22 had proposed to them that they make an investment in the
23 Land Fund, and proposed to their investment advisors,
24 who is an RIA firm in Wisconsin.
25 Q. And do you know who that investment advisor was?

1 A. Yes. It's cited somewhere. It might be in
2 here. Time frame '14. We consider the investment too
3 small, so it didn't materialize. Sam Murty, your page
4 16, my telephone conversation with him.
5 Q. And would, would Sam Murty have been provided
6 one of the, an offering memorandum on the Hotel Land
7 Company membership interest?
8 A. More likely than not, or the business plan for
9 it, one of the two.
10 Oh, that's yours.
11 But I wasn't there, so I can't tell you what he
12 was provided.
13 MR. KITCHIN: Can we mark this one, please?
14 (Exhibit 43 was marked for identification.)
15 MR. KITCHIN: Let's go off the record.
16 (An off-the-record discussion ensued.)
17 MR. KITCHIN: All right. Let's go back on the
18 record
19 BY MR. KITCHIN:
20 Q. I'm going to hand you what's been marked as
21 Exhibit 43, an email from you August 5, 2014, no Bates
22 number. I'm going to change to the second page, which
23 is an email that's been quoted within the main document
24 and then it follows on to the third page.
25 What is this email about?

1 A. It's internal communication, it appears, without
2 looking carefully at the distribution list. I've gone
3 down the things we have to get done.
4 Q. Oh, yeah, if you need to keep familiarizing, go
5 ahead.
6 A. You asked me what it is. That's what it is.
7 Q. And then the fourth from the last bullet point:
8 Connie, Paul, and I are working on a short
9 presentation for Bank of Montreal/Jerry Clark. Out the
10 door Wednesday?
11 What does that refer to?
12 A. The Bank of Montreal, through Jerry Clark, found
13 that we were knowledgeable of a great number of hotels
14 that could be purchased. It is my understanding that
15 the president of the bank wanted to back a REIT and was
16 interested in knowing if we were his guy.
17 Q. Why would Connie be involved in working on that
18 presentation?
19 A. Assemblage. Just like this, you know, you got
20 to put it together, work's done by others, primarily me.
21 Q. And does Paul refer to Paul Meka?
22 A. The only Paul I had. Yes.
23 Q. And why would he be involved in preparing the
24 short presentation?
25 A. Assemblage.

1 Q. And why would they both be involved in assembly
2 if Paul is the clerical worker and Connie is the
3 accountant?
4 A. A lot of work. Staff I've got. Make them work.
5 MR. KITCHIN: All right. Do you have any
6 questions?
7 All right. We can go off the record.
8 (An off-the-record discussion ensued.)
9 MR. KITCHIN: Go back on the record.
10 BY MR. KITCHIN:
11 Q. Can you repeat what you just said?
12 A. Your representations are, and the way that your
13 note is worded, that Bruce Orr is a single man. We have
14 no knowledge of him being a single man. We have
15 knowledge of him being a married man and being married
16 for years. I have met his son in the office when he
17 visited from college. And I was kind of more than
18 surprised to see that one.
19 Q. What is his spouse's name?
20 A. I don't know. I have never met his spouse, I
21 don't believe.
22 Q. Do you know his son's name?
23 A. I don't recall. I met his son once. Very proud
24 of his son.
25 MR. KITCHIN: All right. We can go off the

1 record.
2 THE WITNESS: But I want to go back on the
3 record, because I have got a couple of things.
4 MR. KITCHIN: All right. I'm sorry. Let's go
5 back on the record.
6 THE WITNESS: Maybe the administrative judge
7 hearing is the place to bring this up, but I'll bring it
8 up today.
9 In your assertions, you refer to AVC as Harkins'
10 company. AVC, in it's context as delivered to you
11 today, was a company owned by three corporations. It
12 was not a Harkins' company. In it's unfolded state,
13 Arizona Village Communities Operating Company was a
14 quasi public company in the State of Arizona controlled
15 by independent board of directors. It's a gross
16 mischaracterization to say that it was my company.
17 BY MR. KITCHIN:
18 Q. Were you an officer of the company?
19 A. Yes, I was.
20 Q. What was your title?
21 A. I was president of the company, at the will of
22 the board of directors. By no shade of the imagination
23 a sole stockholder.
24 Q. Who did the board consist of?
25 A. Seven parties, Lou Werner, W-E-R-N-E-R,

1 architects on the board, planning board of Paradise
2 Valley; Dave Mitchner -- I'll have to come back on
3 spelling -- owner of a real estate franchise at the
4 time; Larry Butler, who was a president of Kitchell
5 Custom Homes; Tom Simmons; myself; Dick Heesch,
6 H-E-E-S-C-H; and Richard Nikolaev, N-I-K-O-L-A-E-V.
7 Q. And you mentioned that Desert Fox, Kitchell --
8 A. And Coldwell Banker.
9 Q. Those were the only three owners of the company?
10 A. They were the owners of Arizona Village
11 Communities, LLC, which I -- I know this takes a bit --
12 that's what got bought by Arizona Village Communities
13 Operating Company. It became nonexistent.
14 Q. And who owned Arizona Village Communities
15 Operating Company?
16 A. It's a cadre of stockholders, mostly the
17 directors. It did no private offering, securities, or
18 public offering securities.
19 Q. Approximately, what percentage of the company's
20 ownership was owned by the directors?
21 A. Probably 100 percent.
22 Q. And were you an owner, part owner of Arizona
23 Village Communities Operating Company?
24 A. That's correct.
25 Q. What was your ownership percentage?

1 A. I don't really recall, but far less than
2 50 percent. Might have been 25 percent.
3 Q. And the Desert Fox Company, who was the owner of
4 Desert Fox?
5 A. There were two owners, Richard Heesch and
6 myself.
7 Q. And were you both 50/50 owners?
8 A. We were 50/50 owners.
9 Q. And who were the owners of Kitchell?
10 A. Kitchell Corporation.
11 Q. Who were its owners?
12 A. Oh, my gosh, it's the third biggest company in
13 the State of Arizona. It's a big company.
14 Q. Didn't know that.
15 Were Desert Fox, Kitchell, and Coldwell Bankers
16 equal owners of Arizona Village Communities, LLC?
17 A. Yes.
18 Q. How did Kitchell and Coldwell Bankers come to be
19 involved in owning part of the company?
20 A. Through the evolution of knowing me.
21 Q. Who did you know at Kitchell Corporation?
22 A. Larry Butler, the president of custom homes, and
23 I met the whole hierarchy eventually.
24 Q. Who did you know at Coldwell Bank?
25 A. Bob McCoy, who was the owner of the holding

1 company that held Coldwell Banker Developer Marketing
2 Service, and ultimately more people.
3 Q. And, sorry, you wanted to continue?
4 A. Thank you. First, AVC wasn't Dick Harkins'
5 company.
6 On the Kerrigan loan, the lack of disclosure, I
7 do not think is inappropriate, no more so than the loans
8 made by Rod Eaves, who is also a subsequent executive
9 member. But, none the less, neither one of them --
10 excuse me -- none the less, Kerrigan was never paid
11 principal interest, because I deemed it inappropriate.
12 I haven't reviewed all the operating agreement.
13 Q. Why did you --
14 A. Operating agreement prohibits it. As a matter
15 of fact, the operating agreement doesn't give a
16 provision for paying back a member loan.
17 Q. Interesting.
18 A. It is interesting isn't it?
19 Q. It prohibits loans from executive members?
20 A. No. It doesn't prohibit loans. It prohibits
21 the repayment of them from cash flow. So a little
22 oversight there.
23 Q. Do you know where in the agreement that is?
24 A. Yes, I do. It's -- you know when I discovered
25 it? When you were at lunch. Although, I don't think

1 you went to lunch if you read all that.
2 It's in the 10/5/10 Land Company, so the same
3 thing would be in most of the other documents. It's in
4 Roman numeral II, 2.5, executive member loans. And you
5 have to go read what net cash flow is. Which is defined
6 on page 91 of that document, which excludes executive
7 member loans from repayment from net cash flow. So I
8 don't know what you'd repay it from.
9 Q. Sorry to interrupt.
10 A. That's all right. So you don't always get this
11 stuff right. That's one we did ourselves.
12 Okay. My last thing about Bruce Orr. I don't
13 think he's a single man.
14 As you would be aware from the March filing,
15 Kerrigan cumulatively loaned $200,000 to the company.
16 The curious thing is, with the exception of four
17 people, all the investors are insiders, by the
18 definition of what an insider is.
19 Prior to your -- I do want this on the record --
20 prior to your subpoena in February, informing me that
21 you had this investigation opened up, to my knowledge
22 and Kerrigan's knowledge, and the knowledge of anybody
23 in the company, there was no investor that had any
24 complaint about anything. We do think we know where the
25 complaint came from that opened your investigation. And

1 without naming names, that was an extremely
2 nonproductive, nonexecutive member who quit in the
3 middle of the night, emptying his office, because he
4 thought he was going to get fired. And he had pretty
5 good reason to think it, but that was not the case. He
6 threatened us with numerous things he was going to do,
7 this being one.
8 And I suppose at the right point in time, which
9 might be the administrative hearing, if we get to that
10 or beyond, I would really question the nature of this
11 investigation because of the way of it began, which was
12 on hearsay and a very angry disgruntled person, which is
13 my belief.
14 Q. And who are you referring to?
15 A. Well, I'd like not to name him.
16 Q. Oh, okay. I'm sorry.
17 A. You can tell me. I don't need to tell you.
18 Q. You said this thing about a threat to do this.
19 A. Yeah.
20 Q. What does that refer to?
21 A. Oh, he threatened to do anything he could to
22 disrupt the company, harm me personally, et cetera.
23 Q. What specifically did he threaten to do?
24 A. Oh, write a letter to the Corporate Commission
25 and say all these things.

1 Q. All right. Sorry.
2 A. He also attempted to lien the company property,
3 but he didn't know how to do it.
4 Q. Attempted to lien the company property?
5 A. Uh-huh.
6 Q. How did he do that?
7 A. He attempted to file liens on the company's
8 property, but he had a bad process. He did other
9 things.
10 So I just think this thing has come from the
11 wrong direction. Should not have happened. We had no
12 dissatisfied investors relative to anything we did. Did
13 we have dissatisfied investors because we don't have a
14 continuing business? Yes. Who wouldn't be?
15 And there's one additional thing that you've
16 done that I think is totally inappropriate.
17 Whoever has conducted interviews with our
18 investors has asked such leading questions as if, if
19 this goes to trial, will you testify. That puts
20 somebody in the back of their seat like the state has
21 already concluded that we have guilty parties here,
22 guilty to the extent that we are going to have a trial.
23 And I just do not think that's fair. All the leverage
24 is on your side. You can do what you want to do, no way
25 to stop you right now, but that is, in my opinion, a

1 totally inappropriate question to have been asking
2 anybody in an initial interview. That's only one of
3 several.
4 I'm off the record.
5 Q. Oh, can we keep going? So one more question.
6 Was Kerrigan authorized by First Financial
7 Equity Corporation to sell the USA Barcelona notes?
8 A. No. I do not believe he sold through his
9 broker/dealer. He's paid no commissions.
10 Q. Do you know if he received permission from them
11 to sell the notes outside of their business?
12 A. I would not know that.
13 Q. Did he ever represent whether or not he had
14 permission to do that?
15 A. Don't know the question was ever asked. It was
16 our belief that he was acting appropriately.
17 Q. All right. That's all my questions.
18 Anything else?
19 A. No. I had my say.
20 MR. KITCHIN: We can go off the record.
21 (The examination under oath concluded at
22 2:01 p.m.)
23
24
25

1 STATE OF ARIZONA)
COUNTY OF MARICOPA)
2
BE IT KNOWN that the foregoing proceedings were
3 taken before me; that the witness before testifying was duly sworn by me to testify to the whole truth; that the
4 foregoing pages are a full, true, and accurate record of the proceedings all done to the best of my skill and
5 ability; that the proceedings were taken down by me in shorthand and thereafter reduced to print under my
6 direction.
7
I CERTIFY that I am in no way related to any of
8 the parties hereto nor am I in any way interested in the outcome hereof.
9
[ ] Review and signature was requested.
10 [ ] Review and signature was waived.
[X] Review and signature was not required.
11
I CERTIFY that I have complied with the ethical
12 obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix, Arizona,
13 this 28th day of September, 2015.
14
15 Karen L. Kessler
16 KAREN L. KESSLER
Certified Reporter
17 Arizona CR No. 50821
18 I CERTIFY that Coash & Coash, Inc., has complied with the ethical obligations set forth in ACJA 7-206
19 (J)(1)(g)(1) through (6).
20
21
22
23
24 COASH & COASH, INC.
Registered Reporting Firm
25 Arizona RRF No. R1036

=> State

EXHIBIT A – INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

BARCELONA ADMINISTRATION COMPANY, L.L.C.

dr# 1

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

KAVES
$250K

Barcelona Administration Company, L.L.C.
11419 N. Century Lane
Scottsdale, Arizona 85254

12.6.12

Purchaser:

You have informed the undersigned (the "Purchaser") that **BARCELONA ADMINISTRATION COMPANY, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

EXHIBIT
S-33
ADMITTED

Harkins EXHIBIT 1
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

PE
ME

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

✓ $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

✓ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ Manager of Issuer
Any Manager of the Company

✓ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not ✓, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's Manager and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

RE
ME

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that

RE
ME

fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement .

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 250,000

NAME(S): 1) Rodney L. Eaves

2) Melissa A. Eaves

SOCIAL SECURITY #(S): 1) [redacted]

2) [redacted]

RE
ME

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
✓ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
_____ IRA
_____ Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:

[redacted]
Street Address

[redacted] AZ [redacted]
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

_____
Street Address (If P.O. Box, include address for surface delivery if different than residence)

_____
City State Zip

PHONE: Home: (_____) _____

Business: (_____) _____

Facsimile: (_____) _____

ACC000825
FILE #8503

RE
ME

9. Date and Signatures.

Dated March 7th, 2013.

Purchaser Signatures:	Purchaser Name: (Print)
Rodney L. Eaves	Rodney L. Eaves
Melissa A. Eaves	Melissa A. Eaves

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

BARCELONA ADMINISTRATION COMPANY, L.L.C.

By: [illegible]

Its: Manager

DATED: March 11, 2013

DR#6 | C2-6-12

USA BARCELONA REALTY ADVISORS, L.L.C.

$1,000,000 OF INVESTMENT UNITS

Offered in Four (4) Investment Units at $250,000 per Investment Unit

This is copy no. 22 of the Private Placement Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013.

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

The following Subscription Documents are for the use of Investors interested in subscribing for Investment Units ("Investment Units") of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective Investors should do all of the following:

Check as each step is completed

1. **COMPLETE** the Investor Questionnaire and Subscription Agreement, as follows:

____ A. CHECK the appropriate Accredited Investor category on page 3 and the "Purchaser Representative" question in Paragraph 2(c).

____ B. COMPLETE all information on pages 6 and 7, including the total principal amount of Investment Units being purchased, and the Purchaser's name, address and social security or tax identification number as they should be reflected on the Company's records.

____ C. INITIAL EACH PAGE of the Investor Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Investment Units Investor Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 2.

____ D. DATE and SIGN the Investor Questionnaire and Subscription Agreement on page 7. If Investment Units will be registered in joint ownership, such as husband and wife, both must sign.

____ 2. **DELIVER** all documents TOGETHER WITH PAYMENT by a certified, cashier's check made payable to USA BARCELONA REALTY ADVISORS in the amount of the cash purchase price for INVESTMENT UNITS being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Offering Administration
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

EXHIBIT S-34 ADMITTED

3. **YOU WILL RECEIVE:** Upon acceptance of your Investor Questionnaire and Subscription Agreement by the Company, you will receive the following:

(i) An executed Series A 12-6-12 Note from the Company in the amount of $ 25,000.00;

(ii) A copy of your accepted **Investor Questionnaire and Subscription Agreement** which evidences your ownership of ~~1/4~~ 1/10 Class B Unit(s).

(one ~~fourth~~ tenth) Class B Unit

HARKINS EXHIBIT 2
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ACC000869
FILE #8503

July 14, 2013

USA BARCELONA REALTY ADVISORS, L.L.C.

INVESTMENT UNIT
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

USA Barcelona Realty Advisors, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Purchaser:

You have informed the undersigned (the "Purchaser") that **USA BARCELONA REALTY ADVISORS, L.L.C.**, an Arizona limited liability company (the "Company") wishes to raise up to One Million Dollars ($1,000,000) from various persons such as me by selling $1,000,000 in principal amount of its Investment Units at par in an offering which is designed to comply with Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I have received, read and understand the materials delivered to me relative to the Company and its business (the "Materials"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms of this **Investor Questionnaire and Subscription Agreement** and the Offering (collectively, the "Offering"). I understand that you will rely on the following information to confirm that I am an "accredited investor" as defined in Regulation D, and that I am qualified to be a Purchaser. **INVESTMENT UNITS WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE INVESTMENT UNITS MAY BE OFFERED AND SOLD BY THE ISSUER ONLY TO ACCREDITED INVESTORS AS DEFINED IN the SECURITIES ACT. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE ARIZONA CORPORATION COMMISSION, NOR HAVE THEY PASSED UPON THE MERITS OF OR OTHERWISE APPROVED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Investor Questionnaire and Subscription is one of a number of such subscriptions for Investment Units. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Investment Units set forth below on the terms specified herein.** The Company reserves the right, in its complete discretion, to reject any subscription offer. If my offer is accepted, the Company will execute a copy of this Investor Questionnaire and Subscription Agreement and return it to me.

1. Accredited Investor. I am an Accredited Investor because I fall within one of the following categories:

Check one or more of the following:

___ $1,000,000 Net Worth
A natural person, whose individual net worth or joint net worth with that person's spouse, exclusive of the value of personal residence, exceeds $1,000,000.

_X_ $200,000/$300,000 Income
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

___ President of Issuer
Any Executive Member of the Company

___ All Equity Owners In Entity Are Accredited
An entity (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

___ Corporation
A corporation not formed for the specific purpose of acquiring the Investment Units offered, with total assets in excess of $5,000,000.

___ Other Accredited Investor
Any natural person or entity which qualifies as an accredited investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies, and I have no need for liquidity of my investment in the Investment Units, (ii) can bear the economic risk of losing the entire amount of my investment in Investment Units, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment.

(b) The address set forth below is my correct residence, and I have no present intention of becoming a resident of any other state or jurisdiction.

(c) I have ___, have not _X_, utilized the services of a "Purchaser Representative" (as defined in Regulation D promulgated under the Securities Act).

(d) I have received and read, and am familiar with the Offering Memorandum. All documents, records and books pertaining to the Company and the Investment Units requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or

delivered to me.

(e) I have had an opportunity to ask questions of and receive answers from the Company's President and its representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Investment Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed to act as the Advisor to one or more REIT's and/or Funds. The Company has a limited history of operations, and there can be no assurance that the Company will be successful in obtaining adequate funds or establishing profitable operations. If any principal amount of Investment Units is sold, the Company will have immediate use of my funds, and Proceeds of this offering may not be sufficient for the Company's long-term needs.

(g) I further understand that the Company's sole business will be to act as the Advisor to one or more REIT's and/or Funds, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering.

(h) Other than as set forth in the Offering, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering and I am purchasing the Investment Units based solely upon my own investigation and evaluation.

(i) I understand that no Investment Units have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions. Unless my Investment Units are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Investment Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The Investment Units for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Investment Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Investment Units by anyone but me.

(k) I am aware of the following:

(i) The Investment Units are a speculative investment that involves a high degree of risk;

(ii) My interest in the Investment Units is not readily transferable; it may not be possible for me to liquidate my investment;

(iii) No financial statements of the Company have been compiled, reviewed or audited by independent certified public accountants, but have merely been prepared by management of the Company; and

(iv) No federal or state agency has made any finding or determination as to the fairness of the Investment Units for investment nor any recommendation or endorsement of the Investment Units.

(l) Except as set forth in the Offering, no person has ever represented, guaranteed, or warranted to me expressly or by implication, the approximate or exact length of time that I will be required to hold the Investment Units.

(m) I agree to indemnify the Company, and hold the Company harmless from and against any and all liability, damage, cost or expense incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) Any disposition of any of the Investment Units by me which is contrary to the foregoing declarations, representations and warranties; and

(iii) Any action, suit or proceeding based upon (A) the claim that such declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (B) the disposition of any of the Investment Units.

The foregoing representations and warranties are true as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of that fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefore.

3. Transferability. I understand that I may sell or otherwise transfer my Investment Units only: (a) in compliance with paragraph E of Rule 140; (b) if registered under the Securities Act; or (c) with the favorable opinion of counsel to the Company to the effect that such sale or other transfer may be made in the absence of registration under the Securities Act. I have no right to cause the Company to register the Investment Units. Any certificates or other documents representing my Investment Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this **Investor Questionnaire and Subscription Agreement**, and stop transfer instructions will apply to my Investment Units.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 above, and I will indemnify and hold harmless the Company, its officers, directors and representatives involved in the offer or sale of the Investment Units to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Investor Questionnaire and Subscription Agreement.

5. No Revocation. I will not cancel, terminate or revoke this **Investor Questionnaire and Subscription Agreement**, and this **Investor Questionnaire and Subscription Agreement** shall survive my death or disability.

6. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this **Investor Questionnaire and Subscription Agreement** shall be null and void, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this **Investor Questionnaire and Subscription Agreement**.

7. Miscellaneous.

(a) This **Investor Questionnaire and Subscription Agreement** shall be governed by and construed in accordance with the substantive law of the State of Arizona.

(b) This **Investor Questionnaire and Subscription Agreement** constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and may be amended only by a writing executed by all parties.

ACC000873
FILE #8503

Kae

8. Ownership Information. Please print here the total principal amount of Investment Units to be purchased, and the exact name(s) in which the Investment Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ 25,000.00

NAME(S): 1) CAROLIN GROUP, LLC

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Ownership shall be taken in the Investment Units as follows:

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)
_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or Other Organization
_____ A Partnership
_____ Trust
_____ IRA
X Tax-Qualified Retirement Plan

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

_____ Other: _____
(Please Explain)

RESIDENCE ADDRESS:

[redacted]
Street Address

[redacted] AZ [redacted]
City State Zip

MAILING ADDRESS: (Complete only if different from residence)

[redacted]
Street Address (If P.O. Box, include address for surface delivery if different than residence)

[redacted] AZ [redacted]
City State Zip

PHONE: Home: [redacted]

Business: [redacted] cell [redacted]

Facsimile: [redacted]

Date and Signatures.

Dated JULY 14, 2013

Purchaser(s) Signatures: Purchaser Name: (Print)

KATHLEEN A CAROLIN

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: President

DATED: 7.30, 2013