ORIGINAL

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 #: S 35 - 99

Part 2 of 3

For part 1, see barcode 0000170810
For part 3, see barcode 0000170816

State

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

Doc# 17

USA BARCELONA REALTY ADVISORS, L.L.C.

1,000,000 Series B 10-5-10 Notes
Minimum Purchase of One Note ($50,000)

This is copy no. _____ of the Private Placement Memorandum dated January 1, 2014.

The following Subscription Documents are for the use of investors interested in subscribing for Series B 10-5-10 Notes 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 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 Series B 10-5-10 Notes 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 Questionnaire, Subscription Agreement and Warrant with the same instrument. Your initials reflect the fact that you have read and understand the Series B 10-5-10 Notes Questionnaire, Subscription Agreement and Warrant, particularly the Representations and Warranties in Paragraph 2.

✓ D. DATE and SIGN the Questionnaire and Subscription Agreement on page __. If the Series B 10-5-10 Note(s) will be registered in joint ownership, such as husband and wife, both must sign.

E. SIGN the Warrant on page ___. If the Series B 10-5-10 Notes will be registered in joint ownership, such as husband and wife, both must sign the Warrant.

___ 2. **DELIVER** all documents TOGETHER WITH PAYMENT (if made by a certified, cashier's check: make payable to USA BARCELONA REALTY ADVISORS) in the amount of the cash purchase price for SERIES B 10-5-10 NOTES being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Investor Relations Department
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

Payment may be made by bank wire. See instructions contained in the Subscription Agreement package.

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

(i) A copy of your accepted Questionnaire and Subscription Agreement which evidences your ownership of 2 Series B 10-5-10 Notes.

(ii) An executed Series B 10-5-10 Note from the Company in the amount of $ 100,000 ;

EXHIBIT
S-35
ADMITTED

Harkins EXHIBIT 3
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ACC000990
FILE #8503

PS

USA BARCELONA REALTY ADVISORS, L.L.C.

SERIES B 10-5-10 NOTE
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 Series B 10-5-10 Notes 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. **SERIES B 10-5-10 NOTES WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE SERIES B 10-5-10 NOTES 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 Series B 10-5-10 Notes. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Series B 10-5-10 Notes 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.

___ 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes, (ii) can bear the economic risk of losing the entire amount of my investment in Series B 10-5-10 Notes, 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes based solely upon my own investigation and evaluation.

(i) I understand that no Series B 10-5-10 Notes 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 Series B 10-5-10 Notes are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Series B 10-5-10 Notes only to Accredited Investors or pursuant to an exemption from registration.

(j) The Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Series B 10-5-10 Notes by anyone but me.

(k) I am aware of the following:

(i) The Series B 10-5-10 Notes are a speculative investment that involves a high degree of risk;

(ii) My interest in the Series B 10-5-10 Notes 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 Series B 10-5-10 Notes for investment nor any recommendation or endorsement of the Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes. Any certificates or other documents representing my Series B 10-5-10 Notes will be contain a restrictive legend

PS

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 Series B 10-5-10 Notes.

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to be purchased, and the exact name(s) in which the Series B 10-5-10 Notes will be registered:

TOTAL PRINCIPAL AMOUNT: $ 100,000.00

NAME(S): 1) jpstewartenterprises LLC

2) _____

SOCIAL SECURITY #(S): 1) [redacted] Pam Stewart

2) [redacted] Joe Stewart

PS

Ownership shall be taken in the Series B 10-5-10 Notes 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)

same
Street Address (If P.O. Box, include address for surface delivery if different than residence)

City State Zip

PHONE: Home: [redacted]

Business: (____) _____

Facsimile: (____) _____

fs

9. Date and Signatures.

Dated 3/20, 2014.

Purchaser Signatures:	Purchaser Name: (Print)
Pam Stewart	Pam Stewart
Joe Stewart	Joe Stewart

(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: April 3, 2014

ACC000996
FILE #8503

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

DR# 16

USA BARCELONA REALTY ADVISORS, L.L.C.

1,000,000 Series B 10-5-10 Notes
Minimum Purchase of One Note ($50,000)

This is copy no. 138 of the Private Placement Memorandum dated January 1, 2014.

The following Subscription Documents are for the use of investors interested in subscribing for Series B 10-5-10 Notes of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective investors should do all of the following:

Check as each step is completed

Initial

1. **COMPLETE** the 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 Series B 10-5-10 Notes 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 Questionnaire, Subscription Agreement and Warrant with the same instrument. Your initials reflect the fact that you have read and understand the Series B 10-5-10 Notes Questionnaire, Subscription Agreement and Warrant, particularly the Representations and Warranties in Paragraph 2.

   D. DATE and SIGN the Questionnaire and Subscription Agreement on page __. If the Series B 10-5-10 Note(s) will be registered in joint ownership, such as husband and wife, both must sign.

   E. SIGN the Warrant on page ___. If the Series B 10-5-10 Notes will be registered in joint ownership, such as husband and wife, both must sign the Warrant.

2. **DELIVER** all documents TOGETHER WITH PAYMENT (if made by a certified, cashier's check: make payable to USA BARCELONA REALTY ADVISORS) in the amount of the cash purchase price for SERIES B 10-5-10 NOTES being purchased, to:

   USA Barcelona Realty Advisors, LLC.
   Attention: Investor Relations Department
   7025 N. Scottsdale Road, Suite 160
   Scottsdale, Arizona 85253
   Company telephone number is 480-625-4355

Payment may be made by bank wire. See instructions contained in the Subscription Agreement package.

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

   (i) A copy of your accepted Questionnaire and Subscription Agreement which evidences your ownership of 1 Series B 10-5-10 Notes.

   (ii) An executed Series B 10-5-10 Note from the Company in the amount of $ 50,000.00

EXHIBIT S-36 ADMITTED

ACC000980
FILE #8503

HARKINS EXHIBIT 4
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

USA BARCELONA REALTY ADVISORS, L.L.C.

SERIES B 10-5-10 NOTE
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

initial

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 Series B 10-5-10 Notes 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. **SERIES B 10-5-10 NOTES WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE SERIES B 10-5-10 NOTES 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 Series B 10-5-10 Notes. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Series B 10-5-10 Notes 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:

initial

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes, (ii) can bear the economic risk of losing the entire amount of my investment in Series B 10-5-10 Notes, 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes based solely upon my own investigation and evaluation.

(i) I understand that no Series B 10-5-10 Notes 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 Series B 10-5-10 Notes are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Series B 10-5-10 Notes only to Accredited Investors or pursuant to an exemption from registration.

(j) The Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Series B 10-5-10 Notes by anyone but me.

(k) I am aware of the following:

(i) The Series B 10-5-10 Notes are a speculative investment that involves a high degree of risk;

(ii) My interest in the Series B 10-5-10 Notes 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 Series B 10-5-10 Notes for investment nor any recommendation or endorsement of the Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes. Any certificates or other documents representing my Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

Ownership shall be taken in the Series B 10-5-10 Notes as follows:

initial

_____ 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 VANTAGE

(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: (____) _____

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to be purchased, and the exact name(s) in which the Series B 10-5-10 Notes will be registered:

TOTAL PRINCIPAL AMOUNT: $ 50,000.00

NAME(S): 1) Richard D'Andrade

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Initial _____

9. Date and Signatures.

Dated 4/5, 2014.

Purchaser Signatures: Purchaser Name: (Print)

Richard E Andrade — Richard ANDRADE

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

JSA BARCELONA REALTY ADVISORS, L.L.C.

By:

Its: COO

DATED: 4/8, 2014

Buyer not approved

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 One (1) Investment Unit thereby Payee is acquiring One (1) Series A 12-6-12 Note.

FOR VALUE RECEIVED, BARCELONA ADMINISTRATION COMPANY, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Kelly E. Bair ("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 Twenty Thousand Dollars ($20,000), 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 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;

   b. Year 1 Bonus Interest feature of the Note is a one-time payment in the amount of 6% of the Note amount and is due 12-31-2013.

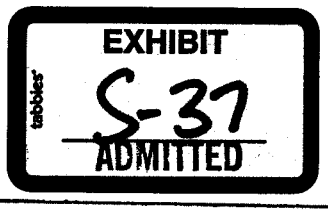
   c. Year 2 Bonus Interest feature of the Note is a one-time payment in the amount of 12% of the Note amount and is due 12-31-2014.

   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.



Harkins EXHIBIT 5
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

FILE #8503
ACC0009O7

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.

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.

S/L 10.30.12 mailed this date

By: Richard C. Harkins

Its: Manager

Dated: October 26, 2012

Address:

[redacted] Arizona [redacted]

ADDRESS OF PAYEE:

Ms. Kelly Bair

[redacted]

[redacted] AZ [redacted]

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 one Investment Unit thereby Payee is acquiring one 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 Rodney and Melissa Eaves ("Payee"), at address of Payee, or at such other place as the holder may from time to time designate, the principal sum of Two Hundred Fifty Thousand Dollars ($250,000), 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

EXHIBIT S-38 ADMITTED

Harkins EXHIBIT 6
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

"ORIGINAL"

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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: Richard C. Harkins

Its: Manager

Dated: March 11, 2013

Address Of Maker:

[redacted]
[redacted] Arizona [redacted]

Address Of Payee:

[redacted]
[redacted], AZ [redacted]

COPY

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire 1/5th of an Investment Unit thereby Payee is acquiring 1/5th of a Series A 12-6-12 Note. (15 units)

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Roberta L. Burleson ("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 Fifty Thousand Dollars ($50,000.00), 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.**

(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 President 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

EXHIBIT
S-39
ADMITTED

ACC000896
FILE #8503

Harris EXHIBIT 7
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: S|L

Its: _____

Dated: 5/30/13

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire 1/10th of an Investment Unit thereby Payee is acquiring 1/10th of a Series A 12-6-12 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Kathleen A. Carolin ("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 Twenty Five Thousand Dollars ($25.000.00), 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.**

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

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

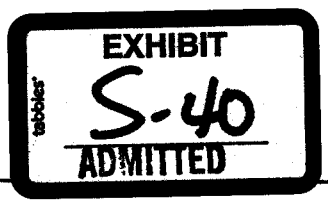
(d) **Principal, any earned and unpaid interest shall be paid on or before 12-31-2014 (the "Note Term Date"). The principal amount of the Note may be paid at any time prior to the Note Term Date, either in whole or in part, without penalty, at which time all interest due to the date of said principal 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 President 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



Harkins EXHIBIT 8
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: S/L

Dated: 6-30-13

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire 4/10th of an Investment Unit thereby Payee is acquiring 4/10th of a Series A 12-6-12 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Richard J. and Sharon F. Woods ("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 One Hundred Thousand Dollars ($100,000.00), 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.

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

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

Harkins EXHIBIT 9
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: Manager

Dated: 7/2/13

ADDRESS:

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

ADDRESS OF PAYEE:

[redacted]
[redacted] Arizona [redacted]

COPY

PROMISSORY NOTE

$250,000

Scottsdale, Arizona
July 12, 2013

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker"), promises to pay to the order of Rodney Eaves and Melissa Eaves ("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 Two Hundred and Fifty Thousand Dollars ($250,000) (the "Principal Balance"), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below). This Note is referred to in the Loan and Investment Agreement, dated as of the date hereof, between Maker and Payee, the terms, conditions and provisions of which are hereby incorporated by reference.

1. Payments and Interest Rate. The Note will earn interest at a twelve percent (12%) annual interest rate. Interest will accrue from the date of issuance, and shall be paid by Maker as follows:

(a) **Accrued interest quarterly and which interest shall be based on a 12% annual rate; however, the initial interest payment shall be due and payable on 9-30-2013 with interest due and payable quarterly thereafter through the term date of the Note.**

(b) **Bonus interest payment in an amount equal to 6% of the original Principal Balance to be paid on 12-31-13;**

(c) **Bonus interest payment in an amount equal to 12% of the original Principal Balance to be paid on 12-31-2014; and**

(d) **Principal and any earned and unpaid interest on or before 12-31-2014 (the "Note Term Date"). The unpaid 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 unpaid principal payment, shall be due and payable; and, any such principal payment whether in whole or in part shall not reduce or eliminate the Bonus interest payments due under 1(b) and 1(c) above.**

2. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an event of default (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. Corporate Liability Only. No recourse shall be had for the payment of principal or interest on this Note, or for any claim based on this Note, against any member or officer 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 Note, jointly and severally agree to pay all reasonable costs incurred in connection with the collection of the amounts due and owing under this Note, including reasonable attorneys' fees.

5. Governing Law and Severability. This 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 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 Note.

6. Time of Essence. Time is of the essence of this Note.

NOT PRO RATED for date of entry

Hawkins EXHIBIT 10
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

EXHIBIT
S-42
ADMITTED

7. Notices. All notices under this 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. Modification. This Note may not be modified orally and any modification, amendment or waiver shall be in writing signed by Maker and Payee and Maker and Payee waive any common law right to orally modify this Note.

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: President

Dated: 7/12/13

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

Rodney and Melissa Eaves

[redacted] AZ [redacted]

COPY

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire 1/10th of an Investment Unit thereby Payee is acquiring1/10th of a Series A 12-6-12 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Kathleen A. Carolin ("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 Twenty Five Thousand Dollars ($25,000.00), 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.**

(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 President 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

EXHIBIT
tabbies
S.43
ADMITTED

ACC000876
FILE #8503

Harris EXHIBIT 11
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: S/L

Its: _____

Dated: 7.30.13

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

COPY

USA BARCELONA REALTY ADVISORS, L.L.C.

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Robert J. Kerrigan ("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 Seventy Thousand Dollars ($70,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The 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) **Principal and any earned and unpaid interest shall be paid from proceeds received by Maker from new investors in the Maker's Series A 12-6-12 Note Offering.**

(b) **The Note Term Date is the following business day following deposits in Maker's Johnson Bank account of new investments totaling the Note amount of $70,000.00.**

2. Default. The failure by Maker to pay principal and interest due under this 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 Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President 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 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 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This 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 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 Note.

6. Time of Essence. Time is of the essence of this Note.

7. Notices. All notices under this 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 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 Note.

EXHIBIT S-44 ADMITTED

Harkins EXHIBIT 12
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ACC000955
FILE #8503

10-1-13

COPY

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: Pres. Dent

Dated: 10-1-2013

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

[redacted], Arizona [redacted]

ORIGINAL

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire 2/10ths of an Investment Unit thereby Payee is acquiring 2/10ths of a Series A 12-6-12 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Cheyenne Kassie, LLC ("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 Fifty Thousand Dollars ($50,000.00), 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.**

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

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

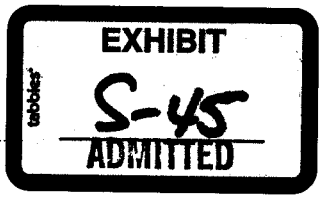
(d) **Principal, any earned and unpaid interest shall be paid on or before 12-31-2014 (the "Note Term Date"). The principal amount of the Note may be paid at any time prior to the Note Term Date, either in whole or in part, without penalty, at which time all interest due to the date of said principal 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 President 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



ACC000867
FILE #8503

Harkins EXHIBIT 13
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ORIGINAL

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: President

Dated: 10.4.2013

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

% William T. Jordan

[redacted]

[redacted] AZ [redacted]

Date: ?
10/2 or
when check
clears ?

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

Series A 12-6-12 Note
PROMISSORY NOTE

This Series A 12-6-12 Note in concert with Class B Units in USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire 4/10th of an Investment Units thereby Payee is acquiring 4/10th of a Series A 12-6-12 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of RJR Group, LLC, % of Ridick J. Ramirez ("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 One Hundred Thousand Dollars ($100,000), 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.**

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

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

EXHIBIT S-46 ADMITTED

ACC000858
FILE #8503

Harris EXHIBIT 14
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its: President

Dated: _____

Address:

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

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

COPY

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013, to which Payee subscribed to acquire One Fifth (1/5th) of an Investment Unit thereby Payee is acquiring One Fifth (1/5th) of a Series A 12-6-12 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Nancy Chalmson Revocable Trust ("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 Fifty Thousand Dollars ($50,000.00), 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.**

(b) **A Year 1 Bonus Interest payment in the amount of 6% of the Note amount shall be prorated as of the date of the Note and paid on 12-31-2013;**

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

EXHIBIT
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S-47
ADMITTED

ACC000847
FILE #8503

Harkins EXHIBIT 15
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series A 12-6-12 Note.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: S/C Rest

Its: President

Dated: 11.25.13

Address:

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

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

Series B 10-5-10 Note
PROMISSORY NOTE

This Series B 10-5-10 Note(s) in USA Barcelona Realty Advisors, LLC has been acquired under the Private Placement Offering Memorandum dated January 1, 2014, to which Payee subscribed to acquire Two (2) Series B 10-5-10 Notes.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of JPEnterprises, LLC, % Joe and Pam Stewart ("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 One Hundred Thousand Dollars ($100,000), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Series B 10-5-10 Note will earn interest at a ten percent (10%) 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 10% annual rate; however, the initial interest payment shall be due and payable on 6-30-2014 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 5% of the Note amount, and prorated based on the date of the Note, shall be paid on 12-31-2014;

(c) A Year 2 Bonus Interest payment in an amount equal to 10% of the Note amount, and prorated based on the date of the Note, shall be payable on 12-31-2015; and,

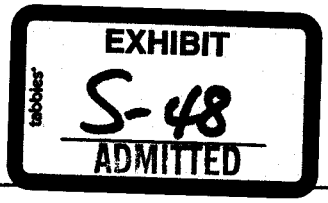
(d) Principal, any earned and unpaid Interest shall be paid on or before 12-31-2015 (the "Note Term Date"). The principal amount of the Note may be paid at any time prior to the Note Term Date, either in whole or in part, without penalty, at which time all interest due to the date of said principal payment, shall be due and payable. Any principal reduction payments made on the Series B 10-5-10 Note must be made on a pro rata basis to all holders of the Series B 10-5-10 Note.

2. Default. The failure by Maker to pay principal and interest due under this Series B 10-5-10 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 B 10-5-10 Note for any purpose whether or not this Series B 10-5-10 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 B 10-5-10 Note, or for any claim based on this Series B 10-5-10 Note, against any Member or President 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 B 10-5-10 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 B 10-5-10 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This Series B 10-5-10 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 B 10-5-10 Note is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such determination



Harkins EXHIBIT 16
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series B 10-5-10 Note.

6. Time of Essence. Time is of the essence of this Series B 10-5-10 Note.

7. Notices. All notices under this Series B 10-5-10 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 B 10-5-10 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 B 10-5-10 Note.

IN WITNESS WHEREOF, Maker has executed this Series B 10-5-10 Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its:_____

Dated: April 3, 2014

Address:

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

ADDRESS OF PAYEE:

JPEnterprises, LLC

% Joe and Pam Stewart

[redacted] Arizona [redacted]

USA BARCELONA REALTY ADVISORS, L.L.C.

Series B 10-5-10 Note
PROMISSORY NOTE

This Series B 10-5-10 Note in USA Barcelona Realty Advisors, LLC has been acquired under the Private Placement Offering Memorandum dated January 1, 2014, to which Payee subscribed to acquire One (1) Series B 10-5-10 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Richard E. Andrade ("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 Fifty Thousand Dollars ($50,000), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Series B 10-5-10 Note will earn interest at a ten percent (10%) 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 10% annual rate; however, the initial interest payment shall be due and payable on 6-30-2014 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 5% of the Note amount, and prorated based on the date of the Note, shall be paid on 12-31-2014;

(c) A Year 2 Bonus Interest payment in an amount equal to 10% of the Note amount, and prorated based on the date of the Note, shall be payable on 12-31-2015; and,

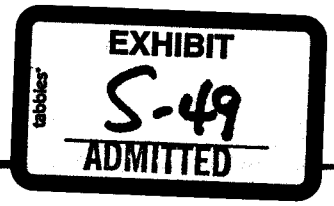
(d) Principal, any earned and unpaid Interest shall be paid on or before 12-31-2015 (the "Note Term Date"). The principal amount of the Note may be paid at any time prior to the Note Term Date, either in whole or in part, without penalty, at which time all interest due to the date of said principal payment, shall be due and payable. Any principal reduction payments made on the Series B 10-5-10 Note must be made on a pro rata basis to all holders of the Series B 10-5-10 Note.

2. Default. The failure by Maker to pay principal and interest due under this Series B 10-5-10 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 B 10-5-10 Note for any purpose whether or not this Series B 10-5-10 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 B 10-5-10 Note, or for any claim based on this Series B 10-5-10 Note, against any Member or President 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 B 10-5-10 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 B 10-5-10 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This Series B 10-5-10 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 B 10-5-10 Note is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such determination



ACC005406
FILE #8503

Harkins EXHIBIT 17
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series B 10-5-10 Note.

6. Time of Essence. Time is of the essence of this Series B 10-5-10 Note.

7. Notices. All notices under this Series B 10-5-10 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 B 10-5-10 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 B 10-5-10 Note.

IN WITNESS WHEREOF, Maker has executed this Series B 10-5-10 Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: _____

Its: _____

Dated: April 5, 2014

Address:

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

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

Series B 10-5-10 Note
PROMISSORY NOTE

This Series B 10-5-10 Note in USA Barcelona Realty Advisors, LLC has been acquired under the Private Placement Offering Memorandum dated January 1, 2014, to which Payee subscribed to acquire One (1) Series B 10-5-10 Note.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Richard E. Andrade ("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 Fifty Thousand Dollars ($50,000), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Series B 10-5-10 Note will earn interest at a ten percent (10%) 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 10% annual rate; however, the initial interest payment shall be due and payable on 6-30-2014 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 5% of the Note amount, and prorated based on the date of the Note, shall be paid on 12-31-2014;

(c) A Year 2 Bonus Interest payment in an amount equal to 10% of the Note amount, and prorated based on the date of the Note, shall be payable on 12-31-2015; and,

(d) Principal, any earned and unpaid Interest shall be paid on or before 12-31-2015 (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 B 10-5-10 Note must be made on a pro rata basis to all holders of the Series B 10-5-10 Note.

2. Default. The failure by Maker to pay principal and interest due under this Series B 10-5-10 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 B 10-5-10 Note for any purpose whether or not this Series B 10-5-10 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 B 10-5-10 Note, or for any claim based on this Series B 10-5-10 Note, against any Member or President 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 B 10-5-10 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 B 10-5-10 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This Series B 10-5-10 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 B 10-5-10 Note is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such determination

ACC000987
FILE #8503

Harkins EXHIBIT 18
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

shall affect only those provisions so construed or interpreted and shall not affect the remaining provisions of the Series B 10-5-10 Note.

6. Time of Essence. Time is of the essence of this Series B 10-5-10 Note.

7. Notices. All notices under this Series B 10-5-10 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 B 10-5-10 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 B 10-5-10 Note.

IN WITNESS WHEREOF, Maker has executed this Series B 10-5-10 Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its:_____

Dated: April 5, 2014

Address:

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

ADDRESS OF PAYEE:

[redacted] AZ [redacted]

USA BARCELONA REALTY ADVISORS, L.L.C.

ORIGINAL

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Richard E. Andrade ("Payee"), at the mailing address of Payees, or at such other place as the holder may from time to time designate, the principal sum of Five Thousand Dollars ($5,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Note will earn interest at a ten percent (10%) annual interest rate. Interest will accrue from the date of issuance. Principal and interest shall be due and payable on September 16, 2014. 30 day extensions will be granted upon agreement of the Parties. A Bonus interest payment of 3% of the loan amount ($150) will also be due and payable on the due date.

2. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payees may exercise any and all rights and remedies available at law or in equity.

3. Owner; Corporate Liability Only. The Maker may treat the Payees as the owner of this Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President 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 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 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This 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 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 Note.

6. Time of Essence. Time is of the essence of this Note.

7. Notices. All notices under this 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 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 Note.

ACC005408
FILE #8503

Harkins EXHIBIT 19
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ORIGINAL

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: Richard C Harkins

Its: President

Dated: June 16, 2014

Address:

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

ADDRESS OF PAYEE:

[redacted]
[redacted], AZ [redacted]

ACC005409
FILE #8503

Doc 19 I

$5K Andrade Copy

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Richard E. Andrade ("Payee"), at the mailing address of Payees, or at such other place as the holder may from time to time designate, the principal sum of Five Thousand Dollars ($5,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Note will earn interest at a ten percent (10%) annual interest rate. Interest will accrue from the date of issuance. Principal and interest shall be due and payable on September 16, 2014. 30 day extensions will be granted upon agreement of the Parties. A Bonus interest payment of 3% of the loan amount ($150) will also be due and payable on the due date.

2. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payees may exercise any and all rights and remedies available at law or in equity.

3. Owner; Corporate Liability Only. The Maker may treat the Payees as the owner of this Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President 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 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 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This 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 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 Note.

6. Time of Essence. Time is of the essence of this Note.

7. Notices. All notices under this 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 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 Note.

EXHIBIT
S-52
ADMITTED

ACC000949
FILE #8503

Harkins EXHIBIT 20
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

COPY

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: Richard C Harkins

Its: President

Dated: June 16, 2014

Address:

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

ADDRESS OF PAYEE:

[redacted]
[redacted] AZ [redacted]

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Rodney and Melissa Eaves ("Payees"), at the mailing address of Payees, or at such other place as the holder may from time to time designate, the principal sum of One hundred Twenty Five Thousand Dollars ($125,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Note will earn interest at a twelve percent (12%) annual interest rate. Interest will accrue from the date of issuance. Principal and interest shall be due and payable on March 31, 2014.

2. Additional Consideration – Maker shall grant to Payees Class A Member Unit options ("Options") for 250,000 Class A Member Units. The Options shall be issued on January 31, 2014 and shall be fully vested as of that date.

3. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payees may exercise any and all rights and remedies available at law or in equity.

4. Owner; Corporate Liability Only. The Maker may treat the Payees as the owner of this Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President of the Maker.

5. Attorneys' Fees. Maker, any endorsers, guarantors, sureties, or accommodation parties, and all other persons liable or to become liable on this 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 Note, including attorneys' fees and all costs.

6. Governing Law and Severability. This 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 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 Note.

7. Time of Essence. Time is of the essence of this Note.

8. Notices. All notices under this 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.

9. 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 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 Note.

EXHIBIT S-53 ADMITTED

Harkins EXHIBIT 21
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By: Richard C Harkins

Its: President

Dated: December 30, 2013

Address:

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

ADDRESS OF PAYEES:

[redacted] Arizona

Stat

DR#(1)

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Rodney and Melissa Eaves ("Payees"), at the mailing address of Payees, or at such other place as the holder may from time to time designate, the principal sum of One hundred Twenty Five Thousand Dollars ($125,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Note will earn interest at a twelve percent (12%) annual interest rate. Interest will accrue from the date of issuance. Principal and interest shall be due and payable on May 31, 2014.

2. Additional Consideration – Maker shall grant to Payees Class A Member Unit options ("Options") for 250,000 Class A Member Units. The Options shall be issued on March 31, 2014 and shall be fully vested as of that date.

3. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payees may exercise any and all rights and remedies available at law or in equity.

4. Owner; Corporate Liability Only. The Maker may treat the Payees as the owner of this Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President of the Maker.

5. Attorneys' Fees. Maker, any endorsers, guarantors, sureties, or accommodation parties, and all other persons liable or to become liable on this 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 Note, including attorneys' fees and all costs.

6. Governing Law and Severability. This 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 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 Note.

7. Time of Essence. Time is of the essence of this Note.

8. Notices. All notices under this 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.

9. 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 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 Note.

EXHIBIT
tabbies
S-54
ADMITTED

Harris EXHIBIT 22
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

S/L Rich

By: Richard C Harkins

Its: President

Dated: February 28, 2014

Address:

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

ADDRESS OF PAYEES:

[redacted] Arizona

DF # 14

State COPY

USA BARCELONA REALTY ADVISORS, L.L.C.

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Rodney L. Eaves ("Payee"), at the mailing address of Payees, or at such other place as the holder may from time to time designate, the principal sum of Fifteen Thousand Dollars ($15,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Note will earn interest at an eight percent (8%) annual interest rate. Interest will accrue from the date of issuance. Principal and interest shall be due and payable on October 14, 2014. 30 day extensions will be granted upon agreement of the Parties.

2. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payees may exercise any and all rights and remedies available at law or in equity.

3. Owner; Corporate Liability Only. The Maker may treat the Payees as the owner of this Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President 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 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 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This 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 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 Note.

6. Time of Essence. Time is of the essence of this Note.

7. Notices. All notices under this 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 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 Note.

Harkins EXHIBIT 23
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ACC000976
FILE #8503

EXHIBIT
S-55
ADMITTED

COPY

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

_____

By: Richard C Harkins

Its: President

Dated: July 14, 2014

Address:

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

ADDRESS OF PAYEE:

[redacted] Arizona [redacted]

USA BARCELONA REALTY ADVISORS, L.L.C.

COPY

PROMISSORY NOTE

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, L.L.C., an Arizona limited liability company ("Maker") promises to pay to the order of Rodney L. Eaves ("Payee"), at the mailing address of Payees, or at such other place as the holder may from time to time designate, the principal sum of Fifteen Thousand Dollars ($15,000.00), together with interest on the unpaid amount of such sum at the Interest Rate (as defined below).

1. Payments and Interest Rate - The Note will earn interest at a ten percent (10%) annual interest rate. Interest will accrue from the date of issuance. Principal and Interest shall be due and payable on August 15, 2014. 30 day extensions will be granted upon agreement of the Parties.

2. Default. The failure by Maker to pay principal and interest due under this Note in accordance with its terms shall constitute an Event of Default. Upon the occurrence of any Event of Default, the Payees may exercise any and all rights and remedies available at law or in equity.

3. Owner; Corporate Liability Only. The Maker may treat the Payees as the owner of this Note for any purpose whether or not this 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 Note, or for any claim based on this Note, against any Member or President 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 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 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This 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 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 Note.

6. Time of Essence. Time is of the essence of this Note.

7. Notices. All notices under this 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 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 Note.

EXHIBIT
S-56
ADMITTED

ACC000978
FILE #8503

Harkins EXHIBIT 24
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

IN WITNESS WHEREOF, Maker has executed this Note as of the date set forth below.

COPY

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

C/L dcf 8.5.14

By: Richard C Harkins

Its: President

Dated: August 1, 2014

Address:

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

ADDRESS OF PAYEE:

[redacted]

[redacted] Arizona [redacted]

Exit H

USA Barcelona
Realty Advisors

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

USA Barcelona Realty Advisors

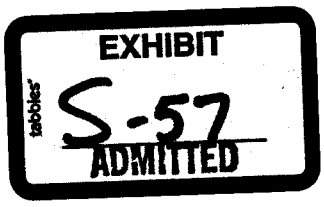
$1,000,000

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 One Class B Member Unit

OFFERED ONLY TO:
ACCREDITED INVESTORS

October 18, 2012
1st Amendment - February 1, 2013
2nd Amendment - April 29, 2013



This is copy no. _____ of the PPM

ACC000724
FILE #8503

Harkins EXHIBIT 25
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

USA Barcelona Realty Advisors

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 one Class B Unit

This Offering is being made to provide USA Barcelona Realty Advisors, LLC. ("USA BRA", "Company", "us", "we") with working capital to fund the organization stage expenses of USA Barcelona Realty , Inc. ("USA BR") 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 Executive Members, 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 President 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 AFFILIATES".

- ACCREDITED INVESTORS ONLY-

THE OFFERING EFFECTIVE DATE OF THE CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM IS OCTOBER 18, 2012 (1st Amended February 1, 2013, 2nd Amended April 29, 2013)

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(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 BR [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 Advisors ("USA BRA") for its organization period requirements and for the purchase, as applicable, of USA BR 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.

2nd Amendment to the Offering – significant changes in the Memorandum

1. As of April 29, 2013, one Class B Unit has been sold and one Class B Unit is reserved leaving two Class B Units available for purchase.
2. Page 10 – Chart of Forecast of Cost and Benefits of One Investment Unit ($250,000) – Annual 12% Interest paid Quarterly, for year 2013 – Q1, changed to zero; Total payments for 2013 changed to reflect no payment in first quarter.
3. Page 13 - Chart amended to reflect updated ownership of Class A Member Units; Kerrigan increased from 100 Class A Units to 200 Class A Units and reserves changed from 1,000 Class A Units to 900 Class A Units.
4. Page 13 – Distributions to Members – item (2); added "(prorated in 2013 based on the date of entry of the investment)."
5. Page 26 and 27 – Tom Lattin removed as an advisor to the Company.
6. Pages 8, 47, 48, 50, and 57 - Company address now 7025 N. Scottsdale Rd., Suite 160, Scottsdale, AZ 85253, Phone 480-253-4355.
7. Pages 58-81 – Exhibit B – Operating Agreement; Amended And Restated Operating Agreement Of USA Barcelona Realty Advisors, LLC. Significant changes incorporated in the Operating Agreement:
    a. Managing Member changed to President
    b. Voting on Major Decisions – page 65, section 6.1 – generally, voting on major decisions requires a majority among the four executive members and in the event of a continuing tie the President casts the tie breaking fifth vote thereby giving the President, who is also an executive member, two votes, as needed.
    c. Page 78 - List of Managers and Members added.
    d. Schedule 1, page 79 – Percentage Ownership chart added.
    e. Schedule 2, Form Of Joinder form added.
    f. Schedule 3 – Form Of Spousal Consent form added.
8. Exhibit C – Statement Of Financial Position, page 90, financial information added

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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 PRESIDENT, 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 PRESIDENT.

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 PRESIDENT 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 PRESIDENT, 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 PRESIDENT 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.

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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 USA Barcelona Realty Advisors, LLC, or otherwise. Marriott is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, LLC, or otherwise. Hilton is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, 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.

USA BARCELONA REALTY ADVISORS, LLC

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

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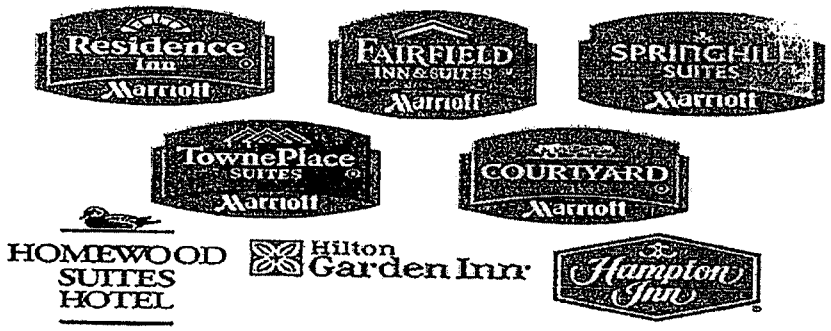

The Offering pertains to a $1,000,000 Offering comprised of four (4) Investment Units at $250,000 per Investment Unit. Each Investment Unit is comprised of One Series A 12-6-12 Note and one Class B Unit.

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 7025 N. Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. Its telephone number is 480-625-4355.

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. Only approved operators of the applicable hotel franchised brands will operate Fund hotels under hotel lease contracts or management contracts. Third-party management companies will manage Fund apartments under management agreements.
- The Company investment and operating platform for the Funds focuses on capital preservation, cash flow for payment of Dividends, Dividend growth and capital appreciation.

Business Plan Preparation and Introduction of USA Barcelona Realty 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 BR 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 BR 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 BR and some scheduled reimbursements*).
- We're now fully engaged in getting the USA BR Private Placement $70,000,000 stock offering completed and placed on the Fidelity Investments platform. (*The USA BR offering will be sold through a group of independent registered investment advisors 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 BR 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 the right management team?
  - ✓ Do we have a solid property plan?
  - ✓ Have we appropriately planned for USA BR'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 President as to the action to take regarding Major Decisions. Otherwise, our President manages the Company on a day to day basis. Richard Harkins, one of our Executive Members, is the Company President ("President"). 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 , Inc. ("USA BR") 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.

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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.

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

Benefits to One Investment Unit Based On Investment Made on May 1, 2013				2013 Q-1	2013 Q-2	2013 Q-3	2013 Q-4
Investment Amount		$	250,000				
Annual 12% Interest, paid Quarterly	1				$ 5,000	$ 7,500	$ 7,500
December 31, 2013 - 6% bonus interest	2						10,000
Priority Class B Member Distribution	5						8,333
Total Payments for 2013		$	38,333	$ -	$ 5,000	$ 7,500	$ 25,833

				2014 Q-1	2014 Q-2	2014 Q-3	2014 Q-4
Annual 12% 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 Distribution	5						12,500
Return On Principal	4						250,000
Total Payments for 2014		$	322,500	$ 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 6-30-2013. The second quarter payment is based on two thirds of a quarter.

*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. This payment is based on an investment period of 8 months.

*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 $8,333 in 2013 and $12,500 in 2014 and each year thereafter. 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 , 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 12-31-2013;**

(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.

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 Operating 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 Operating 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 Operating Agreement, or by non-waivable provisions of the Act, the President shall have complete authority and exclusive control to conduct any business on behalf of the Company in the sole and absolute discretion of the President 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 President. Richard Harkins is appointed by the Executive Members for an initial term as President expiring December 31, 2014. On an annual basis thereafter, our President shall be appointed by a majority vote of the Executive Members. Except as

may be otherwise expressly provided in the Operating Agreement, no Member, other than the President, 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 President and Duties of the President

As President of the Company, the President 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 Operating Agreement. The President shall devote such part of the President'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 Operating 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 four Executive Members. The President is appointed by the Executive Committee and oversees the day-to-day activities of the Company.

Fees to Affiliates

In addition to its participation in Distributions under Article III of the Operating Agreement, the Affiliates will receive additional compensation described below. The President shall in good faith, but at the sole cost and expense of the Company, use the President'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, including, but not limited to, the matters described below.

The President, 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 President 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 – Operating 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 President, 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 Operating Agreement. Other than the President, 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 Operating Agreement, 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

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any such increase or decrease. Our Initial President, appointed by the Executive Committee, is also one of our initial Executive Members and is a member of our Executive Committee. Our President may receive periodic bonuses as determined by our Executive Committee but otherwise is compensated under the President's compensation plan as stipulated in the Operating 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 President, 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 Second Amendment Date, the Class A Units are held as follows:

Class A Member Unit-holders	Units Held	Percentage Ownership of Class A Units
Richard Harkins	500	25.0%
George T. Simmons	300	15.0%
Robert Kerrigan	200	10.0%
Bruce Orr	100	5.0%
Reserved	900	45.0%
Class A Member Units Authorized for Issuance	2,000	100.0%

Distributions to Members

Distributions are specified in Article IV of the Operating 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 (prorated in 2013 based on the date of entry of the investment).

(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.

President Loans, Class A Members Loans and Additional Capital Contributions

The President has the obligation to make a best effort to arrange for loans based on the needs of the Company. The President 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 President nor any Class A Member is obligated to make additional Capital Contributions to the Company. (see Operating 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 Operating Agreement. (see Exhibit B, Operating Agreement).

Limitation Of Authority

The Executive Members have the exclusive right to approve all Major Decisions which will be carried out by our President. Our President 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

USA BRA 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 ("USA BR").

When formed and as planned, USA BR 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 and its Subsidiaries

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

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

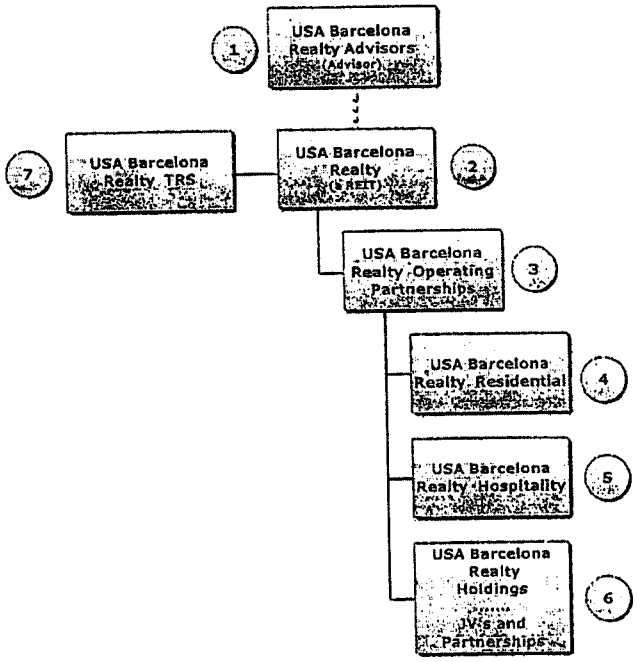
- USA Barcelona Realty Residential to hold our apartment communities,
- USA Barcelona Realty Hospitality to hold our hotels and

- USA Barcelona Realty 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 BR 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 BR would own a controlling interest in each Matched TRS.

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

1. USA Barcelona Realty Advisors ("USA BRA") – USA BRA is organized to be the Advisor to a series of Funds, including USA BR, and the administrator of each of the Funds subsidiaries and Affiliates.
2. **USA Barcelona Realty - USA BR is the initial Fund under USA Barcelona Realty Advisors' advisory. USA BR is making the Offering of Units described in this Memorandum, and plans to elect REIT status**
3. **USA Barcelona Realty Operating Partnership ("USA BR OP") – We intend to form USA BR OP as a wholly-owned Affiliate of USA BR. It will have three wholly-owned subsidiaries to hold our apartment and hotel acquisitions, joint ventures, partnership investments and loans. USA BR expects to be the general partner of USA BR OP and provide it with its equity capital through general partner capital contributions. If USA BR OP is a limited liability company USA BR will be its managing member.**



4. **USA Barcelona Realty 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 BR Residential's Single property LLCs would be the property owners and USA BR 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 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 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 BR Taxable REIT Subsidiary(s) ("USA BR TRSs") – REIT regulations do not allow a property REIT to directly manage certain types of properties, including hotels but not including apartment communities. However, 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 BR OP and then to USA BR, would constitute Good REIT Income to USA BR.

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 March, 2013, 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) 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.

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, Location and Improvements. Here are the definitions of these two categories as published by Pierce-Eislen:

Location

- 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 floor plans; 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 BR 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 full complement of guest amenities including restaurants, concierge and room service, porter service or valet parking.

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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 BR 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 USA BR. 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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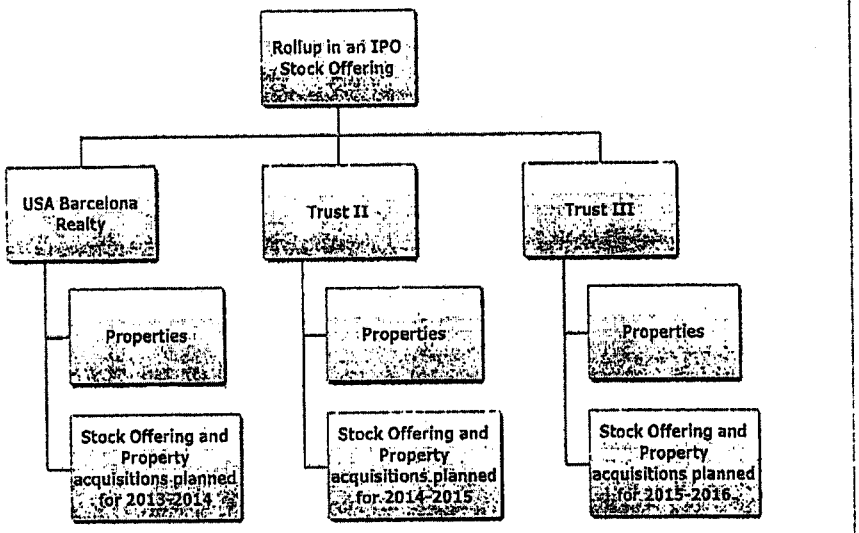
Funds' Dividends & Distributions

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 eleven to twelve Properties to be acquired by USA BR requiring approximately $210,000,000 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 USA BR 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 2019, we will strive to position USA BR and the Funds that follow USA BR, 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 President, 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 BR 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 BR 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.

Investment Portfolio - Hotel & Apartment Locations
Targeted Candidate Properties - as of March 2013

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, Homewood Suites and Home2 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. According to leading apartment and hotel industry experts, due to rising occupancy levels and rate

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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 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.

Property Portfolio Objectives

We primarily intend to invest in two asset classes of Properties - hotels and apartments, although we might consider other classes of income-producing properties. We intend to acquire Properties in the United States that we believe have the potential for long-term growth and income generation. We believe that our investment thesis is supported by demographic trends affecting consumer demand for the asset classes that are the focus of our investment strategy. 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 ("USA BR"), 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 BR to invest in twelve or more Properties. Subsequent Funds would have similar objectives but may raise more or less equity than we have planned for USA BR. 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.

We are a Manager managed company ("Manager Managed"). We have an Executive Committee comprised of four 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 President. Our President makes all decisions for the Company other than Major Decisions. Our President 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 President and Advisors to the Company.

Person	Position	Age	Affiliated With the Company Since
Richard Harkins	President and Executive Member	72	May, 2009
George T. Simmons	Executive Member	73	July, 2009
Robert Kerrigan	Executive Member	75	October 2012
Bruce Orr	Executive Member	51	April, 2010
Dawn Berry	Advisor	48	June, 2010
Allen Weintraub	Advisor	51	June, 2011
Steven Gold	Advisor	71	August, 2009
Not Used	na	na	na
Not Used	na	na	na
Not Used	na	na	na
Not Used	na	na	na
Not Used	na	na	na
Not Used	na	na	na
Not Used	na	na	na

MANAGEMENT AND ADVISORS

Richard Harkins – President 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 – Executive Member - 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 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 shareholder 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

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, 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.

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.

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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 President 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.

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.

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, USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors. From the reimbursement compensation received by USA Barcelona Realty Advisors under an Administration Agreement with a Fund, the Fund will reimburse USA Barcelona Realty Advisors 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
USA Barcelona Realty Advisors	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 USA BR for a Fund.
USA Barcelona Realty Advisors	Advances and reimbursements of overhead costs of USA Barcelona Realty Advisors.	Estimated to be an annual amount of .75% to 1.25% of the cost of properties acquired by a Fund, paid monthly.
USA Barcelona Realty Advisors	Reimbursement for certain deposits and costs incurred on our behalf.	Not estimable, but subject to the limits described below under "Reimbursements to USA Barcelona Realty Advisors".

Specific Amounts of Compensation Payable to USA Barcelona Realty Advisors

Except as otherwise indicated in the above table, the specific amounts of certain compensation or reimbursement payable by a Fund to USA Barcelona Realty Advisors are not now known and generally will depend upon factors determinable only at the time of payment. Compensation payable by our Funds to USA Barcelona Realty Advisors may be shared or allocated to our Affiliates. However, compensation and reimbursements which would exceed specified limits or ceilings cannot be recovered by USA Barcelona Realty Advisors through reclassification into a different category.

Administration Agreement between USA Barcelona Realty Advisors ("USA BRA") and its Funds

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

Reimbursements to USA Barcelona Realty Advisors

USA Barcelona Realty Advisors 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 USA BRA, although whenever possible the Funds and USA BRA will attempt to have costs incurred on a Fund's behalf to be charged to the Fund's taxable subsidiaries, rather than charged to USA BRA 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 USA BRA and payments made to third parties that are made by USA BRA on a Fund's behalf. These expenses will not include any amounts for overhead of USA BRA. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to USA BRA 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.

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 USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, 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.

The Company's Operating Agreement authorizes the Company to issue and sell up to $1,000,000 of Investment Units. (see "Exhibit B, Operating 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 President 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 Operating Agreement. ("Exhibit B – Operating 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.

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 "USA Barcelona Realty Advisors, 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 President 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 Operating Agreement (attached hereto as Exhibit B);
- ask questions of representatives of the President of the Company material to this investment;
- seek any other information from the President of the Company material to this investment which is in the possession or is reasonably available to the President;

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 Operating 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 **USA Barcelona Realty Advisors.**

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:

USA Barcelona Realty Advisors, LLC

7025 N. Scottsdale Road, Suite 160

Scottsdale, AZ 85253

480-625-4355

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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 USA Barcelona Realty Advisors calling for USA Barcelona Realty Advisors 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.

"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 USA Barcelona Realty Advisors, LLC.

"Operating 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 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 President" means the Company's first appointed President 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 President and it is the President who has this authority. Our Operating Agreement has specific rules and processes for the President to follow when managing the LLC. The President has a duty to act in the best interests of 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.

"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, 2010.

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

"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.
- 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.

"USA Barcelona Realty Advisors" and "USA BRA" means USA Barcelona Realty Advisors, LLC.

"USA BR" means USA Barcelona Realty.

"USA BR OP" means USA Barcelona Realty Operating Partnership.

"USA BR Residential" means USA Barcelona Realty Residential.

"USA BR Hospitality" means USA Barcelona Realty Hospitality.

"USA BR JV and Partnerships" means USA Barcelona Realty JV and Partnerships.

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"USA BR TRS" means USA Barcelona Realty Taxable REIT Subsidiary.

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

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

ADDITIONAL INFORMATION

Prospective Investors may review any materials available to the President 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

USA Barcelona Realty Advisors, LLC

7025 N. Scottsdale Road, Suite 160

Scottsdale, Arizona 85253

Phone: 480-625-4355 (for Offering information)

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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 __ 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 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 $_____;

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

___ $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 ___, 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: $ _____

NAME(S): 1) _____

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
_____ 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: (_____) _____

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:

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its:_____

DATED: _____, 201__

ACC000778
FILE #8503

ACC000779
FILE #8503

SPECIMEN DOCUMENT – NOT FOR EXECUTION

USA BARCELONA REALTY ADVISORS, 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 USA Barcelona Realty Advisors comprise an Investment Unit(s) that has been acquired under the Private Placement Offering Memorandum dated October 18, 2012 and 1st Amended February 1, 2013 and 2nd Amended April 29, 2013. to which Payee subscribed to acquire _____ Investment Units thereby Payee is acquiring _____ Series A 12-6-12 Notes.

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, 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 President 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.

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"

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its:_____

Dated: _____

Address:
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

ADDRESS OF PAYEE:

_____

_____

_____

AMENDED AND RESTATED OPERATING AGREEMENT OF USA BARCELONA REALTY ADVISORS, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") is made and entered into effective as of April 25, 2013 (the "Effective Date"), by and among **USA Barcelona Realty Advisors, LLC** (f/k/a Barcelona Administration Company, LLC), an Arizona limited liability Company (the "Company"), those Persons listed on Schedule 1 hereto, as the members of the Company, 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. This Agreement amends and restates in its entirety the Operating Agreement of the Company dated as of March 29, 2013.

ARTICLE I
FORMATION, NAME, PURPOSE

1.1 Formation. The Company was duly formed by the filing of the Articles of Organization (the "Articles") with the Arizona Corporation Commission under the Act on November 12, 2010. The Executive Committee shall cause articles of amendment to the Articles to be filed with the Arizona Corporation Commission from time to time.

1.2 Intent. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. It is also the intent of the Members 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 hereto.

1.3 Name. The name of the Company is USA Barcelona Realty Advisors, LLC. The Company's name was changed from Barcelona Administration Company, LLC to USA Barcelona Realty Advisors, LLC and filed articles of amendment to the Articles with the Arizona Corporation Commission on March 29, 2013.

1.4 Known Place of Business. The known place of business of the Company shall be at 7025 North Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. The known place of business may be changed to any other place within the State of Arizona at the discretion of the Executive Committee.

1.5 Purpose.

(a) The Company has been formed to be the advisor to a series of private funds (each, a "Fund") and their respective Affiliates to investment in hotels, apartment communities and other income-producing real estate, and may operate Funds as real estate investment trusts ("REITs").

(b) Except as otherwise provided in this Agreement, without the unanimous consent of all Members, the Company shall not engage in any other activity or business, and no Member acting in the Member's capacity as a Member or Executive Member, if applicable, shall have any authority to obligate the Company or any other Member, or to hold itself out as a Member or Executive Member 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 Member of this Company are set forth on Schedule 1 hereto, as such schedule may be amended from time to time pursuant to this Agreement.

1.8 Agent for Service of Process. The name and business address of the agent for service of legal process on the Company in Arizona is National Registered Agents Inc., 300 West Clarendon Avenue #230, Phoenix, Arizona 85013. The Company's agent for service of legal process may be changed at the discretion of the Executive Committee.

1.9 Definitions. Capitalized words and phrases used but not defined in this Agreement shall have the meanings set forth in Appendix A.

ARTICLE II
CAPITALIZATION OF THE COMPANY; LOANS; FEES AND OTHER PAYMENTS DUE AFFILIATES

2.1 Issued Units; Authorized.

(a) The Company is authorized to issue up to two thousand (2,000) Class A Units and four (4) Class B Member Units. The Executive Committee has approved the issuance of the Class A Units and Class B Units to the Members and in the amounts shown on Schedule 1, and the Company is authorized to issue additional Class A Units and Class B Units upon the approval of the Executive Committee.

(b) Class A Units and Class B Units shall have the rights, preferences and privileges set forth herein. Furthermore, the Executive Committee may adopt, from time to time, a resolution or resolutions providing for the issuance of additional Units, in one or more classes, with such powers, designations, preferences, and privileges, and qualifications, limitations or restrictions thereof as shall be set forth in the resolution or resolutions adopted by the Executive Committee. Schedule 1 shall be amended from time to time to reflect the addition of new Members and any adjustments of the Membership Interests.

2.2 Initial Capital Contributions.

(a) Each Class A Member has made the initial Capital Contributions to the Company set forth on Schedule 1. In exchange for each Class A Member's initial Capital Contribution to the Company, such Class A Members were issued Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

(b) Each Class B Member was issued the Class B Unit(s) in the amounts shown on Schedule 1 in conjunction with Series A 12-6-12 Note(s) in connection with a Private Placement Offering made pursuant to a Private Placement Memorandum dated October 18, 2012 and amendments thereto, if any (the "Series A 12-6-12 Notes").

2.3 Additional Capital Contributions. Members (excluding the Class B Members) shall make Additional Capital Contributions to the Company at the times and in the amounts as shall be determined by the Executive Committee.

2.4 Credits To Capital Accounts.

(a) Capital Accounts. An individual Capital Account will be established and maintained for each Member on the books of the Company.

(b) Organization Services. Richard C. Harkins and George T. Simmons shall have credited to their Capital Accounts an aggregate amount of $500,000 for services rendered to the Company pertaining to the organization of the Company as follows:

Member	*Amount of Capital Account Credit*
Richard C. Harkins	*$400,000*
George T. Simmons	*$100,000*

(c) Other Authorized Payments And Fees. Richard C. Harkins and George T. Simmons may elect to have amounts due to them under agreements between them and the Company, other than credits to their respective Capital Accounts under Section 2.4(b) above classified as Executive Member Loans.

2.5 Executive Member Loans. If the Executive Committee determines that the business of the Company requires funds, in addition to the capital contributed by the Members, the Company may borrow money from the Executive Members, and the Executive Members may make one or more loans to the Company to enable the Company to meet its obligations ("Executive Member Loans"). The Company shall repay Executive Member Loans from the Net Cash Flow of the Company as otherwise allowed under this Agreement. Executive Member Loans shall be repaid in chronological order of their respective origination dates beginning with the earliest origination date. The Executive Member Loans will bear an annualized 12% rate of interest.

2.6 Member Loans. If the Executive Committee determines that the business of the Company requires funds, in addition to the capital contributed by the Members and any Executive Member Loans, the Company may borrow money from the Members, and the Members may make one or more loans to the Company to enable the Company to meet its obligations ("Member Loans"). If the Executive Committee decides 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 unanimously acceptable to the Executive Committee, then the Company shall allow any Member to make a Member Loan to the Company. The Executive Committee shall give notice to the Members, setting forth the amount of funds needed, the proposed use of the funds, and the timing for funding. No 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.

2.7 Withdrawal or Return of Capital Contributions. Except as otherwise expressly provided for in this Agreement: a) no part of the Capital Contributions of any Member may be withdrawn except as otherwise approved in writing by all Non-Defaulting Members, 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.

2.8 No 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 on funds contributed as a Capital Contribution.

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 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, Net Income and Net Loss shall be allocated as follows:

(a) Net Income. Net Income for the Fiscal 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 Fiscal Years equals the aggregate Net Loss 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 Fiscal 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 Fiscal 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) Second, to the Members according to their Capital Accounts.

3.2 Tax Allocation Provisions:

(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 Fiscal 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 Agreement.

(3) Minimum Gain Chargeback. Notwithstanding anything herein to the contrary, if in any Fiscal 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 Fiscal 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 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 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 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 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 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 Fiscal 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 President reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 3.2(b)(3) of this Agreement.

(4) The President shall have reasonable discretion, with respect to each Fiscal 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 Fiscal 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 IV, as soon as practicable after the end of each quarter of the Fiscal Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Fiscal 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 for each Class B Unit, or a proportionate amount for a lesser percentage of a Class B Unit held by a Class B Member, to Class B Members.

(b) Second, 100% (or such lesser amount as is required) to pay all accrued but unpaid interest on outstanding Executive Member Loans and Member Loans.

(c) Third, 100% (or such lesser amount as is required) to repay the principal of any outstanding Executive Member Loans and Member Loans.

(d) Fourth, 100% to the Members in proportion to the unreturned balance of their respective Capital Accounts until the Members receive aggregate distributions under this Section 4.1(d) that reduce the balances of the Members' respective Capital Accounts to zero.

(e) Fifth, the remaining Net Cash Flow on a pro rata basis to the Members based on their respective ownership percentage of the Company.

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 Member, to the extent such Member 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 such Members pursuant to Section 4.1.

ARTICLE V
RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Liability for Company Obligations. Except as otherwise provided in the Act, no Member shall be personally liable for the debts, obligations and liabilities of the Company whether arising in contract or tort, under a judgment, decree or order of a court or otherwise.

5.2 Authority of Members. No Member shall take part in the control of management of the Company's business except to the extent of the rights and powers of a Member provided under this Agreement. Unless a Member is an Executive Member, or is delegated the authority of an officer as set forth in Section 6.3, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purposes. The Members' voting rights are limited to the following:

(a) Except as otherwise provided in this Agreement, each Class A Member shall be entitled to cast one vote for each Class A Unit held on any proposed action by the Company that if implemented would materially diminish a Class A Member's Membership Interests in the Company. A vote of the Majority-in-Interest of the Class A Members entitled to vote under this Section 5.2(a) is required to approve any such proposed action.

(b) Each Class B Member shall each be entitled to cast one vote for each Class B Unit held on any proposed action by the Company that if implemented would materially diminish a Class

B Member's Membership Interests in the Company. A vote of the Majority-in-Interest of the Class B Members entitled to vote under this Section 5.2(b) is required for approval of any such proposed action.

5.3 Other Activities of the Members. No Member shall be required to devote his, her or its whole time or any specified time to that Person's duties under this Agreement, provided, however, that the Executive Members shall devote as much time to the Company's business and affairs as is reasonably necessary to achieve the purpose of the Company and to discharge such Executive Members' respective duties and responsibilities set forth herein. The 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 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 Compensation. Except as otherwise set forth in this Agreement, no Member shall be entitled to receive any salary or other compensation for services rendered in his, her or its capacity as an Executive Member or Member or on behalf of or to the Company.

5.5 Meetings and Minutes.

(a) Call and Place. Meetings of the Members, or a specific class of Members, for any purpose or purposes, may be called by either a Majority-In-Interest of a class of Members or the Executive Committee by giving written notice to the Members, or a specific class of Members, in the manner provided in Section 5.5(b). Meetings may be held at any place within or without the Arizona as determined by the Executive Committee. The Members may participate in a meeting of the 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 Members, unless waived by attendance at the meeting or by written consent, must be given by written notice at least fourteen (14) days before the date of the meeting, or hand delivered, emailed or sent by facsimile at least ten (10) 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 Member at a meeting constitutes waiver of notice of the meeting; provided, however, that no such waiver will occur if the 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-In-Interest of Members, represented in person or by proxy, will constitute a quorum at a meeting of the 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. A vote of the Majority-In-Interest of the Class A Members is required for any such approval.

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(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 B Members economic rights. 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 (as defined in Section 6.4 below).

(f) Majority Vote Required for Action. With respect to any matter upon which the Members are requested to vote or to give their consent for which the required vote for approval is not otherwise specified in this Agreement, such matter will be considered approved upon the affirmative vote of a Majority-In-Interest.

(g) Conduct. At any meeting of the Members, the Executive Committee may adopt such rules for the conduct of the meeting as they deem appropriate.

5.6 Action Without a Meeting. Any action that may be taken at a meeting of the Members, requiring a vote of a class of Members entitled to vote thereon, may be taken without a meeting if a Majority-In-Interest so agree in writing, and a consent in writing setting forth the action so taken is signed by a Majority-In-Interest of the class of Members entitled to vote thereon. Any action that may be taken at a meeting of the Executive Members requiring a vote of the Executive 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 No Delay. Each Member agrees not to unreasonably delay its response to any action or decisions proposed by the other Members, requiring approval by a Majority-In-Interest, and each Member agrees to make itself available at reasonable times and on reasonable notice.

5.8 Restrictions on Withdrawal. No Member may withdraw from the Company unless such withdrawal is approved in the same manner as a permitted Transfer of a Membership Interest in accordance with the provisions of Section 9.2(a). Any Member withdrawing in violation of this provision shall be treated in the same manner as a Defaulting Member and be immediately expelled in accordance with Section 7.7. The occurrence of a Withdrawal Event with respect to a Member shall not result in the dissolution of the Company, and the Executive Committee and remaining Members shall have the right to continue the Company.

ARTICLE VI
MANAGEMENT

6.1 Management of the Company. Subject to the approval requirements for Major Decisions, the right, authority and duty to manage, control and conduct the business and affairs of the Company shall be vested in the President, and such other officers who may be named by the Executive Committee. The President, and such other Persons to whom such authority and duties are delegated, are sometimes referred to in this Agreement as "Proper Officers". The Proper Officers, in connection with the management of the Company's business, shall have any and all rights and powers of a manager under the Act, all of the rights and powers which are necessary for or convenient or incidental to the accomplishment of the Company's purpose and the conduct of the Company's business. The Executive Committee shall be comprised of no fewer than three members, each of whom shall be referred to as an executive member (the "Executive Members"). As of the date of the Agreement, the Executive Members are Richard C. Harkins, George T. Simmons, Robert Kerrigan and Bruce Orr. The Executive Members shall hereafter be elected to the Executive Committee by vote of a majority of the Executive Members. Each Executive Member shall have one vote. Unless otherwise provided in the Agreement, the vote of a majority of the Executive Committee shall determine the decisions of the Executive Committee. The decisions of the Executive Committee shall be made in the best interest of the Company. If the Executive Committee is deadlocked on any issue after at least two rounds of voting, the President of the Company,

if any, shall have an additional, tie-breaking vote to resolve the deadlock. Unless otherwise provided in this Agreement, all actions, approvals and other authorizations of the Executive Members may be undertaken only by Proper Officers or Managers elected by the Executive Committee who will have sole authority to manage, control and conduct the business and affairs of the Company, as provided in this Article VI.

6.2 Vacancy; Removal of Executive Members. In the event of a vacancy on the Executive Committee, a new Executive Member shall be elected by a majority of the remaining Executive Members. Any or all of the Executive Members may be removed for 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.

6.3 Officers. The Executive Committee may, from time to time, delegate to one or more Persons (including any Executive Member or officer of the Company and including through the creation and establishment of committees) such authority and duties as the Executive Committee may deem advisable. In addition, the Executive Committee may assign titles and delegate certain authority and duties to Persons as further described below. The salaries or compensation, if any, of the Proper Officers of the Company shall be fixed from time to time by the Executive Committee. Any delegation pursuant to this Section 6.3 may be revoked at any time by the Executive Members. The Executive Committee hereby delegates Richard C. Harkins as the President. The President, and such other Proper Officers as the Executive Committee may elect from time to time, shall have the following authority and duties as officers of the Company:

(a) The President shall oversee the day-to-day activities of the Company, make all decisions other than Major Decisions or other decisions that have been delegated to other Proper Officers, and carry out Major Decisions which are made by the Executive Committee. The President shall devote such part of his time to the 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 neither the President nor any other Proper Officer shall be required to devote his or her entire time or attention to the business, affairs and purpose of the Company.

(b) Each Proper Officer shall in good faith, but at the sole cost and expense of the Company, use the Proper Officer'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 Agreement, including, but not limited to, the matters described below. Each Proper Officer, 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 any Proper Officer may possess, he or she 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 Agreement) the following rights and powers:

(1) Protect and preserve the titles and interest of the Company Assets;

(2) 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;

(4) Keep all books of accounts and other records of the Company;

(5) Pay all debts and other obligations of the Company;

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(6) Maintain all funds of the Company held or controlled by the Managers in a Company account or accounts in a bank or banks determined by the President;

(7) Make distributions periodically to the Members in accordance with the provisions of this Agreement;

(8) Insure or cause the Company Assets and the Company to be insured in such amounts and against such risks as the President 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 Agreement;

(10) Perform other obligations provided elsewhere in this Agreement to be performed by the President;

(11) Enter into and execute agreements and related documents in connection with the Company's assets;

(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 officers, in their reasonable discretion, shall deem reasonably necessary to meet anticipated Company expenses; and

(15) Enter into and execute such additional agreements or other documents on behalf of the Company as the officers reasonably deem necessary to effectuate the foregoing.

6.4 Major Decisions. Notwithstanding any other provision hereof, neither the Managers nor any officer acting pursuant to the authority delegated to him in Section 6.3, shall take any action or incur any obligation binding on the Company within the scope of any of the following actions (the "Major Decisions") unless such action is expressly authorized elsewhere in this 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 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;

(e) Amend in any material respect, or waive any material rights in, any agreement the entering into of which was a Major Decision;

(f) Dissolve or wind up the Company except as otherwise provided in this Agreement or authorize any act that would make it impossible to carry on the ordinary business of the Company;

(g) 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;

(h) Extend the term of the Company;

(i) Consent to, or file for any bankruptcy, custodianship, receivership or trusteeship of the Company;

(j) Make any distributions of property in kind by the Company or accept any contributions by any Company of property other than cash;

(k) Admit any other Member to the Company except as otherwise provided herein or redeem Membership Interests;

(l) Determine any Agreed Value;

(m) Authorize any Additional Capital Contributions;

(n) Adopt or modify each budget hereafter approved by the Executive Members;

(o) Incur any liability or obligation not contemplated in a Budget except de minimis amounts incurred in the ordinary course of business;

(p) 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;

(q) Cause the Company to settle any lawsuit that materially affects the ability of the Company to carry on its business as contemplated by this Agreement;

(r) Enter into any transaction with a member of the Executive Committee or Affiliate of a member of the Executive Committee at a cost to the Company of $50,000 or more; and

(s) Authorize the increase of Units in any class of Units or the creation of an additional class of Membership Interests.

At the time the Executive Committee requests approval of any Major Decision, the Executive Committee 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.

6.5 Other Business Ventures. The Members agree that none of the members of the Executive Committee shall be in violation of the duty of loyalty to the Company if he or she engages in or possesses an interest in any other business venture of any nature and description, independently or with others, whether such ventures are competitive with the Company or otherwise. The Members further

agree that neither the Company nor the Executive Committee shall have any right by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom.

6.6 Executive Committee Members' Duty of Care. Each member of the Executive Committee shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner such member of the Executive Committee reasonably believes to be in the best interests of the Company. Each member of the Executive Committee shall cause the Company to conduct its business, operations and affairs separately from those of each member of the Executive Committee or Member or of any of their respective Affiliates.

6.7 Liabilities of any Executive Committee Member.

(a) No member of the Executive Committee shall be liable, responsible, or accountable in damages or otherwise to any other Member for any act done or omitted by such member of the Executive Committee, within the scope of the authority conferred on such member of the Executive Committee by this Agreement or by law, except for acts of active negligence, fraud, or breach of the fiduciary duty of such member of the Executive Committee.

(b) The Company shall indemnify, defend and hold harmless each member of the Executive Committee for, from and against all loss, damages, liabilities and expenses (including, without limitation, attorneys' fees and court costs and expert witness fees) incurred by such member of the Executive Committee, whether individually or jointly, arising out of acts or omissions committed or alleged to have been committed while acting as a member of the Executive Committee for or on behalf of the Company; provided that with regard to the act or omission involved, such member of the Executive Committee's actions, or failure or refusal to act were not fraudulent or actively negligent or in breach of such member of the Executive Committee's fiduciary duty to the Company. Any indemnification extended pursuant to this Section 6.7 shall be paid from, and limited to, the assets of the Company, and no Member shall have any personal liability on account thereof.

6.8 Indemnification of Agents. The Company shall indemnify, defend and hold harmless against any liability, claim, action, damage or expense (including, attorneys fees, costs of court and expert witness fees) any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including arbitration) by reason of the fact that he is or was a Member, officer, Executive Committee member, deemed manager, or managing agent of the Company or is now serving or has served, at the request of the Company, as an Executive Committee member, manager, director, officer, employee or other agent of the Company or another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such Persons being referred to herein after as an "agent"), such indemnity to be extended to the fullest extent permitted by applicable law; provided that no indemnity shall be extended to any Member, employee or agent of the Company who has engaged in any intentional or willful wrong doing or fraud, or breach of this Agreement. The members of the Executive Committee shall be authorized, on behalf of the Company, to enter into indemnity agreements from time to time with any Person entitled to be indemnified by the Company hereunder, upon such terms and conditions as the Executive Committee adopts.

6.9 Actions of the Executive Committee. Each member of the Executive Committee is entitled to one vote; except that the President may have an additional tie-breaking vote in the case of a deadlock. The members of the Executive Committee may act through meetings, written consents, committees or any other Person or Persons to whom authority and duties have been delegated by the members of the Executive Committee.

6.10 Resignation. A member of the Executive Committee may resign from the Executive Committee at any time by giving at least thirty (30) days written notice to the Members pursuant to Section 13.1. The resignation of the member of the Executive Committee shall take effect thirty (30) days after the receipt of notice thereof or at such other time as may be agreed to between the member of the Executive Committee 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 member of the Executive Committee's rights and liabilities as a Member.

6.11 List of Members. Upon written request of any Member, the Executive Committee shall promptly provide a list showing the names, last known addresses and Interests of all Members.

6.12 Meetings. The Executive Committee shall not be required to hold regular meetings but shall hold meetings as required to provide guidance to the Proper Officers 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 (3) days notice to the other Executive Members. However, in case of emergency, reasonable notice of a special meeting shall suffice.

(a) Quorum. There shall be a quorum of the Executive Committee if a majority of the 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 (5th) 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.

(b) 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 five (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.

(c) 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.

(d) 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.

6.13 Compensation of Proper Officers and Executive Members. The Proper Officers and Executive Members shall receive reasonable compensation as set forth below for the performance of their services as Proper Officers and Executive Members (collectively, the "Guaranteed Payments"), provided that all Executive Members approve such compensation for the Proper Officers and each Executive Member. All Executive Members must approve any increase in the compensation payable to the Proper Officers and any Executive Member pursuant to the Agreement.

(a) With respect to the President, commencing November 1, 2012, the President shall accrue an annual Guaranteed 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. Commencing November 1, 2012, other than the President, 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, or a lesser amount based on less than Full-Time Service to the Company, as agreed by all Executive Members. The initial accrued base annual Guaranteed Payments may be increased or decreased on a calendar quarterly basis provided that all Executive Members approve any such increase or decrease.

(b) 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 Agreement within ten (10) days of the due date, the Executive Committee 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 Executive Committee shall immediately give written notice of such fact to each Member and for a period of five (5) business days after the date of such notice each other Member shall have the right to advise the Executive Committee 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 Executive Committee of the Member's desire to make a Contribution Loan, such Member (a "Contributing 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 Executive Committee shall advise each Member indicating a desire to make a Contribution Loan of the amount such Member is to advance to the Company and the date on which the funds are due and payable to the Company. 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 President 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.

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 Membership Interests.

(b) The Non-Contributing Member hereby grants a security interest in its Membership Interests to the Contributing Member(s) who advances a Contribution Loan(s) and irrevocably appoints the Contributing Member(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 Member(s). If there is more than one Contributing Member, each Contributing Member's security interest in the Non-Contributing Member's Membership Interests 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 the Contribution Loans to such Non-Contributing Member. Copies of any such documents shall be mailed to the Non-Contributing Member.

7.4 Defaulting Members. If any Contribution Loan (which shall include all reasonable attorney fees, interest, and costs incurred by the Contributing Member(s)) 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 Member and the Contributing Member(s) shall have, with respect to the Non-Contributing Member and his Membership

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 Membership Interest. A Non-Contributing Member whose Membership Interest is foreclosed upon and sold shall remain liable to the Company and the Contributing Member(s) 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.

7.5 Loan Repayment. Until such time as a Non-Contributing Member becomes a Defaulting Member, any Contribution Loan shall remain in place and shall bear interest and be repaid as provided above. Until any such Contribution Loan is repaid in full, any distributions which would otherwise be payable to the Non-Contributing Member shall be paid to the Contributing Member(s) 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 right to vote on any 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 Executive Committee 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 Members 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 performance, or for the appointment of a receiver or specific master, in the discretion of the Company and/or such Non-Defaulting Members.

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 Agreement.

8.2 Audit. The books of the Company shall not be audited unless upon a vote of a majority of Executive 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 Executive Committee, or the President acting pursuant to the authority delegated to him in Section 6.3, shall cause the preparation for filing of all federal, state and local Company tax returns at the Company's expense, and shall make such tax elections and determinations as appear to be appropriate. Such tax returns shall be prepared by the President or an independent public accounting firm to be designated by the Executive Committee. The Executive Committee, or the President acting pursuant to the authority delegated to him in Section 6.3, shall endeavor to deliver to each Member its Form K-1 and any other required tax information by March 1 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 President. Check signing and other authority to transact business with respect to the accounts shall be vested with the President.

8.6 Tax Matters Partner. The President 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 a majority of the Executive 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.

ARTICLE IX
RESTRICTIONS ON TRANSFERABILITY

9.1 Restrictions on Transfer of Interests. No Member shall sell, assign, pledge, hypothecate, encumber or otherwise voluntarily transfer by any means whatsoever ("Transfer") any Membership 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), except as permitted pursuant to Section 9.2.

9.2 Permitted Transfers. Members may Transfer any Membership Interest or any portion thereof if:

(a) all Executive Members shall have consented to such Transfer, and the Member shall have paid to the Company a transfer fee of five hundred dollars ($500) to cover administration expenses associated with the Transfer;

(b) the Transfer is made to the estate, personal representative, executor, heirs, or devisees of a deceased Member;

(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:

(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 Membership Interest;

(2) The Member shall have offered to sell to the Members all, but not less than all, of such Member's Membership 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 Membership 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; and

(4) The transferee complies with the provisions of Section 9.4 hereof.

9.3 Special Provision Respecting Transfers.

(a) Upon the death of a Member or a divorce of a Member resulting in the ex-spouse receiving any part of the Member's Membership Interest, 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 Membership Interest of the Member which is owned by the heirs, devisees or ex-spouse. If more than one Member so elects, the Membership Interest shall be divided among the electing Members according to their relative Percentage Interests. A Member shall be responsible for promptly notifying the other Members should such Member become divorced during the term of this Agreement when the divorce results in an ex-spouse receiving any portion of the Member's Membership Interest. The total purchase price for such deceased or divorced Member's Membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

(b) Upon Bankruptcy of a 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 Membership Interest of such Member. The total purchase price for such Member's Membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

9.4 Substituted Members. Except with respect to Transfers to Permitted Transferees, no Person taking or acquiring, by whatever means, the Membership Interest of any Member shall be admitted as a substitute Member in the Company (a "Substituted Member") without satisfying the following conditions:

(a) Each Executive Member shall have consented to the substitution, except in the case of a Transfer by an Executive Member, such transferring Executive Member shall not consent to the substitution;

(b) The Person to whom the Transfer is to be made shall sign a counterpart of this Agreement in the form attached hereto as Schedule 2, agreeing to be bound by the provisions hereof, and if such Person is married, causes his or her spouse to sign a spousal consent in the form attached hereto as Schedule 3; and

(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).

9.5 Settlement and Purchase Price. The settlement for the purchase of the Membership 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 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 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 shall be payable as follows.

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(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) Membership 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 Membership Interest.

9.6 Termination of the Company for Tax Purposes. Notwithstanding anything to the contrary contained in any other provision of this Agreement, the sale or exchange of all or any part of a Membership Interest in the capital and/or the profits of the Company may not be made (and will be null and void) if the Membership Interest sought to be sold or exchanged, when added to all other Membership 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 Membership Interest in violation of the provisions of this 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 Section 29-785 of the Act;

(b) a unanimous vote of the Executive Members to dissolve;

(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 Company Assets, 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.

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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 Company Assets shall be distributed to the Members in the same manner as provided in Section 3.1. The Executive Committee 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 President 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 Company 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 Member shall look solely to the Company Assets 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 shall have no recourse against any other Member.

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 Company Assets 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 11.1 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.

ARTICLE XII
GENERAL

12.1 Notices. All notices and other communication required or permitted to be given pursuant to this 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 change the address to which communications

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are to be sent by giving notice of such change of address to the other Members in conformity with the provisions of this Section 12.1.

12.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

12.3 Controlling Law. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Arizona.

12.4 Provisions Severable. If any provision of this 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.

12.5 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 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.

12.6 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.

12.7 Execution in Counterparts. This Agreement may be executed in any number of original or electronic counterparts, all of which taken together shall constitute one and the same instrument.

12.8 Amendment. This Agreement may be amended only by an agreement in writing executed by all Members.

12.9 Attorney's Fees. If any party institutes a suit or other proceeding against any other party in any way connected with this 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.

12.10 Number of Days. Unless the subject provision references "business days," in computing the number of days for purposes of this 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 Agreement, all days shall be counted except Saturdays, Sundays, and holidays.

12.11 Captions. Captions are not intended to convey any meaning or be a part of this Agreement but are merely used for assistance in identifying paragraphs and Sections.

[Signatures on Following Page]

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

Managers:

_____
Richard C. Harkins

_____
George T. Simmons

_____
Bruce Orr

_____
Robert J. Kerrigan

Members:

_____
Richard C. Harkins

_____
George T. Simmons

_____
Bruce Orr

_____
Robert J. Kerrigan

_____
Kelly Bair

_____
Rodney and Melissa Eaves

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SCHEDULE "1"

Holder	Class Of Ownership	Percentage Ownership of Class A Units	Percentage Ownership of Class B Units	Class A Ownership as a % of the Company	Class B Ownership as a % of the Company	Percentage Ownership of the Company
Richard Harkins [redacted] AZ [redacted]	A	22.73%		20.45%	0.00%	20.45%
George T. Simmons II [redacted] AZ [redacted]	A	13.64%		12.27%	0.00%	12.27%
Bruce Orr c/o Net Development [redacted], CA [redacted]	A	4.55%		4.09%	0.00%	4.09%
Robert J. Kerrigan [redacted] AZ [redacted]	A	9.09%		8.18%	0.00%	8.18%
Kelly Bair [redacted] AZ [redacted]	B		2.00%	0.00%	0.20%	0.20%
Rodney and Melissa Eaves [redacted], AZ [redacted]	B		25.00%	0.00%	2.50%	2.50%
Reserved	A	50.00%	73.00%	45.00%	7.30%	52.30%
Totals		100.00%	100.00%	90.00%	10.00%	100.00%

Schedule "2"

Form of Joinder

The undersigned hereby executes this Joinder (this "Agreement") to the Amended and Restated Operating Agreement (the "Operating Agreement") of USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, dated as of April 25, 2013, by and among the Members, the Managers and the Company, as may be amended from time to time. Capitalized terms used but not defined in this Agreement shall have the meanings given such terms in the Operating Agreement.

The undersigned hereby acknowledges, agrees and confirms that, by his, her or its execution of this Agreement, the undersigned will be deemed a party to the Operating Agreement and shall have all rights and obligations of a Member thereunder as if the undersigned had executed the Operating Agreement.

[_____]

Date:_____

Schedule "3"

Form of Spousal Consent

I have read the foregoing Amended and Restated Operating Agreement (the "Operating Agreement") of USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, dated as of April 25, 2013, by and among the Members, the Managers and the Company, as may be amended from time to time. I agree: (a) to be bound by and to comply with all the terms of the Operating Agreement in any matter in which I have a financial interest, including restrictions on the transfer of membership interests, the terms under which interests in the Company may be sold or otherwise transferred, and the liquidation of the membership interests upon the occurrence of specified events; (b) to allow my spouse to have an irrevocable proxy during my lifetime and upon my death to vote the interest in the Company owned by us as community property; and (c) not to devise or bequeath whatever community property interest or quasi-community property interest I may have in the Company in contravention of the Operating Agreement.

[_____]

Date:_____

Appendix to
USA Barcelona Realty Advisors, LLC
Operating Agreement

DEFINED TERMS

Definitions. Whenever used in this 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 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 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 Executive Committee, 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 President 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 Membership Interest greater than the Membership 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 Membership 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)

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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 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 means this Amended and Restated Operating Agreement, by and among the Members, the Executive Members and the Company, and as may be 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 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

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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:

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 Capital Accounts, the Capital Accounts 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 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 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 Capital Accounts, would be allocated among all the Members 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

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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

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 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)(lv)(m) to be taken into account in determining Capital Accounts, the Capital Accounts 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 Membership Interest, the Capital Account of the transferor Member that is attributable to the transferred Membership Interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a Membership 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 Executive Committee (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. 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.

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. Class A Member means the Members owning Class A Units.

12. Class A Unit means the Units issued to a Class A Member pursuant to this Agreement.

13. Class B Member means the Members owning Class B Units.

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14. Class B Unit means the Units issued to a Class B Member pursuant to this Agreement.

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

16. Company means USA Barcelona Realty Advisors, LLC

17. 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.

18. 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).

19. Contribution Loan has the meaning set forth in Section 7.1.

20. Cumulative Priority Distribution means a $12,500 annual Distribution payable at the discretion of the Company to each Class B Unit.

21. Defaulting Member means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Members are Non-Defaulting Members.

22. Depreciation means for each Fiscal 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 Executive Committee.

23. 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.

24. Fiscal Year means the accounting year of the Company ending December 31 of each year, unless the Executive Committee otherwise establishes a different year.

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, Full-Time Service for Executive 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 Executive Committee or an Executive Member wherein no less than a three (3) day notice is given to the Executive Committee and each other Executive Member of such meeting. The intent in establishing the parameters of Full-Time Service is to assure that the Company's business is a high priority for each Executive Member.

26. 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.

27. 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.

28. Majority-In-Interest means a simple majority of a Class of Members in the Company.

29. Member means each Person who becomes a Member under the terms of this Agreement and each Person who may become an Additional Member or Substituted Member. For the avoidance of doubt, the Executive Members are also Members.

30. Member Nonrecourse Debt means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

31. 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).

32. Membership Interest means a Member's interest in the Company's capital, profits, losses and distributions of the Company, together with any other rights and obligations granted to, or assumed by, a Member under this Agreement, including such Member's Units in the Company.

33. 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.

34. 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 Executive Member Loans, 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.

35. Net Income and Net Loss of the Company or items thereof shall, for each Fiscal 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.

36. Non-Contributing Member has the meaning set forth in Section 7.1.

37. Non-Defaulting Members means any Member that is not a Defaulting Member.

38. 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 President 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 a Membership Interest other than pursuant to the provisions of this Agreement.

39. 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).

40. Percentage Interest means the percentage interest of each Member in this Company set forth in Schedule 1.

41. Person means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

42. 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.

43. Proper Officer(s) means the President, and such other Persons to whom the Executive Committee delegates authority and duties to conduct the business and affairs of the Company.

44. 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.

45. Unit means a unit of measurement the Company will use for purposes of determining a Member's Percentage Interest at any point in time and for purposes of determining voting rights.

46. Withdrawal Event means any of those events and circumstances listed in Section 29-733 of the Act.

USA Barcelona Realty Advisors
Statement Of Financial Position
March 31, 2013

Assets

Cash	$ 165,000
Capitalized Costs	1,652,000
Subscriptions Receivable - 12-6-12 Offering Second Amendment dated 4-29-2012	730,000
Receivable - Advances to USA Barcelona Realty	211,000
Total Assets	$ 2,758,000

Liabilites

Accounts Payable	$ 4,500
Unfunded Forward Commitments for Advances to USA Barcelona Realty	210,000
Member Loans Payable	310,000
Total Liabilities	$ 524,500

Members Equity

Addition Paid-in Capital	$ 1,959,500
Class A Member	4,000
Class B Member	270,000
Total Member Equity	$ 2,233,500
Total Liabilities & Members Equity	$ 2,758,000

Exhibit C to the Offering has been prepared by the Company and has not been reviewed by any independent party.

USA Barcelona Realty Advisors Summary - Budget Forecast	2013	2014
Sources Of Funds		
Fees & Reimbursements from USA Barcelona Realty		
Beginning Cash	$ 1,000	$ 104,928
Advisors $1MM 12-6-12 Offering	1,000,000	-
Acquisition Fee	377,816	3,744,000
Expense Reimbursements	441,076	126,077
Asset Management Fee	375,000	1,090,569
Reimbursement For Pre-formation Work	512,096	-
Investment Offering Marketing Expense Reimbursement	316,542	1,083,458
Common Stock Dividends	-	400,000
Liquidation Distribution	-	-
Executive Member Loans	60,000	-
Total Sources Of Funds	$ 3,083,531	$ 6,549,032
Uses Of Funds		
Company Overhead		
Staff	$ 606,375	$ 1,625,950
Office Overhead	265,477	303,575
Outside Consultants & Related Exps; Capitalization Costs	732,542	1,203,458
Total Company Overhead	1,604,394	3,132,983
Payment On Loans And Advances	806,653	1,987,558
Capital Investments - Exercise of options for USA Barcelona Stock	34,286	265,714
Advances to USA Barcelona Realty	520,769	-
Class B Members	12,500	50,000
Total Uses	2,978,602	5,436,255
Net Cash Flow	$ 104,928	$ 1,112,777

Exhibit D to the Offering has been prepared by the Company and has not been reviewed by any independent party.

ACC000817
FILE #8503

USA Barcelona
Realty Advisors

Rick

USA Barcelona
REALTY ADVISORS

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

USA Barcelona Realty Advisors

$1,000,000

Twenty (20) Series B 10-5-10 Notes at $50,000 per Note

Minimum Purchase One (1) Series B 10-5-10 Note ($50,000)

OFFERED ONLY TO:
ACCREDITED INVESTORS

January 1, 2014

EXHIBIT
tabbies
S-58

Harkins EXHIBIT 26
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

This is copy no. 138 of the Offering

ACC005712
FILE #8503

USA Barcelona Realty Advisors

an Arizona limited liability company

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

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

TWENTY (20) SERIES B 10-5-10 NOTES AT $50,000 PER NOTE

This Confidential Private Placement Offering Memorandum ("Offering" "Memorandum") is being made to provide USA Barcelona Realty Advisors, LLC. ("USA BRA", "Company", "us", "we", "Advisor") with capital for the organization stage and initial operating expenses of USA Barcelona Hotel Company I, LLC ("USA HC-I") and its affiliates ("Affiliates") that will be formed to development, own and operate hotels. USA BRA is organized as an Arizona limited liability company and intends to operate as an advisor for other Funds, each of which will be structured as either a limited liability company or a corporation. Any Fund structured as a corporation may elect to operate as a real estate investment trust ("REIT").

The Company is offering and selling, to accredited investors only, up to 20 Series B 10-5-10 Notes at $50,000 per Note. There is no Minimum Offering for the Series B 10-5-10 Notes, and we will have immediate use of all Offering Proceeds. Purchasers must purchase a minimum of one Series B 10-5-10 Note at $50,000 per Note, except that we may permit investments of a lesser amount in our discretion.

The Class A Member Units are held by our Executive Members, Affiliates, Advisors to the Company and other designees as described herein. As a class, the Class A Member Units have a ninety percent (90%) interest in Company profit, loss, items of income, gain, credit or expenses. Class B Member Units have a ten percent (10%) interest. Holders of Class A Member Units and Class B Member 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 B 10-5-10 Notes are being offered by the President 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 Series B 10-5-10 Notes. We expect to terminate the Offering when all of the Series B 10-5-10 Notes 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").

	Price to	Commissions & Expenses	Proceeds to
Per Series B 10-5-10 Note [1,2]	$50,000	$2,500	$47,500
Total Offering [1]	$1,000,000	$50,000	$950,000

[1] See "Planned Use of Proceeds" on following page.

INVESTMENT IN THE SERIES B 10-5-10 NOTES 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 AFFILIATES".

- ACCREDITED INVESTORS ONLY-

THE OFFERING EFFECTIVE DATE OF THE CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM IS:

January 1, 2014

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FILE #8503

(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
Working Capital [3]	92.0%	920,000
Total Planned Uses Of 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Note(s). Offering commissions and expenses on Series B 10-5-10 Note sales and IRA Custodian payments will be paid from Offering Proceeds based on sales of Series B 10-5-10 Notes 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 HC-I for its organization period requirements.

(4) There is no Minimum Offering and the Company will have immediate use of Offering Proceeds.

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

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Certain Factors; Legends

THE SERIES B 10-5-10 NOTES 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 SERIES B 10-5-10 NOTES 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 SERIES B 10-5-10 NOTES AND OPERATION OF THE COMPANY INVOLVE SEVERAL ACTUAL AND POTENTIAL CONFLICTS OF INTEREST. THE PRESIDENT, AND THE EXECUTIVE MEMBERS, HAVE TOTAL MANAGERIAL POWERS OVER THE COMPANY. CLASS A MEMBERS WILL HAVE LIMITED RIGHTS TO VOTE ON OR APPROVE ANY DECISIONS OF THE PRESIDENT.

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

THERE IS NO PUBLIC MARKET FOR THE SERIES B 10-5-10 NOTES, 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 PRESIDENT 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 PRESIDENT, 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 PRESIDENT 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.

ACC005715
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 USA Barcelona Realty Advisors, LLC, or otherwise. Marriott is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, LLC, or otherwise. Hilton is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by USA Barcelona Realty Advisors, 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 USA Barcelona Realty Advisors, 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.

"Hyatt", Hyatt Place" and "Hyatt House" are each a registered trademarks of Hyatt Hotels Corporation or one of its affiliates. All references to "Hyatt" mean Hyatt Hotel Corporation and all of its affiliates and subsidiaries and their respective officers, directors, agents, employees, accountants and attorneys. Hyatt is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, financial information, Hyatt's relationship with USA Barcelona Realty Advisors, LLC, or otherwise. Hyatt is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering by USA Barcelona Realty Advisors, LLC and receives no proceeds from the Offering. Hyatt has not expressed any approval or disapproval regarding this Memorandum or the Offering related to this Memorandum and the grant by Hyatt of any franchise or other rights to USA Barcelona Realty Advisors, LLC shall not be construed as any expression of approval or disapproval. Hyatt has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering related to this Memorandum.

ACC005716
FILE #8503

USA BARCELONA REALTY ADVISORS, LLC

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

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I. THE OFFERING

The Company is offering and selling, to Accredited Investors only, up to twenty (20) Series B 10-5-10 Notes offered at $50,000 per Note.

Series B 10-5-10 Notes

Each Series B 10-5-10 Note will be identical, as to interest rate, conditions of payment of interest and principal and term date to all other Series B 10-5-10 Notes issued under the Offering; however, the date of issuance of each Note may be unique. The Series B 10-5-10 Notes will earn interest, as follows:

(a) Interest will be paid quarterly and shall be based on a 10% annual rate; however, the initial interest payment shall be due and payable on 6-30-2014 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 5% of the Note amount, and prorated based on the date of the Note, shall be paid on 12-31-2014;

(c) A Year 2 Bonus Interest payment in an amount equal to 10% of the Note amount, and prorated based on the date of the Note, shall be payable on 12-31-2015.

The principal amount of the Series B 10-5-10 Notes shall be due and payable on 12-31-2015 ("Series B 10-5-10 Note Term Date"); however, the principal amount may be paid at any time prior to the Series B 10-5-10 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 B 10-5-10 Notes must be made on a pro rata basis to all holders of Series B 10-5-10 Notes.

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Chart of Forecast of Cost and Benefits of One Series B 10-5-10 Note ($50,000)

Benefits to One Series B 10-5-10 Note		2014				
Based On Investment Made on January 1, 2014		Q-1	Q-2	Q-3	Q-4	Total
Investment Amount ($50,000)						
Annual 10% Interest paid Quarterly	1		$ 2,500	$ 1,250	$ 1,250	
5% Bonus Interest paid 12-31-2014	2				$ 2,500	
Total Payments for 2014			$ 2,500	$ 1,250	$ 3,750	$7,500

		2015				
		Q-1	Q-2	Q-3	Q-4	
Annual 10% Interest paid Quarterly	1	$ 1,250	$ 1,250	$ 1,250	$ 1,250	
10% Bonus Interest paid 12-31-2015	3				$ 5,000	
Return of Principal	4				$ 50,000	
Total Payments for 2015		$ 1,250	$ 1,250	$ 1,250	$ 56,250	$60,000
Total Payments for 2014 and 2015						$67,500

*1 This is the Base Interest feature of the Note and is a 10% Annual Rate Of Return paid quarterly commencing 6-30-2014.
*2 This is the Year 1 Bonus Interest feature of the Note and is a one-time payment in the amount of 5% of the Note amount and is due 12-31-2014. The Year 1 Bonus Interest is prorated as of the Date of the Note. This payment is based on making an investment on January 1, 2014.
*3 This is the Year 2 Bonus Interest feature of the Note and is a one-time payment in the amount of 10% of the Note amount and is due 12-31-2015. The Year 2 Bonus Interest is prorated as of the Date of the Note. This payment is based on making an investment on January 1, 2014.
*4 Original Principal Investment amount of $50,000 is due on the Series B 10-5-10 Note on 12/31/2015.

II. 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 7025 N. Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. Its telephone number is 480-625-4355.

Company Business Purpose

The Company has been formed to be the Advisor to a series of Funds, each designed to obtain equity capital through securities offerings which may be either exempt or registered, the Offering Proceeds of which will be used to develop and acquire on a leveraged or unleveraged basis hotels and other qualified real estate properties.

Hotels developed and acquired by the Funds shall be predominately Marriott, Hilton and Hyatt select/focus service, franchised hotels located in the United States. USA Barcelona Realty Advisors, LLC will serve as the Advisor for the Funds. For the Funds, we are responsible to do the following:

- Identify the Properties for investment or acquisition; both new development opportunities and stabilized performing Properties; and, as needed, advance capital for predevelopment and acquisition purposes.
- Perform due-diligence, entitlement and other services necessary for development and acquisition of Properties.
- Secure the capital necessary for acquisition and development of Properties.
- Serve as asset manager during ownership of Properties.
- Liquidate Properties.

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 an LLC when REIT status is not selected for the Fund.

On behalf of the Funds, the Company will not invest in hotels or other types of properties requiring substantial unfunded capital expenditures and will focus on hotel brands including primarily Marriott International, Inc., Hilton Hotels Corporation and Hyatt Hotels Corporation, or other leading franchisers. 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 management and investment appreciation.

We receive fees and distributions from the Funds from the following activities and events:

- Acquisition and/or investment in existing Properties.
- Development of new Properties.
- Asset management.
- Liquidation of Properties.
- Arranging financing for the Funds.

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 have four Executive Members ("Executive Members") who approve major decisions ("Major Decisions") and instruct our President as to the action to take regarding Major Decisions. Otherwise, our President manages the Company on a day to day basis. Richard Harkins, one of our Executive Members, is the Company President ("President"). Additionally there are outside 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 HC-I being the first of a series of Hotel Company ("HC") 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.

Organization of the Company

The Company is authorized by the Operating Agreement, as amended, to have three classes of Member Interests as follows: (a) up to 54,000,000 Class A Member Units, (b) up to four (4) Class B Member Units, and (c) up to 4,000,000 Series A Convertible Preferred 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 Member Units have a ninety percent (90%) interest in Company profit, loss, items of income, gain, credit or expenses. Of the 54,000,000 Class A Member Units authorized, 11,430,249 are reserved for options granted to Executive Members and 2,069,751 are reserved for options granted to lenders, other members and staff of the Company. (see schedule 1 of the Operating Agreement included hereto as Exhibit B).

As a class, the four Class B Member Units comprise 10% ownership of the Company. The Class B Member Units, in conjunction with the Series A 12-6-12 Notes, comprise investment units that were the subject of an earlier $1,000,000 Offering (the "12-6-12 Offering"). The 12-6-12 Offering investment units sold to date were sold directly by officers of Company. As of the Offering Date, $670,000 of capital has been raised under the 12-6-12 Offering representing 2.68 Class B Units and it is believed that the remaining $330,000 and associated 1.32 Class B Unit are committed and will be funded by 12/31/2013.

Holders of Class A Member Units, Class B Member Units and Preferred Units are collectively referred to herein as Unit-holders. Class A Member Units and Class B Member Units share in Company profit, loss, items of income, gain, credit or expenses based on each Unit-holders respective percentage ownership interest in the Company. Preferred Units do not share in the Company profit, loss, items of income, gain, credit or expenses. (See Exhibit B, Operating Agreement, Articles III and IV).

Management of the Company

Except for the exercise of their approval rights set forth in Article V of the Operating 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 Operating Agreement, or by non-waivable provisions of the Act, the President shall have complete authority and exclusive control to conduct any business on behalf of the Company in the sole and absolute discretion of the President 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 President. Richard Harkins who is appointed by the Executive Members for an initial term as President expiring December 31, 2015. On an annual basis thereafter, our President shall be appointed by a majority vote of the Executive Members. Except as may be otherwise expressly provided in the Operating Agreement, no Member, other than the President, 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 Experience of our Management Team and Advisors to the Company

Our management team has a combined experience which we believe to be significant and uniquely qualified to meet our business objectives. We have senior management experience in top tier public accounting firms, Fortune 100 corporations, investment banking organizations, public and private REITs, plus extensive experience in commercial real estate finance, development and acquisition in addition to property level and portfolio asset management.

The chart below shows the depth and breadth of our management team's experience, which we feel qualifies us to properly manage the business plan laid out for the Company and the Funds for which we will be the Advisor.

Chart – Company Executives, Managers and Advisors Real Estate Experience

Executives & Advisors	Commercial Real Estate	Property Development and Ownership	Property and Asset Portfolio Management	Capital Formation and Financial Management	Hotel Property and Asset Management
Richard Harkins	42	21	9	36	13
George Simmons	23	16	18	9	-
Bruce Orr	24	22	11	8	17
Robert Kerrigan	17	10	-	17	-
Jeffrey Teets	25	20	20	18	11
Patrick McDonough	27	20	20	-	-
Chris Corpuz	21	10	17	20	5
Anthony Manos	20	15	15	6	13
Dawn Berry	23	9	10	-	10
Murray Dow	33	24	19	19	33
Steven Gold	44	-	-	44	-
Chuck Matthews	14	14	14	10	-
Total Yrs Of Experience	313	181	153	187	102

Having created and molded our team together over the past 18 months, we have the added advantages of selecting people who:

- helped create and are committed to our business strategies and goals,
- bring management skills from a variety of large organizations,

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- are entrepreneurs, exhibiting the energy and drive necessary to start and sustain a new company,
- fit a culture suited for "team players"; and,
- desire to help build and collectively benefit from a successful enterprise.

The President

As President of the Company, the President 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 Operating Agreement. The President shall devote time to Company business as is reasonably and prudently necessary for the conduct of such business, affairs and purpose.

Executive Committee

The founding Class A Members ("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 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 and as otherwise stipulated in the Company Operating Agreement. 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 four Executive Members. The President is appointed by the Executive Committee and oversees the day-to-day activities of the Company.

Compensation to the President and Executive Members

The President (and other Proper Officers) and Executive Members shall receive reasonable compensation as set forth in Article VI of the Operating Agreement for the performance of their services as Proper Officers and Executive Members (collectively, the "Guaranteed Payments"), provided that all Executive Members approve such compensation for the Proper Officers and each Executive Member.

All Executive Members must approve any increase in the compensation payable to the Proper Officers and any Executive Member pursuant to the Operating Agreement.

With respect to the President, commencing November 1, 2012 and through November 21, 2013, the President accrued an annual Guaranteed Payment of $150,000 which was to be paid on any basis as agreed to by the Executive Members. Commencing November 1, 2012, other than the President, each Executive Member, based on their date of commencement as an Executive Member, accrued a base annual Guaranteed Payment of $50,000, which was to be paid on any basis agreed to by the Executive Members, or a lesser amount based on less than Full-Time Service to the Company, as agreed by all Executive Members. In the event an Executive Member draws compensation from the Company for services rendered to the Company, any such compensation shall offset any Guaranteed Payment otherwise due. As of November 21, 2013, the accrued base annual Guaranteed Payments that commence on November 1, 2012, no longer applied to any Executive Member other than Robert Kerrigan, and his Guaranteed Payment may be increased or decreased on a calendar quarterly basis provided that all Executive Members approve any such increase or decrease.

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".

Powers and Duties of the President

The President shall in good faith, but at the sole cost and expense of the Company, use the President'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, including, but not limited to, the matters described Article VI of the Operating Agreement.

The President, 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

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powers set forth below. In addition to any other rights and powers which it may possess, the President 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 of the Operating Agreement and its sub-parts. (See Exhibit B – Operating Agreement)

Financial Position of the Company

The following table presents the financial position of the Company as of December 31, 2013 and following the placement of the Preferred Units offered in an unrelated Offering (assuming the 4,000,000 Preferred Units are issued on such date).

Table - Company Financial Position

		12/31/2013	Adjustments	Adjusted for This Offering and Preferred Units
Total Assets	3	$ 1,742,631	$ 5,000,000	$ 6,742,631
Liabilities				
Short term liabilities		$ 190,098		$ 190,098
Long term debt	2	1,392,100		1,392,100
Series A Convertible Preferred Units	1	-	4,000,000	4,000,000
Series B 10-5-10 Notes	5		1,000,000	1,000,000
Total Liabilities, Debt and Preferred Units		$ 1,582,198	$ 5,000,000	$ 6,582,198
Shareholders Equity:				
Class A Members		$ 279,100		$ 279,100
Class B Members	4	-		-
Additional Paid-in Capital		882,500		882,500
Accrued Cumulative Preference on Class B Units		116,430		116,430
Retained Earnings		(1,117,597)		(1,117,597)
Total Shareholders Equity		$ 160,433	$ -	$ 160,433
Total Liabilities and Equity		$ 1,742,631	$ 5,000,000	$ 6,742,631

1. *The FASB requires companies to report redeemable preferred stock as a liability on their balance sheet.*
2. *Of the 12-6-12 Offerings $1,000,000 of Series A Notes, $670,000 are reflected in Long term debt. The assumed sale by February 28, 2014 of the remaining $330,000 of Series A Notes is not reflected in the "Adjustments for this Offering" as they are not a part of this Offering.*
3. *In the $4,000,000 adjustments to Assets, $130,000 is Capitalized Offering Expenses and the balance is net cash Offering Proceeds from the Preferred Unit Offering.*
4. *Class B Members equity is shown as zero due to the nature of the 12-6-12 Offering wherein each Unit sold included a Note and a Class B Member interest and 100% of the value of the Unit was placed on the Note.*
5. *The 10-5-10 Notes are shown as an adjustment to Liabilities.*

Fully Diluted Ownership Interest in the Company – Before and After the Preferred Unit Offering

The following table shows the ownership of the Company prior to the Offering Date with adjustments made to the ownership for Conversion and Warrant features under the Preferred Unit offering. The Preferred Unit offering is not a part of this Offering but is being conducted by the Company contemporaneously with this Offering. The Conversion and Warrant assumptions are based on the initial 4,000,000 Preferred Units offered under the Preferred Unit offering being acquired, each purchaser of Preferred Units acquiring no more than 100,000 Preferred Units, and all Preferred Units are later Converted at one (1.0) Class A Member Unit for one Preferred Unit (resulting in 6,000,000 Class A Member Units issued under the Conversion) and Class A Member Unit Warrants exercised at one half (.5) Class A Member Units per Warrant (resulting in 2,000,000 Class A Member Units issued under the exercise of Class A Member Unit Warrants).

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Table – Authorized Units of all Classes before and after the Preferred Unit Offering

		Class A, Class B and Preferred Units Before and After the Preferred Unit Offering					
		Ownership Percentages as of 12/31/13	Authorized Class A Units	Class A Units issued under Conversion	Class A Units issued for Warrants Exercised	Class A Units at full Dilution	Fully Diluted Percentages
Class A Units	1	90.00%	54,000,000			48,000,000	78.89%
Class B Units	2	10.00%					10.00%
Class A Units issued for:							
Preferred Units Converted	3	0.00%		4,000,000		4,000,000	7.41%
Warrants Exercised	4	0.00%			2,000,000	2,000,000	3.70%
Totals		100.00%	54,000,000	4,000,000	2,000,000	54,000,000	100.00%

Notes to "Table – Authorized Units of all Classes before and after the Preferred Unit Offering"

1. *Of the 54,000,000 Class A Member Units authorized, 11,430,249 are reserved for options granted to Executive Members and 2,069,751 are reserved for options granted to lenders and other members and staff of the Company.*
2. *The number of Class B Units authorized represents 10% ownership of the Company and Class B Member Units (as a class) ownership percentage of the Company will not change based on the Conversion and Warrant rights of the Preferred Units which remains at 10% following the assumed maximum Conversion and exercise of Class A Member Unit Warrants by Preferred Unit-holders. As of the Offering Date, three Class B Units have been issued under the Company's 12-6-12 Offering and one Class B Unit remains authorized and unissued.*
3. *It is assumed that the Preferred Unit-holders exercise their maximum Conversion and Warrants rights.*
4. *Based on the assumption stated in note 3 to this chart, at maximum dilution, 11.11% of the Class A Member Units would be held by those who converted their Preferred Units and exercised their Class A Member Unit Warrants.*
   Note: Ownership of the Company is not affected by the sale of the 10-5-10 Notes.

Class A Members

The Class A Member Units – As shown in the previous table ("Authorized Units of all Classes before and after the Preferred Unit Offering") and stated in Note 1 to the table, a portion of our authorized Class A Member Units are reserved for options held by our President, Executive Members, Affiliates, Advisors to the Company and other designees as described herein. As a class, the Class A Member Units have a ninety percent (90%) interest in Company profits, losses, gains and distributions. (See Exhibit B – Operating Agreement, Article III – Allocations and Article IV - Distributions)

Founder Class A Members 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 Offering Effective 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 Offering Effective Date.

Class B Members

Effective October 18, 2012, the Company offered $1,000,000 in "Investment Units" comprised of four (4) Investment Units at $250,000 per Investment Unit (the "12-6-12 Offering"). Each Investment Unit in the 12-6-12 Offering is comprised of one Series A 12-6-12 Note and one Class B Unit. There is no Minimum Offering for the Investment Units.

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Purchasers are required to purchase a minimum of one Investment Unit, except that we are allowed to permit investments of a lesser amount. 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. 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.

Each Series A 12-6-12 Note is identical, as to interest rate, conditions of payment of interest and principal and term date to all other Investment Units issued under the 12-6-12 Offering; however, the date of issuance of each Note is unique. The Series A 12-6-12 Notes earn interest, as follows:

(i) Interest is payable quarterly based on a 12% annual rate; however, the initial interest payment was due on 3-31-2013 and interest is payable quarterly thereafter through the term date (12-31-2014) of the 12-6-12 Note,

(ii) A Year 1 Bonus Interest payment in the amount of 6% of the Note amount, and prorated based on the date of the Note, is payable on 12-31-2013; and,

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

The principal amount of the Series A 12-6-12 Notes is due and payable on 12-31-2014; however, the principal amount may be paid at any time prior to 12-31-2014, 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.

As of the Offering Effective Date, $670,000 of the 12-6-12 Offering has been subscribed by seven (7) persons and 2.68 Class B Units have been issued. The Company anticipates that the remaining $330,000 of the 12-6-12 Offering will be fully subscribed by February 28, 2014.

Distributions to Members

Distributions are specified in Article IV of the Operating 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 as called for in Article IV of the Operating Agreement.

President Loans, Executive Members Loans and Additional Capital Contributions

The President has the obligation to make a best effort to arrange for loans based on the needs of the Company. The President has no obligation to make any such loans. The Executive 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 President nor any Executive Member is obligated to make additional Capital Contributions to the Company. (See Operating 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 Operating Agreement. (See Exhibit B, Operating Agreement).

Limitation of Authority

The Executive Members have the exclusive right to approve all Major Decisions which will be carried out by our President. Our President 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 Member Units. 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 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 Member Units. The Preferred Unit Members have no voting rights.

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III. BUSINESS OPPORTUNITIES AND OBJECTIVES OF THE FUND

The business plan for the Company drives the activities that will be undertaken to acquire and develop Properties and to arrange the various types and levels of financing required by each Fund. The plan further addresses the manner in which we approach both acquisition and new development and our unique focus on associations through strategic alliances with proven development and management companies. Additionally, we have developed a management team that is deep in the specific experiences and competencies required to execute our plan over the long-term primarily for the benefit of our investors. To assure "best business practices" we have incorporated outside advisors who provide their review and oversight of our business practices. (See "Management and Advisors to Company")

We are offering Purchasers of our Series B 10-5-10 Notes the opportunity to join with us at a point in time where we have put together the pieces of the plan, which is now being executed. Each of the following key issues are addressed herein.

- We are engaging with developer/operators possessing solid track records. (see "Broad Relationship of Principals")
- We have the right management team. (see "Management Of The Company" and "Management & Advisors To Company")
- We have an appropriate business model for both our acquisition and new development programs. (see "The Company's Acquisition And New Build Plan For The Funds")
- We have appropriately planned for the Company's capital requirements. (see "Capitalization Of The Company")
- We have organized and prepared to effectively raise the capital required for each Fund's purposes. (see "Capital Structure Of Affiliated Funds' Properties")
- The hotel sector we have chosen, for both acquisitions and new development, represents sound real estate investment sectors. (see "Property Portfolios" and "Key Factors behind our initial and primary long-term selection of select/focus service hotels")
- We are acquiring and developing Properties in solid growth markets. (see "Targeted Property Markets")

Several of our Company managers and advisors have operated together commencing in mid-2009 with the primary focus on creating a realty investment company which would develop and acquire hotels and other select commercial real estate. The ultimate aim has been to assemble an experienced team that operates in concert with existing business relationships that align with our investment objectives.

The Business Cycle Offers 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, we see an unprecedented opportunity to execute our property Acquisition and New Build plans. A minimal number of new hotels have been opened over the past six years and with a resurging demand in all lodging sectors, we feel the timing is correct for both our Acquisitions and New Build programs. (See Section IV - The Company's "Acquisition" and "New Build" Plan for the Funds)

Currently Identified Properties

Initial prospects comprised of dozens of high quality hotels have been reduced to a group of about twenty Qualified Properties. For each in this group, we have completed financial reviews and in most cases on-site property due diligence analysis. In addition, with each owner of a Qualified Property, we have established mutually acceptable terms and conditions of purchase and property management.

We envision a continuing pursuit of property acquisitions and new property development 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.

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 which have strong cash flow growth potential.

We expect that within approximately six (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 targeted 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 six (6) year period mentioned above. Certain of these transactions, such as a merger or sale of all of the Funds' assets, or our dissolution, will require our Fund's equity interest holders' approval, and this may be difficult to obtain.

The Unfolding Property Market Recovery

Our business plan is predicated on buying Core properties 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) and engaging in new development thereafter. Following our ownership period of approximately six years, we envision a possible Roll-Up of our Funds into an initial public offering, at which time we expect to extract the values for our Funds created from acquisition to stabilization. This projected holding period may be longer or shorter and other exit strategies may be more attractive over time.

In our opinion, therein lies the opportunity for the Funds. As we experience the U.S. economic recovery, hotel occupancies and average daily rates are recovering. We believe that the current state of the hotel sector allows the assemblage of a Property portfolio at historically advantageous prices.

We further believe that 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 hotels and selective other commercial real estate types and a corresponding increase in the values of our Funds' Properties.

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 and/or new development of Properties. Additionally, the SAMs may manage the Properties they sell to the Funds and those they source 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 developed by or 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.

Strategic Alliance Manager Program

From this extensive undertaking came our unique Strategic Alliance Manager ("SAM") program; a concept which we intend to employ with distinctive business models for both acquiring and developing Properties. A SAM is a developer/owner of income producing properties (i.e. hotel) with interest in aligning with us to periodically sell to us one or more of their existing assets and develop new Properties.

The SAM program's primary objective is to align the acquisition and management objectives of future Funds with the interests of the SAMs. For the SAMs, these common interests include (i) co-developing new Properties; (ii) selling to us at stabilized Marriott, Hilton and Hyatt hotels, or possibly other income producing Properties, (iii) continue the management of those Properties on our behalf, and (iv) benefiting from the Properties performance through operating incentives and sharing in certain value increases when the assets are liquidated.

Partnering Approach

Based on execution of our plan for HC-I 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.

Competitive Advantage

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

- Excellent operators with well performing 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 and successful real estate and REIT experience and a large network of hotel industry executive management contacts. We intend to continue to build our management team and Advisors as we progress in each phase of our business development.
- A Fund structured as an UP-REIT could develop or 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.
- Capability to acquire performing properties or to develop new, depending upon value, need and timing of each opportunity. This added flexibility will yield greater return on equity for our Subscribers.

Property Portfolios

In creating the Property portfolio for our Funds, we blend hotels of different franchises and in different geographic markets to create diversification of current income, income growth and capital appreciation. Blending the investment expectation of different hotel Properties 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. This diversification will be further enhanced by combining newly developed hotel Properties, combined with acquisition of existing performing hotel Properties. 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, or developing new Properties. We expect this positive environment to hold for another five to six years. While the initial Property focus will be in select / focus service hotels, the Properties we develop and acquire may be full-service including extended-stay Properties as well. 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.

Key Factors Behind Our Selection Of Select/ Focus Service Hotels

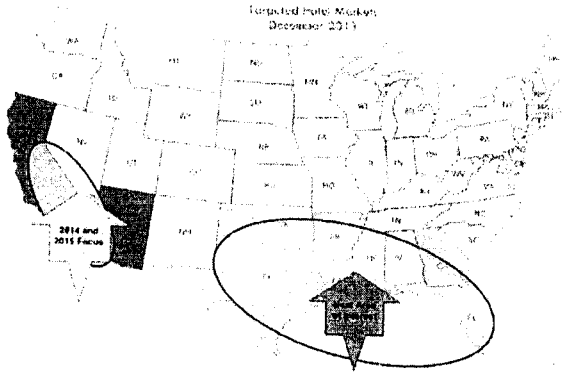
- Hotels operate in a favorable, transparent, and market-driven regulatory and taxation environment.
- Hotels can generally adjust their rates on a daily basis giving them the greatest flexibility to react to demand and changing market conditions.
- Hotels in the Marriott, Hilton and Hyatt brands enjoy 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, Hilton and Hyatt brands, we will have no limitation as to the brand of franchise or license with which the Fund's hotels will be associated.

Targeted Hotel Markets

On behalf of our Funds, we intend to arrange to develop or acquire select/focus service hotels. Currently, we are in the process of establishing our initial Fund, HC-I but have not made final determination of all of the land parcels that will comprise its assets.

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. USA Barcelona Realty Advisors will own no properties but may have an investment interest in the Funds. The Funds, to which we are Advisor, or one of their wholly-owned subsidiaries, will own a majority interest in the Properties we develop or acquire.

Map - Targeted Hotel Markets



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Negotiations for Property Acquisitions

We have reached agreements with several hotel companies (SAMs) to strategically align with us and are in discussions with other potential SAMs who collectively own and manage or manage for others over 500 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; Hilton's Hampton Inn and Hilton Garden Inn, Homewood Suites, Home2 Suites; and Hyatt's Hyatt Place and Hyatt House. We also intend to possibly develop or acquire other qualified commercial real estate classes of income properties.

Property Portfolio Objectives

We primarily intend to invest in one asset class of Properties - hotels, although we might consider other types of income-producing properties. We intend to develop and acquire Properties that we believe have the potential for long-term growth and income generation. We believe that our investment thesis is supported by demographic trends affecting consumer demand for the asset classes that are the focus of our investment strategy.

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, HC-I, will raise up to $30,000,000 or more in equity capital and be leveraged at approximately 65% to 70%. Subsequent Funds would have similar objectives but may raise more or less equity than we have planned for HC-I. We can provide no assurance that we can meet these goals. (See, "Risk Factors")

Timing of Acquisitions of and Investments in Properties

We think the current state of the hotel and commercial real estate industries allows the development and/or 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 U.S. economy recovers, hotel occupancies and average daily rates will stabilize at their appropriate levels.

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

Achieving the Objectives of the Plan

The steps contained in the plan are outlined, as follows:

- By the end of 2014, we intend to have under development, and/or to have acquired, a total of six to eight properties requiring approximately $80,000,000 to $120,000,000 of combined equity and debt capital. We intend to develop and acquire select service hotels and possibly other Qualified Properties.
- Thereafter for 2015 through 2017, we plan to develop and/or acquire, on behalf of the Funds for which USA BRA is the advisor, approximately 10 to 15 Properties per year.
- Between 2014 and 2017, we will strive to position USA RHC, and its managed Funds, 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

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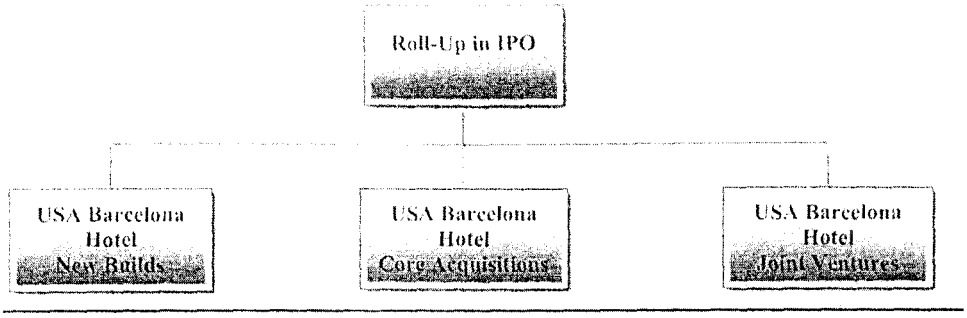
of our President, Executive Members and Advisors would be officers of that public company and members of all of our Classes of Member interest would liquidate their respective Member Units for cash and/or shares in the then public company.

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 Offering Proceeds of an initial public offering ("IPO").

Chart – Series of Specialty Funds



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 opportunity to maximize the value of the Funds' assets and the administrative value of the Company. All equity holders in the Company would benefit from a successful execution of this Roll-Up IPO 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")

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 taxable REIT subsidiary ("TRS"), or another lessee for their management. If a Fund elects to operate as a REIT, we anticipate that substantially all its 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 it owns to a taxable subsidiary rather than requiring it to lease its hotels to a separate, unaffiliated entity. The hotels that it leases 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.

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.

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- 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 10% to 15% of cash flow remaining after payment of all property expenses, property debt service, investor preferred returns and reserves.

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 owner entity 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 owner entity 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 most likely 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.

Broad Industry Relationship of Principals

The Company principals and outside Advisors have extensive long-standing relationships with 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, new development and acquisitions, and (ii) involving a mix of hotel brands, locations and chain scale. The Fund's portfolios are forecasted to include numerous hotels with capital deployed through partnership investments and acquisitions. The Fund's portfolios will include hotels located in the United States and Canada. We may also develop or 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, Hyatt's Hyatt Place 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.

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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 hotels may include leverage of up to 65% and 70%. 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. 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").

- 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).

- Each property may be structured with individual debt and equity specific to the property or our leverage may be a credit facility with all owned properties providing the collateral for the credit facility.

All Cash Transaction

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, or seller acquired/asset equity in a Property or Fund.

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.

IV. THE COMPANY'S "ACQUISITION" AND "NEW BUILD" PLAN FOR THE FUNDS

New Hotels and Overview of the Hotel Company Program ("HC Program")

- The HC Program involves land purchase(s) for new hotel construction, with focus on Marriott, Hilton and Hyatt brands in the select/focus service space.

  In some cases, rather than a new land purchase, we may engage with a project that is already going through its Phase 1 (*see next bullet point*) activities and either (i) provide some of the Class A capital, or, (ii) enter the process as the Phase 2 investor (the Class B Investor in the HC Program is the Phase 2 investor), with a right to acquire the hotel (a) upon completion or (b) at some other defined point that is post-construction completion.

- Investment Structure of the HC Program - Phase I incorporates a class of equity investors (referred to as the Class A investors) that generally provides the capital only for Phase I requirements and are replaced when the properties are Shovel-Ready by Phase II investors The Class B investors) who take the properties to Liquidation.

- Phase I activity involves taking each land parcel (generally 4 to 6 land parcels will be incorporated in each HC Program) through due diligence, planning and design, construction budgeting, construction financing, franchise approval, and permitting all as required to arrive at being "Shovel-Ready".

- Phase 2 activities incorporate the construction period followed by operations from grand opening to Liquidation.
- Each HC securities offering will be sold through one of more channels of distribution including registered investment advisors, broker-dealers and institutional funds. (see "The Initial Hotel Development Program, HC-I")

Acquisition of Existing Properties – Selection of Properties for our Funds

An existing and stabilized 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 candidate property's operations in context with its competitive environment:

- Existing market competition and growth potential
- Occupancy, room rate and other revenue and cost center history
- Current loans and other financial obligations in place
- Pro-forma financial projections and ROI/IRR expectations
- Physical characteristics
- Prior sales prices and capitalization rates and property appraisals.

At the macro (submarket/market) level:

- Examining other planned New Builds being undertaken by other than Affiliates.
- Business travel and tourism data.

For New Build candidate properties, the evaluation criteria and due-diligence requirements are site, rather than operations, centered at the micro level; however, they are the same as existing properties at the macro level. 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. Resulting from its organizational activities, USA BRA has reviewed over twenty hotel Properties that meet our acquisition criteria. We anticipate that the initial Fund (HC-I) will either develop, acquire or invest in approximately six Marriott, Hilton and Hyatt brand hotels. The exact number will depend upon location, cost of acquisition or development, and/or franchise brand.

The "New Build" Approach

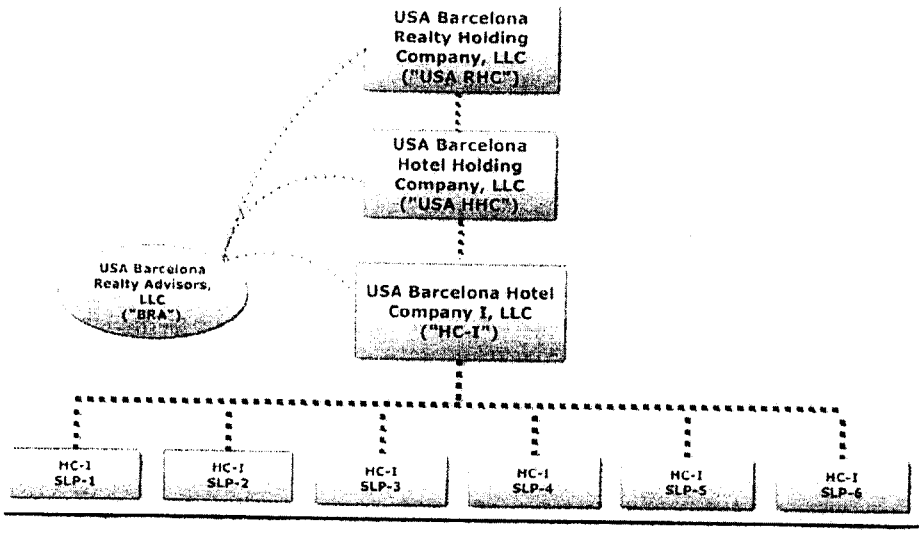
While there may be excellent availability of attractive Core hotel properties, we believe there will be even better opportunities, and returns, possible in the development of new hotels, which we refer to as New Builds. Accordingly, through 2015, we anticipate that USA Barcelona Hotel Holding Company's ("HHC") Affiliates' funds will be primarily invested into the development of new hotel properties. This is primarily due to the current need for more supply in this sector and the large value gain achieved through the creation of a hotel versus the acquisition of a Core hotel.

We anticipate organizing our internal resources to manage property selection and out-source, development, construction and management of properties. We will deploy our internal resources, and our experience, to manage these property development steps, asset management and final liquidation. Together with our capabilities and development opportunities during 2014 and 2015, this seems to be a solid opportunity for capital appreciation.

The Initial Hotel New Build Program, HC-I

As of the Offering Effective Date, we are engaged in preparing the USA Barcelona Hotel Company I, LLC ("HC-I") private placement offering. This investment offering will cover the capital requirements of Phase 1 of HC-I's business plan.

Organization Chart - The Entities Involved in HC-I



The entities, their purpose in the program and their ownership (as planned) are, as follows:

Entity	Abbreviated Name	Purpose	Ownership
USA Barcelona Realty Holding Company, LLC	USA RHC	A holding company for all USA Barcelona real estate assets.	Executive Members of USA BRA
USA Barcelona Hotel Holding Company, LLC	USA HHC	A holding company that is the managing member of each HC	Principals and key investors in "USA BRA" (see chart)
USA Barcelona Hotel Company I, LLC	HC-I	The owner entity and developer of several individual subsidiary hotel land parcel subsidiaries (SLP LLCs).	Managing Member – HHC Class A Members Class B Members
LLCs each of which own a single land parcel.	SLP-1 SLP-2 SLP-3 SLP-4 SLP-5 SLP-6	Each subsidiary SLP LLC contracts to acquire a parcel of land which will be made ready for construction of a hotel thereon and the subsequent operations and ultimate sale of the hotel.	Managing Member – HC-I Class A Member – Syndicated Investor Class (Class A Members) Class B Member – none planned
USA Barcelona Realty Advisors, LLC	USA BRA	The advisor to USA RHC, HHC, HC-I and its SLP Affiliates.	The Executive Members of USA BRA and numerous employees and non-affiliated investors.

USA Barcelona Hotel Company I, LLC Business Plan

HC-I's business plan is divided into two phases, as shown below:

Phase 1								
Land Option Contract Signed	Due Diligence Commences	Franchise Commitment Obtained	Construction and Mini-Perm Loan Commitment obtained	Site Design and Construction Drawing Stage	Firm Construction Contract executed with major construction company	Development and Construction Entitlements obtained	All Permits Available; Construction Loan Ready to Close; All Construction Contract matters ready for execution	SHOVEL-READY

- Phase 1 commences with the land contracts for each SLP and concludes when the last SLP is Shovel-Ready.
- Financing for Phase 1 is provided approximately 10% by advances from its parent or USA BRA and the balance from a single investor or a class of investors, which are referred to as Class A Members of HC-I. The preliminary budget for HC-I is under development as of the Offering Date as are the specifics of the properties that will be included. The HC-I budget is comprised of the following major line items:
    - Land contract deposits
    - Due diligence expenses
    - Appraisal and franchise expenses
    - Land planning, hotel design and engineering
    - Construction financing commitment expenses
    - Advisor fees
- Each SLP will be taken through a process that will qualify it as "feasible" based on a sequential feasibility testing of:
    - Land matters and major issues running with the land
    - Operating performance forecast
    - Development and construction cost
    - Franchise commitment
    - Construction and permanent finance commitment(s)
    - Entitlements and permitting matters
- If at any of the feasibility steps, a SLP fails to meet our requirements, the land option will be terminated. Otherwise, each SLP will travel through the feasibility process to the point where all of our requirements are satisfied and all necessary contracts and permits are ready to be finalized. We refer to this step in the process as "Shovel-Ready".
- At Shovel-Ready, each SLP moves to Phase 2.
- The anticipated maximum period for Phase 1 is 24 months. However, because each SLP will take a different amount of time to get to its Shovel-Ready stage, it is anticipated that the start to Shovel-Ready period will vary from as little as 12 months to as long as 24 months.

As mentioned above, HC-I may involve one or more SLPs where the SLP is a joint venture with a company that has the SLP already significantly along in its getting to Shovel-Ready status, which would shorten the time-frame for that SLP staying in the Phase 1 status.

Phase 2					
Site Development	Construction	Obtaining Certificates Of Occupancy and all operating permits and licenses	Initial Operations to 100% of Market Share target	Operations to 24 months of stabilized operations	Liquidation to REIT affiliate or third party

The second phase commences with each SLP following one of two scenarios:

1. The SLP continues as a subsidiary of HC-I. The following events occur:
   a. A second class of investors step in. This is the Class B Member(s).
   b. The Class A Members, who are a preferred Class in HC-I, are liquidated via a return of capital plus a distribution that yields them a stated IRR. *1
   c. The Class B Member(s) provide the capital that, in addition to any construction debt financing that has been arranged for the SLPs, takes the SLPs through site development and construction of the hotels, and on through the initial and ongoing operating stage to the point where each SLP's hotel is sold.
   d. At sale, the Class B Member(s) receive a liquidating distribution required to bring them to a predetermined IRR, USA BRA receives a Liquidation fee and the managing member plus any affiliate member interest holders receive their Liquidation distributions.
   e. It is anticipated that the time frame for Phase 2 is in a range of 4 to 5 years. One year for construction and three to four years of operations to bring the hotel to a maximum stabilized value.
   f. The hotel may be liquidated to an Affiliate or to a non-Affiliate.
2. The SLP is sold or contributed to a new entity which may be either (i) an unaffiliated party or (ii) an entity comprised of an Affiliate of HHC acting in the capacity of managing member of the new entity and or a class of investors unrelated to the Class A Members of HC-I. At this juncture, SLP1 is out of the HC-I portfolio and the new entity pays HC-I an amount that satisfies HC-I's return on investment obligation to its Class A Members for the SLP1 portion of the HC-I SLP portfolio plus any other consideration required to provide USA BRA with its structured fees, and the requisite return to HHC as managing member of HC-I.

*1 The Class A Members may or may not have a continuing interest in HC-I. This will be defined when the HC-I Offering structure is finalized.

V. USA BRA ORGANIZATION AND FEE COMPENSATION FROM THE FUNDS

Organization

As Funds are formed and capitalized, they will enter into an Advisory Agreement with USA BRA, which will, among other things, seek to obtain, investigate, evaluate and recommend property investment opportunities for the Funds, serve as property investment advisor and consultant in connection with investment policy decisions made by the board of directors of the Fund; and, subject to the direction of the board of directors, supervise the Fund's day-to-day operations. USA BRA is not a subsidiary of the Funds.

USA BRA intends to be staffed at all times sufficient to fully serve the Funds. USA BRA intends to obtain, "key-man" life insurance on the life of certain officers. USA BRA currently has four Executive Members, six outside advisors, three department managers and staff. This staffing will expand as it is required to do so in order to service the Funds. USA BRA may make arrangements with third parties to provide services for day-to-day operations and for the purchase or sale of real estate for the Funds. We expect that each member of USA BRA'S management team will perform similar functions for all future Funds it organizes. Future Asset Management Fee negotiations between a Fund and USA BRA will address USA BRA's operating requirements and an appropriate allocation of its time devoted to activities associated with the Fund and each of the future Funds to which USA BRA is an Advisor.

Fee Compensation

The compensation table below ("Fess Paid to USA BRA by the Funds") describes all the compensation, fees, reimbursement and other benefits which will be paid by the Funds to USA BRA and its Affiliates for contracted services. We anticipate that each member of our management team and certain staff members will provide certain services to the Funds. These persons are all employed by USA BRA. USA BRA expects to pay its senior managers and staff from compensation received by it under Advisory Agreement and Property Acquisition/Disposition Agreement with the Funds.

Reimbursements to USA BRA and its Affiliates

USA BRA will be reimbursed for certain direct costs incurred on each Fund's behalf for acquiring and operating Properties and for goods and materials obtained from entities that are not affiliated with USA BRA. Possible reimbursable costs and expenses include, but are not limited to, interest and other costs for money borrowed, taxes on property or business, fees for legal counsel and independent auditors engaged, expenses relating to Unit-Holder communications, costs of appraisals, non-refundable option payments on property not developed or acquired, and title insurance. These expenses also include ongoing accounting, reporting and filing obligations that are provided by USA BRA and payments made to third-parties that are made by USA BRA. These expenses will not include any amounts for overhead of USA BRA. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to USA BRA are subject to the overall limitation on operating expenses discussed under "Compensation", but the amount of reimbursement is not otherwise limited.

USA BRA may provide other services and be entitled under certain conditions to compensation or payment for those services. Those conditions, which are summarized under "Conflicts of Interest—Transactions with Affiliates and Related Parties".

Cost-Sharing Arrangements and Reimbursements

USA BRA employs the officers, managers and staff that perform services to each Fund it organizes under the Advisory Agreement between a Fund and USA BRA. We intend that the compensation paid to USA BRA will be allocated among the various Funds that USA BRA intends to organize in a manner that is proportionate to the estimated amount of time devoted to activities associated with each such individual Fund. The first such Fund to be so organized will bear all such expenses initially. Any future allocation would be determined by negotiation between USA BRA and the board of directors of each Fund. USA BRA's compensation and the sharing arrangement it will have with the Funds is anticipated to permit USA BRA to attract and retain superior executives, managers and staff. Fees paid to USA BRA by Funds under the Advisory Agreements would include compensation for our officers, managers, staff, overhead and profit.

Chart – Fess Paid to USA BRA by the Funds

Entity Receiving Fees	Type of Fees	Amount of Fee Compensation
	Pre-formation Period	
USA BRA	Reimbursements for expenses incurred in the pre-formation period of Funds.	Advisor incurs significant costs during the pre-formation period of each Fund to (i) identify companies with whom the Fund may establish business relationships and (ii) identity Properties that meet the Fund's acquisition requirements. Each Fund will reimburse USA BRA for these expenses.
	Acquisition Phase	
USA BRA	Acquisition Fee for acquiring Properties for the Funds.	Acquisition Fee – 1.5% to 2.5% of the gross purchase price of the Properties. Example: On a purchased value of $200,000,000, the Acquisition Fee is $3,000,000 to $5,000,000. In cases where no commissions are paid to non-affiliates, the Acquisition Fee paid to USA BRA could be higher.
	Reimbursement allowance for real estate acquisition expenses.	Acquisition Expenses - Typical real estate acquisition expenses are estimated to be approximately .5% of the purchase price of the properties.
	Operations Phase	
USA BRA	Asset Management Fee for managing the day-to-day operations of a Fund.	Advisor will be compensated a flat monthly fee of approximately $75,000 during the period in which a Fund is conducting an initial securities offering. Thereafter, Advisor will be paid an annual fee, payable quarterly in arrears, based upon a minimum of 0.75% to a maximum of 1.25% of the purchase price of the properties acquired by each Fund and the development cost of properties constructed by each Fund for as long as the properties remain in the asset pool of the Fund.
USA BRA	Reimbursement Compensation and overhead costs of USA BRA.	Not estimable. See below under "The Advisory Agreement."
USA BRA	Reimbursement for certain deposits and costs incurred on Funds' behalf.	Not estimable, but subject to the limits described below under "The Advisory Agreement."
	Disposition Phase	
USA BRA	Disposition Fee for selling a Fund's properties.	1.5% to 2.5% of the gross sales prices of a Fund's properties sold by us. In cases where no commissions are paid to non-affiliates, the Disposition Fee to USA BRA could be higher.

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Specific Amounts of Compensation Payable to USA BRA

Except as otherwise indicated in the table above, the specific amounts of compensation or reimbursement payable to USA BRA will depend upon factors determinable only at the time of payment. Compensation payable may be shared or reallocated in USA BRS's sole discretion. However, compensation and reimbursements which would exceed specified limits or ceilings cannot be recovered by USA BRA through reclassification into a different category.

The Advisory Agreement

The Advisory Agreement between each Fund and USA BRA will have a seven year term and will be renewable for additional five year terms thereafter. The Advisory Agreement provides that it may be terminated at any time by a majority of the Fund's Directors, with or without cause, upon 60 days' written notice. USA BRA can terminate the Advisory Agreement with or without cause upon 60 days' written notice. However, in the event of any such termination at the election of USA BRA prior to December 31, 2015, USA BRA shall grant to the Funds in question the right to re-acquire its percentage interest in the Fund at a price equal to that paid by the Fund's investors multiplied by the whole or partial years held by USA BRA.

In addition to such further liability or obligation of either party to the other due upon termination of the Advisory Agreement, if the Advisory Agreement is terminated without cause, or in the case of any determination by any Fund to liquidate its assets other than in the normal course of business or wind-up its affairs, the Fund shall pay USA BRA a termination fee ("Advisory Termination Fee") in an amount equal to one percent of the Fund's gross asset value (without adjustment for depreciation or amortization. The Advisory Termination Fee shall be paid within 30 days following the date that the notice of termination is given.

Under the Advisory Agreement, USA BRA undertakes to use its best efforts (i) to supervise and arrange for the day-to-day management of Fund operations, and (ii) to assist Funds in maintaining a continuing and suitable property investment and disposition program consistent with Fund investment policies and objectives. Under the Advisory Agreement, generally, USA BRA is not required to, and will not, advise on investments in securities, *i.e.*, the temporary investment of offering proceeds pending investment of those offering proceeds in real property. It is expected that Fund officers and directors will generally make decisions with respect to temporary investments.

Pursuant to the Advisory Agreement, USA BRA will be entitled to (i) an Acquisition Fee equal to one and one half percent to two and one half percent (1.5% to 2.5%) of the purchase price of Properties acquired by a Fund, (ii) a liquidation fee equal to one and one half percent to two and one half percent (1.5% to 2.5%) of the sales price of Properties sold by a Fund, and, (iii) an Asset Management Fee. USA BRA will be compensated with a flat monthly fee of $75,000 during a Fund's offering period. Thereafter, the Asset Management Fee is payable quarterly in arrears. The amount of the Asset Management Fee is, i) a percentage of the purchase price of Properties acquired by the Fund, or otherwise, ii) the Funds percentage interest in investment and joint venture properties based upon the valuation placed by the Fund on those Properties. The applicable percentage used to calculate the Asset Management Fee is based on the ratio of a Fund's modified funds from operations to the amount of the purchase price of Properties acquired by the Fund for the calendar year or pro rata for a partial year. This ratio is referred to as the "return ratio." The per annum Asset Management Fee will generally be equal, but may be greater or less, to the following with respect to each calendar year:

- .75% if the return ratio for the calendar year is 9.00% or less;
- 1.00% if the return ratio for the calendar year is more than 9.00% but not more than 11.00%; and
- 1.25% if the return ratio for the calendar year is above 11.0%.

We believe that modified funds from operations is an appropriate measure to use in determining the fees to be paid to USA BRA. Modified funds from operations differs from funds from operations as defined by the National Association of Real Estate Investment Trust's ("NAREIT") October 1999 White Paper. Funds from operations is defined by NAREIT as net income (computed in accordance with generally accepted accounting principles), excluding gains or losses on sales of depreciable property, plus depreciation and amortization of real estate property used in operations, less Preferred Dividends and after adjustments for unconsolidated partnerships and joint ventures. Modified funds from operations includes the NAREIT definition but allows for adding back non-recurring items which are not indicative of on-going performance.

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Modified funds from operations does not represent cash flow from operating, investing or financing activities in accordance with GAAP and is not indicative of cash available to fund all of our cash needs. Modified funds from operations should not be considered as an alternative to net income or any other GAAP measure as an indicator of performance and should not be considered as an alternative to cash flow as a measure of liquidity or the ability to service debt or to pay Dividends.

Our bylaws require our Executive Directors to monitor USA BRA's performance under any advisory agreement with any Fund and to determine at least annually that the amount of compensation any Fund pays to us is reasonable, based on factors as they deem appropriate, including:

- the amount of the Asset Management Fee in relation to the size, composition and profitability of the investments made for the Funds,
- the success of USA BRA in selecting opportunities that meet a Fund's investment objectives,
- the rates charged by other investment advisors performing comparable services supervising Funds,
- the amount of additional revenues realized by USA BRA for other services performed for a Fund,
- the quality and extent of service and advice furnished to a Fund by us,
- the performance of our investments for the Funds, and;
- the quality of our investments for the Funds in relation to any investments generated by it for its own account.

Unless the directors of a Fund conclude that a higher level of expenses is justified based upon unusual and nonrecurring factors which they deem sufficient, USA BRA must reimburse the Fund for the amount of any excess operating expenses. It must make reimbursement within 120 days from the end of our fiscal year. USA BRA will be entitled to be repaid reimbursements in succeeding fiscal years to the extent actual operating expenses are less than the permitted levels. In determining that unusual and nonrecurring factors are present, the directors will be entitled to consider all relevant factors pertaining to our business and operations, and will be required to explain their conclusion in written disclosure to the Unit-Holders. USA BRA generally would expect to pay any required reimbursement out of compensation received from us in the current or prior years. However, there can be no assurance that it would have the financial ability to fulfill its reimbursement obligations.

Each Funds' bylaws will generally prohibit the Fund's total organizational and offering expenses, including selling commissions, from exceeding 15% of the amount raised in any securities offering made by the Fund. Furthermore, the total of all acquisition fees and acquisition expenses paid by to us by a Fund in connection with the purchase of a property arranged by us shall be reasonable and shall in no event exceed an amount equal to 6% of the contract price for the property, unless a majority of the board of directors of the Fund approves the transaction as being commercially competitive, fair and reasonable. For purposes of this limitation, the "contract price for the property" means the amount actually paid or allocated to the purchase, development, construction or improvement of the property, exclusive of acquisition fees and acquisition expenses. Any organizational and offering expenses or acquisition fees and acquisition expenses paid to us in excess of the permitted limits shall be repayable to the Fund by USA BRA immediately upon demand.

A property Acquisition/Disposition Agreement with USA BRA will be executed with each Fund, under which USA BRA will agreed to act as the Fund's agent in connection with purchases and sales of properties. Under the agreement, USA BRA is entitled to a fee between one and one half percent and two and one half percent (1.5% and 2.5%) of the gross purchase price of the property(s), payable in connection with each purchase, including any debt incurred in order to purchase the property(s). Under the agreement, USA BRA is also entitled to a fee in connection with the disposition of some or all of a Fund's properties between one and one half percent and two and one half percent (1.5% and 2.5%) of the gross sales price, whether these dispositions are dispositions of individual properties or of interests in the Funds, the purpose or effect of which is to dispose of some or all of the properties, or the entities holding the properties, payable in connection with each property sale if, but only if, any property is sold and the sales price exceeds the sum of the cost basis in the property plus 10% of the cost basis. The cost basis is the original purchase price plus any and all capitalized costs and expenditures connected with the property. For purposes of this calculation, the cost basis will not be reduced by depreciation. If the person from whom we arrange a purchase or to whom we arrange a sale of a property pays any fee to USA BRA, that amount will decrease the amount of the obligation by the Fund to USA BRA.

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Under the Property Acquisition/Disposition Agreement, USA BRA is not entitled to any real estate fee upon the sale of a property to, or purchase of a property from, another Fund unless approved by both Funds' boards of directors. The agreement between a Fund and USA BRA will have an initial term of seven years and will renew automatically for successive terms of five years unless either party to the agreement elects not to renew by notice sent to the other party within 60 days before the end of any term. This discussion is only a summary of the material terms of the Property Acquisition/Disposition Agreements between the Funds and USA BRA.

Subject to the conditions applicable generally to transactions between USA BRA and a Fund, an Affiliate may render services to us in connection with a Fund's financings or refinancings and would be entitled to compensation for those services. As of the date of this Memorandum, there are no specific agreements for any of these services.

VI. MANAGEMENT & ADVISORS TO COMPANY

We believe the combined experience of our management team and advisor group is substantial in both depth and scope. The breadth of background across all aspects of raising capital, financing, developing, acquiring and managing assets is evident in our capabilities to conduct due diligence, evaluate and make informed decisions. Finally, we have a large network of industry contacts, who can be enlisted as additional resources as required. These contacts represent potential partner contacts for forming Strategic Alliance Manager (SAM) relationships, deal flow opportunities and sourcing of financing.

We are a Manager Managed Company ("Manager Managed"). We have an Executive Committee comprised of four 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 President. Our President makes all decisions for the Company other than Major Decisions. Our President 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 President and Advisors to the Company.

Person	Position	Age	Affiliated Since
Richard C. Harkins	President and Executive Member	72	May, 2009
George T. Simmons	Executive Member	73	July, 2009
Bruce Orr	Executive Member	59	April, 2010
Robert Kerrigan	Executive Member	75	October 2012
Jeffrey S. Teets	Chief Financial Officer	58	August, 2013
Patrick McDonough	Vice President Retail Capital Markets	62	November, 2013
Chris Corpuz	Advisor	55	September, 2013
Anthony Manos	Advisor	52	September, 2013
Dawn Berry	Advisor	48	June, 2010
Murray Dow	Advisor	65	June, 2010
Steven Gold	Advisor	71	August, 2009
Chuck Matthews	Advisor	55	September, 2013

Executive Management Team

Our senior executives have extensive experience in investing, developing and managing various asset classes of commercial real estate. In addition, we have a number of advisors to the company, who collectively represent over 300 years of senior management experience, mostly in the hospitality and multifamily asset classes.

Richard C. Harkins, our President, Chief Executive Officer and Executive Member has over 40 years of background in the real estate industry. His experiences include land acquisition, development, financing and executive management involving over 675 individual hospitality and multifamily properties. He has been the responsible executive for directing activities involving obtaining the debt and equity capital required for land acquisition, development and construction. He has directed the capital markets activities that resulted in arranging the equity financing for the aforementioned 675 properties. He also has substantial experience in residential land development and development of daily fee golf properties. His experience includes tenures with Gulf Oil Real Estate Development Corporation, Cardinal Industries and numerous private venture real estate companies. He received an extensive education in electronics and electronic warfare systems and procedures while serving over nine years of active duty in the U.S. Navy and holds a BS Degree in Accounting with additional qualifications for a major in chemistry from the University of Alabama.

George T. Simmons, our Executive Vice President, Chief Operating Officer and Executive Member, has over 25 years of background as an investor, developer and owner of individual office, retail and manufacturing properties, and as an investor and director of several private commercial real estate holding companies. He also has over 35 years of senior executive experience in the semiconductor industry and is a founder of a semiconductor manufacturing company operating with multiple factory sites in Greater China. He holds a BS Degree in Engineering and Economics from the University of Nebraska.

Bruce Orr - Mr. Orr serves as an Executive Member of USA Barcelona Realty Advisors and focuses on property research, analysis and acquisitions. He has a background in corporate finance and commercial banking. He earned his MBA from Pepperdine University and was trained in banking and finance while with Wells Fargo Bank Commercial. He has broad experience in corporate finance, mergers and acquisitions, ESOPs and real estate financing. Mr. Orr has worked within the hotel development industry as a consultant and Chief Operating Officer, and as an independent developer, has worked on a number of hotel projects in Southern California. He holds a BS Degree in Business and a MBA from Pepperdine University.

Robert Kerrigan - Mr. Kerrigan serves as Executive Member of USA Barcelona Realty Advisors and advises on private capitalization matters. He is currently the President and sole shareholder of Personal Wealth Management Group, Inc. He holds a designation of Certified Wealth Consultant. For the past 45 years, Mr. Kerrigan 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 holds a BS Degree in Economics from the University of Wisconsin Oshkosh.

Jeffery S. Teets, our Chief Financial Officer, has substantial experience in real estate development, acquisitions/ dispositions of properties and finance with Macerich/Westcor, a major real estate developer/manager of regional malls, retail centers and resorts. Prior to the acquisition of Westcor by Macerich, as Treasurer of Westcor, Mr. Teets was responsible for structuring the successful $1.5 billion merger of various Westcor operations into a public REIT infrastructure. He has a public accounting background with Ernst & Young, holds a BS Degree in Accounting from Michigan State University and is a Certified Public Accountant.

Patrick McDonough, our Vice President Retail Capital Markets, has a senior management background in development, acquisition and management of office and healthcare properties. He was most recently the top executive in a regional services organization, Sedona Real Estate Group, advising clients on various aspects of commercial real estate development, acquisition and asset management. Patrick also has substantial senior executive tenure in the health care industry. He holds a BS Degree in Finance from the University of Scranton.

Advisors to Management

Chris Corpuz - Mr. Corpuz is Chief Executive Officer at Corton Partners. Formerly, Mr. Corpuz was the Executive Vice President of Acquisitions & Strategic Initiatives of Kilroy Realty Corp (NYSE: KRC). As Partner/Chief Financial Officer at MacFarlane Partners, which had $21 billion of management assets, he was

responsible for identifying, developing and launching new investment initiatives, and sourcing and structuring private-equity investments in existing real estate companies. He also directed the development of a real estate hedge fund and the acquisition of a sports franchise. He has over 20 years of real estate and private equity investment experience. Earlier in his career, Mr. Corpuz managed a $3.0 billion real estate portfolio for Ameritech's pension fund and helped co-found the real estate consulting practices of both Arthur Andersen and Deloitte Haskins & Sells. He holds a BS Degree in Mathematics and graduate Degrees from J.L. Kelley School of Management at Northwestern University and the John F Kennedy School of Government at Harvard University.

Anthony Manos – Mr. Manos is Chief Investment Officer at Corton Partners. He formerly served as Senior Vice President of Development & Acquisitions at the Irvine Company and was responsible for the development/acquisition of the company's shopping center portfolio and the redevelopment of Fashion Island and Irvine Spectrum regional malls. He also was on the development and planning team for the five-star Pelican Hill Resort. Mr. Manos served as the Senior Vice President and Head of the West Coast Operations for Brookfield Properties' portfolio of 8,000,000 square feet of office and mixed use properties valued at over $3.0 billion. As Executive Vice President of Mixed Use Development and Operations for Westfield Corporation, he was responsible for the selection and entitlement of their hospitality sites throughout the U.S. Mr. Manos has worked as a consultant and is a Certified Public Accountant, starting his career at Deloitte Haskins & Sells. He holds a BS Degree in Accounting and Finance from the University of Southern California.

Dawn Berry - Ms. Berry is President and Chief Executive Officer of Pyramid Hospitality and Development Company and has over 20 years' experience in the hospitality industry. Her expertise includes executive management of hotels in focused service, full service, destination resort hotels and franchise brand management ranging from 125-2,200 guest rooms in urban, suburban and destination markets across the U. S. During her six year prior role as Vice President of Brand Management for Hilton Garden Inn, she earned the JD Power Award for brand experience during five of her six years, and was a contributing member in taking the brand from 58 to 310 properties. She holds a BS Degree in Business from the University of Wisconsin.

Murray Dow - Mr. Dow is President of the Dow Hotel Company, which controls 12 hotels that generated over $175 million in revenues in 2012. He has over 30 years' experience as a hotel professional and prior was Executive Vice President/Chief Operating Officer of HEI Hotels, growing the company from one to 20 properties, with over $20 million in annual sales. He was the first general manager in Interstate Hotel history to open a new hotel on time and under construction budget. Mr. Dow was Managing Director of Christensen Hotels, and spent over five years with the Four Seasons Hotels in Seattle and San Francisco, and The Ritz Carlton in Chicago. He holds a BS Degree in Economics from Western Washington University.

Steve 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 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. Mr. Gold has been a Director of the public REIT Commonwealth Equity Trust, served as Chairman of Center Financial and was an Adjunct Professor at UCLA Business School. He specializes in the financing of major real estate developments and originates many joint ventures for developers with institutional partners. He holds a BS Degree in Business and a MBA, both from UCLA.

Chuck Matthews - Mr. Matthews is Chairman/Chief Executive Officer of WGM Associates and responsible for establishing the strategic direction for the company. He has 28 years in management, finance, real estate and technology. He started his career with the state's largest savings bank and was successful in commercial and construction lending, loan operations and credit quality. As Vice President at DMB Associates, he was responsible for conceptualizing, implementing and managing the "soft infrastructure" elements of their master planned communities and various programs to increase real estate values and better communities. He formed IntelliCommunities to further pioneer the use of advanced technologies to create new community infrastructure. Mr. Matthew serves as the Treasurer of the FBI National Citizens Academy Alumni Association Board of Directors and is the past President of the FBI Phoenix Citizens Academy Alumni Association. He holds a BS Degree in Finance from the University of Arizona.

VII. RISK FACTORS

THE SERIES B 10-5-10 NOTES 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 Offering 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 President 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 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 hotels and other types of real estate, 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.

- *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 develops and 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 bank 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.

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 Series B 10-5-10 Notes. 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:

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

VIII. CONFLICTS OF INTEREST

General Conflicts

We may be subject to various conflicts of interest arising from our relationship with Funds managed by USA BRA, and our management, who are currently the sole Unit-Holders of the Fund. USA BRA intends to provide advisory services only to Funds, their Affiliates and subsidiaries, and to other Funds sponsored by USA BRA, so that conflicts with USA BRA will be minimized. In addition, our management may have conflicts of interest in allocating time and attention among us and other Funds engaged in similar activities, which may be organized by members of management in the future.

USA BRA and its management are restricted from engaging for their own account in business activities of the type conducted by us. Occasions may arise when interests conflict with those of one or more of management, USA BRA or other programs organized by management. Subject to certain limitations in our articles of incorporation and the Advisory Agreement, USA BRA and management are accountable to the Funds and Affiliates under contract.

USA BRA will assist the Funds and Affiliates in acquisition, organization, servicing, management and disposition of investments.

Conflicts Related to Fees, Compensation and Economic Benefits Paid to USA BRA

The receipt of various fees and other economic benefits by USA BRA or management may result in potential conflicts of interest for persons who participate in decision making on behalf of Funds under contract and these other entities (or, in the case of management, on behalf of themselves individually). We also may be subject to conflicts of interest arising from our relationship with Affiliates and our management.

Policies to Address Conflicts

USA BRA will also be subject to the various conflicts of interest described below. We intend to implement policies and procedures to try to ameliorate the effect of potential conflicts of interest. We will endeavor to enter into contracts designed to ensure that these contracts are not less favorable to us than would be available from an unaffiliated party.

Transactions with Affiliates and Related Parties

Options to acquire Class A Member Units may be issued to us and/or our Affiliates by one or more Funds. If issued, the options will be issued as (a) compensation in lieu of fees to management for organization, capital raising and asset acquisitions; and, (b) as an incentive to management to (i) manage raising equity for any

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Funds offering, (ii) arrange for the purchase of Properties, investments in and loans to Properties, (iii) arrange for debt financing for Properties, and (iv) manage the Fund activities.

Transactions conducted by USA BRA must be in all respects fair and reasonable to our Members. If any proposed transaction involves the purchase of property, the purchase must be on terms not less favorable than those prevailing for arm's-length transactions concerning a comparable property, and at a price no greater than the cost of the asset to the seller unless it is determined that substantial justification for the excess exists. Examples of substantial justification might include, without limitation, an extended holding period for capital improvements by the seller, which would support a higher purchase price. USA BRA will receive compensation for providing many different services. Fees payable and expenses reimbursable will be subject to the general limitation on operation expenses.

Interlocking Board of Directors

Richard Harkins and George T. Simmons concurrently serve as Executive Members of USA BRA and will serve on the board of directors of the Funds. There may be future instances where our Properties are in the same markets as Properties owned by future Funds for which USA BRA is Advisor. However, because most Properties will be managed by third-party management companies and none of the directors will play a direct role in the management of the Properties for any of the third-party management companies, we do not believe that any director's service as a director in Funds owning Properties in the same markets will present a material conflict of interest. Directors will endeavor to act in the best interests of each Fund. The following chart shows the common board membership of the Funds and the Executive Members of USA BRA:

Chart - Interlocking Board of Directors

Persons	Funds	USA BRA
Richard C. Harkins	Director and Officer	Executive Member, President, CEO
George T. Simmons	Director and Officer	Executive Member, Executive VP, COO

Property Management

Certain third-party management companies may have a liquidation interest in Properties they sell to the Funds and/or may have a minor, non-voting equity interest in USA BRA. Otherwise, we expect that no third-party management company will have personal or business relations with any future Fund sponsored by USA BRA, other than through the management of the Properties.

Competition for Management Services

Our management may at times owe certain duties to entities which conflict with their duties to us. Our management may in the future organize additional programs which may compete with us and may, as a director or officer of those programs, owe duties to those programs, which may conflict with duties to Funds under contract.

Competition between Funds That May Be Organized by USA BRA

Future competing activities of USA BRA may involve conflicts of interest. USA BRA may from time to time become aware of Properties of different types available for sale that could be purchased by various Funds. USA BRA would expect to recommend the possible acquisition of a particular property that might be available for purchase to one Fund or another Fund based upon their respective business plans, the markets in which the companies already own Properties, the type of property involved and other relevant considerations, but there can be no assurance that these types of considerations will eliminate any potential conflict of interest presented by this situation.

Funds that may be formed by USA BRA, may in certain circumstances compete with one another in seeking to dispose of Properties. This could occur when a potential Unit-Holder of Properties has an interest in Properties owned by more than one of these companies. We believe that the magnitude of this potential risk

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will be lessened by certain factors, including that the companies will differ in certain aspects in the sectors and locations of the assets they hold and will often, at any given time, be in different stages of their business or development plans. However, there is no assurance that a prospective Unit-Holder would not make an attractive offer to more than one of these companies. The boards of directors of the Fund to whom such a potential offer might be made would have to carefully evaluate all terms of the offer in light of that particular Fund's overall business plan, including possible future alternative disposition or liquidation options.

In addition, we expect that by the time we seek to develop or acquire Properties for a given Fund, no other future Fund organized by USA BRA will be seeking to acquire Properties at the same time. Therefore, as a general proposition, we would not expect Funds to compete with other programs sponsored by USA BRA. Thus, we do not expect there to be any direct conflict between the interests and the interests of any similar Fund organized by USA BRA during the efforts to develop and acquire Properties. However, USA BRA plans as described in this Memorandum are not yet memorialized in any binding, written agreement with any Fund.

As noted above, notwithstanding USA BRA's proposal that any given property acquisition phase will not coincide with the offering of interests in or the property acquisition activities of any other Fund organized by USA BRA, it is not possible to provide the same protection against potential conflicts of interest with respect to the sale or other disposition of Properties. USA BRA believes that a Fund's ultimate property portfolio will be distinguishable to a degree from the property portfolios of Funds that may in the future be organized by USA BRA. In addition to the differences in the actual assets these various companies own, they may own different mixes of types of assets (for example, the distribution of assets within the categories of Properties (such as extended-stay Properties as compared with full-service Properties) and/or the identity of the business franchise involved, and there may be differences in the mix of locations of the assets of the various companies. In addition, since Funds will be, or were, organized at a different time, Funds will, at any point, be in different stages of business and development plans. We believe that, as a general rule, Funds organized earlier will tend to seek to dispose of their Properties earlier than Funds organized later. However, there can be no assurance that this principle would always apply, and there can be no assurance that a potential Unit-Holder of Properties might not express an interest in Properties owned by more than one of the Funds that may be organized by USA BRA. As noted, the boards of directors of the Funds involved would have to carefully evaluate all terms of any offer in light of the companies' overall business and development plans, but potential conflicts with respect to the possible disposition of Properties that may be organized by USA BRA may not be subject to complete elimination.

Although any given Funds operational phase may overlap with the operational phases of other future Funds that may be organized by USA BRA, and it is possible that any disposition and liquidation phase could coincide or partially overlap with the disposition and liquidation phase of such future Fund, certain factors will tend to ameliorate the effect of the resulting potential conflicts of interest associated with these factors. First, USA BRA will endeavor to make certain that USA BRA has sufficient personnel to devote time and attention to all needs, apart from the needs of any other related programs. Second, we expect that most, or substantially all of our Properties will be managed by third-party management companies which are unaffiliated with USA BRA. To the extent we engage third-party management companies, these companies will provide their own personnel who do not have the potential conflicts of interest in operational matters that may be experienced by USA BRA. It is impossible to predict when other programs organized by USA BRA may seek to engage in a merger or similar sale transaction, or alternatively list their Units on a securities exchange. USA BRA and its executive team continually assess the feasibility and desirability of a merger or similar sale transaction, listing, or other action. However, many conditions and factors, including general economic conditions and the state of the economic sector(s) in which we and other such companies are engaged, make it impossible to estimate any specific time frames for any such action.

With respect to our disposition and liquidation phase, and the disposition and liquidation phases of other related programs, insofar as such matters are within our control, we would expect to take steps and implement procedures to minimize potential conflicts between programs. Thus, for example, we would expect to engage third-party investment advisors to recommend when and how we or another program should seek to dispose of its Properties or engage in some other liquidation or "exit" strategy. We would endeavor to avoid having a situation where we are simultaneously engaged in a conflicted attempted disposition or liquidation strategy where this would present a potential conflict of interest. This might mean, for example, that we would defer disposition of a Fund's Properties or other "exit" strategy until after another previously organized Fund had implemented its disposition or exit strategy. However, depending upon the facts, the amelioration of potential

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conflicts of interest could take other forms. For example, it is possible that two Fund programs could simultaneously be offered for sale in a proposed single transaction. This could occur, for example, if relatively small and simultaneous sale of two or more Funds to a single Unit-Holder could maximize benefits to the Unit-Holders of all Funds involved.

Our executive team members and management are sensitive to the various potential conflicts of interest associated with the simultaneous operation of multiple Funds with similar investment objectives, policies and strategies. In analyzing potential conflicts of interest, we will consider factors of the type discussed in this section of the Memorandum, their legal obligations to our members and/or Unit-Holders, and the advice of independent experts, including investment advisors, auditors and legal counsel. However, Unit-Holders must assume that not every potential conflict of interest can be eliminated. For example, we do not necessarily control our disposition or "exit" phase. A third-party Unit-Holder could make unsolicited offers for us and another program at the same time. In such event, as noted, the boards of directors of the Funds involved would have to carefully evaluate all terms of any offer in light of the respective companies' overall business and development plans, including the stage of development of the Fund, its current plans for ongoing continued operations, the likelihood of alternative exit strategies in the future, the advice of third-party advisors and other factors. Management believes that the policies and procedures described in this section to ameliorate potential conflicts of interest are sufficient to adequately safeguard the interests of our members and/or Unit-Holders.

In connection with evaluating potential conflicts of interest involving us and our officers and directors, prospective investors should also note that use of the same management personnel for us and other programs may result in certain cost efficiencies and advantages in management experience and expertise that might not be present if we and each other program organized or owned by USA BRA had its own distinct set of officers and other management personnel. This is because our officers and management personnel have experience working for several different companies involved in similar businesses, and the cost of employing these persons would be spread among multiple companies.

USA BRA will be entitled to certain fees and other economic benefits in connection with the ultimate sale or other disposition of Properties. USA BRA may be entitled to fees and benefits from future Funds that USA BRA may organize when those future Funds dispose of their Properties. The fee structure between USA BRA may not be the same as the fee structure between future Funds and USA BRA. There is no agreement with USA BRA limiting its ability to form Funds in the future that may limit the type and amount of compensation payable to USA BRA by any companies that USA BRA may organize.

IX. PLAN OF DISTRIBUTION

The Company is offering the Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 state securities laws.

Sales commissions on Unit sales will be paid from Offering Proceeds at the time Offering Proceeds are received by 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, legal, printing, mailing, and accounting fees. After deduction of those expenses, all other Offering Proceeds will be used by the Company to pursue the business plan outlined in this Memorandum. The Company is offering the Series B 10-5-10 Notes on a "best efforts" basis. (See "Planned Use of Offering Proceeds")

There is no Minimum Offering amount, and the Company will have the use of all Offering Proceeds as they are received. We cannot assure that all or any of the Series B 10-5-10 Notes offered will be sold.

The Company is Offering Accredited Investors an opportunity to purchase an aggregate amount of 1,000,000 Series B 10-5-10 Notes. Purchasers must purchase a minimum of Fifty Thousand ($50,000) Series B 10-5-10 Notes, except that we may permit investments of a lesser amount in our discretion.

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We expect to terminate the Offering on March 31, 2014 or when all of the Series B 10-5-10 Notes offered by this Memorandum have been sold (whichever occurs sooner), unless extended by us for up to an additional 270 days ("Offering Period"), in order to achieve the Maximum Offering of 1,000,000 Series B 10-5-10 Notes or such lesser amount as we may elect.

X. FEDERAL TAX CONSIDERATIONS

Accredited 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 B 10-5-10 Notes 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.

XI. 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.

XII. REPORTS TO SUBSCRIBERS

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 USA BRA, together with a description of any new agreements. We also intend to send to our Subscribers 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 Subscribers also have the right to obtain other information about the Company.

XIII. FINANCIAL STATEMENTS

The unaudited Financial Statements for USA BRA at September 30, 2013, 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.

XIV. TERMS OF THE OFFERING

The Company is offering and selling, to Accredited Investors only, up to twenty (20) Series B 10-5-10 Notes offered at $50,000 per Note.

Each Series B 10-5-10 Note will be identical, as to interest rate, conditions of payment of interest and principal and term date to all other Series B 10-5-10 Notes issued under the Offering; however, the date of issuance of each Note may be unique. The Series B 10-5-10 Notes will earn interest, as follows:

(a) Interest will be paid quarterly and shall be based on a 10% annual rate; however, the initial interest payment shall be due and payable on 6-30-2014 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 5% of the Note amount, and prorated based on the date of the Note, shall be paid on 12-31-2014;

(c) A Year 2 Bonus Interest payment in an amount equal to 10% of the Note amount, and prorated based on the date of the Note, shall be payable on 12-31-2015.

The principal amount of the Series B 10-5-10 Notes shall be due and payable on 12-31-2015 ("Series B 10-5-10 Note Term Date"); however, the principal amount may be paid at any time prior to the Series B 10-5-10 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 B 10-5-10 Notes must be made on a pro rata basis to all holders of Series B 10-5-10 Notes.

XV. RESTRICTIONS ON TRANSFERABILITY

There will be no public market for the Series B 10-5-10 Notes, and there will be significant restrictions on the transferability of the Units. The Series B 10-5-10 Notes 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 Series B 10-5-10 Notes and is not required to register them or to make any exemptions from registration available.

The Questionnaire and Subscription Agreement contains substantial restrictions on the transferability of the Series B 10-5-10 Notes. No transfer of Series B 10-5-10 Notes 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 Series B 10-5-10 Notes will bear legends required by the State Of Arizona, as follows:

THE SERIES B 10-5-10 NOTES 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.

XVI. SUBSCRIBER INFORMATION AND QUALIFICATIONS

Any qualified Offeree who wishes to purchase any of the offered Series B 10-5-10 Notes should deliver the following items to the Company:

One executed copy of the Questionnaire and Subscription Agreement (Exhibit "A"), with all blanks properly completed; and purchase of a minimum of $50,000 of Series B 10-5-10 Notes, or in such other amount as approved by the Company, by payment of the applicable purchase price made payable to "USA Barcelona Realty Advisors, LLC"; and, as stipulated in the instructions located in the Subscription Instructions for Series B 10-5-10 Notes, contained in Exhibit A..

Tender of the purchase price and the Questionnaire and Subscription Agreement shall be made to the Company.

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 President 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 Operating Agreement (attached hereto as Exhibit B);
- ask questions of representatives of the President of the Company material to this investment;
- seek any other information from the President of the Company material to this investment which is in the possession or is reasonably available to the President.

Prospective investors should retain their own professional advisors to review and evaluate the economic, tax and other consequences of ownership of the Series B 10-5-10 Notes, 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 Offering 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 Offering Proceeds. The Company's projected use of the Offering Proceeds from this Offering is described in the Offering Memorandum. As allowed by the Operating Agreement, the Company may attempt to raise additional capital if the need arises.

XVII. HOW TO SUBSCRIBE

Any qualified Offeree who wishes to purchase Securities, proceed to Section XX. INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS.

XVIII. DEFINED TERMS

"Accredited " means an 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.

"Acquisition Fee" means of the gross purchase price of each property purchased (including any debt assumed or incurred in connection with the purchase of the property) by a Fund not including amounts budgeted for repairs and improvements.

"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 of the Operating Agreement.

"Additional Member" means any Person who is admitted to the Company as an additional Member pursuant to this Agreement.

"Administration Agreement" means the agreement between a Fund and USA Barcelona Realty Advisors calling for USA Barcelona Realty Advisors 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.

"Advisory Termination Fee" means the fee due USA BRA upon termination of the Advisory Agreement.

"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" means, for each of the Company Assets, such asset's adjusted tax basis, as determined from time to time; provided, that:

- 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 Executive Committee, 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;

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- The Agreed Values of all Company Assets shall, if elected by the President 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:
    - 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 membership interest greater than the membership interest owned by such Member prior to such contribution; or
    - 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 membership interest; or
    - 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).
- 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 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).

"Agreement" means this Amended and Restated Operating Agreement, by and among the Members, the Executive Members and the Company, and as may be 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 Members.

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

"Bankruptcy" means as to a Member, the happening of any of the following:

- The making by such Member of an assignment for the benefit of creditors;
- 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;
- The entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member to be bankrupt or insolvent;
- 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;
- 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;
- 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;
- The commencement of any proceeding against such Member seeking reorganization, arrangement,

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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

- 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.
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"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.

"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 Account", as it pertains to the Operating Agreement, 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:

   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,

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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 Capital Accounts, the Capital Accounts 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 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 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 Capital Accounts, would be allocated among all the Members 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

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 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 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).

i. Upon the transfer of all or a part of a membership interest, the Capital Account of the transferor Member that is attributable to the transferred membership interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a membership 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.

ii. 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 Executive Committee (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.

"Capital Account", as it pertains to the Operating Agreement, 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.

"Capital Contributions" means the $500,000 contributed by the Founder Class A Members during 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, and otherwise, amounts which a Member actually pays as a Capital Contribution to the Company, whether in cash or by the transfer of assets to the Company.

"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 Offering 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 Member Units" and "Class A Member Units" means the 54,000,000 Class A Member Units authorized in the Company's Amended Operating Agreement.

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

"Class A Member" means the members owning Class A Member Units.

"Class B Member" means the Members owning Class B Member Units.

"Class B Members' Priority Cash Distribution Right" means that each of the four Class B Units are entitled to a cumulative, non-compounded annual return of $12,500 or $50,000 as a class. The Class B Members' Priority Cash Distribution Right must be fully satisfied prior to dividends or distributions being paid to any other Member or class of Member.

"Class A Member Unit Warrant Exercise Price" means for each Class A Member Unit Warrant exercised, $1.00 if exercised on 12/31/2015, and $1.50 if exercised on 12/31/2016.

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

"Company" means USA Barcelona Realty Advisors, LLC.

"Company Assets" means, at any particular time, any assets or property, tangible or intangible, choate or inchoate, fixed or contingent, of the Company.

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

"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).

"Contribution Loan" has the meaning set forth in Section 7.1 of the Operating Agreement.

"Conversion Date" means the date on which Preferred Units are exchanged for Class A Member Units.

"Conversion", "Convert" and "Converted" means the exchange of Preferred Units for Class A Member Units.

"Core Property" means a mature performing property with a proven track record.

"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.

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"Cumulative Dividend" means is a cumulative non-compounding dividend which shall begin accumulating interest as of the Date Of Purchase at a rate equal to five percent (5%) per annum and is due and payable when the Preferred Units are Converted, Redeemed or the Company is Liquidated.

"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.

"Defaulting Member" means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Members are Non-Defaulting Members.

"Deferred Dividend" means is dividend which shall accrue interest as of the Date Of Purchase until Conversion, Redemption or Liquidation at a cumulative non-compounding rate equal to ten percent (10%) per annum. The initial interest payment is due and payable on December 31, 2014. Interest shall be payable quarterly thereafter until Conversion, Redemption or Liquidation.

"Depreciation" means for each Fiscal 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 Executive Committee.

"Design Development" means the phase of a construction project from the design to the contract document phase. This includes architect/engineer services from schematics, drawings and other documents to crystallizing the design concept (electrical, mechanical and structural systems) and estimates of project costs.

"Disposition Fee" means the fee entitled to USA BRA upon their disposition of a Property for the Fund.

"Distribution" means the cash payments made to equity Unit-holders or Shareholders, as appropriate for each entity.

"Dividend" means any dividend obligation of the Company under any issued and outstanding Company security that carries dividend rights.

"DOP" means the date on which the Company accepts a Subscriber's Subscription Agreement.

"Due Diligence" means the process of making every reasonable effort to assure that a transaction or action is an appropriate course of action.

"Effective Date" has the meaning of the date of this Offering, January 15, 2014.

"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 Committee" means the four Executive Members of the Company.

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

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

"Exercise Termination Date" means December 31, 2016 the last date on which Class A Member Unit Warrants may be exercised.

"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 of experience in appraising parcels of real property in the market in which the subject property is located.

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

"FINRA" means Financial Industry Regulatory Authority.

"Fiscal Year" means the accounting year of the Company ending December 31 of each year, unless the Executive Committee otherwise establishes a different year.

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

"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. Full-Time Service for Executive Members is to prepare for and participate in all weekly, monthly, quarterly and annually scheduled meetings as established by the Executive Committee and any other teleconference meeting called by the Executive Committee or an Executive Member wherein no less than a three (3) day notice is given to the Executive Committee and each other Executive Member of such meeting. The intent in establishing the parameters of Full-Time Service is to assure that the Company's business is a high priority for each Executive Member.

"Fund(s)" means an entity designed to obtain equity capital through securities offerings which may be either exempt or registered, the Offering Proceeds of which will be used to develop and acquire, on a leveraged or unleveraged basis, hotels and other qualified real estate properties.

"GAAP" means Generally Accepted Accounting Principles.

"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.

"Guaranteed Payment" means the payments made to the Executive Members as stipulated in the Operating Agreement, Section 6.13(a)

"HC" means USA Barcelona Hotel Company.

"HC-I" and "USA HC-I" means the first in a series of USA Barcelona Hotel Company Funds.

"HC Program" means the Company program to acquire and develop hotel Properties.

"HHC" means USA Barcelona Hotel Holding Company.

"Hotel Portfolio" means all of the hotels owned directly by a Fund and/or by all Funds.

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

"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.

"Interests" and "Percentage Interest" means the percentage interest of each Member in this Company set forth in Schedule 1 of the Operating Agreement.

"IPO" means initial public offering.

"Leverage" has the same meaning as Debt.

"Liquidated" means the termination of Company and all of its assets included any outstanding Member Units.

"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.

"Liquidation Distributions" means Distributions made to Company Unit-holders at the time of Liquidation of the Company.

"LLC" means Limited Liability Company.

"LLC Units" means the Class A Member Units, Class B Member Units and Preferred Units of the Company.

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

"Major Decisions" means decisions made by the Executive Members.

"Majority-In-Interest" means a simple majority of a Class of Members in the Company.

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

"Materials" means the Memorandum.

"Maximum Offering" means the 1,000,000 of Series B 10-5-10 Notes offered under the Offering.

"Member", as it pertains to the Operating Agreement, means each Person who becomes a Member under the terms of this Agreement and each Person who may become an additional Member or substituted Member. For the avoidance of doubt, the Executive Members are also Members.

"Member Nonrecourse Debt", as it pertains to the Operating Agreement, means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain", as it pertains to the Operating Agreement, 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).

"Membership Interest", as it pertains to the Operating Agreement, means a Member's interest in the Company's capital, profits, losses and distributions of the Company, together with any other rights and obligations granted to, or assumed by, a Member under this Agreement, including such Member's Units in the Company.

"Members" mean the Class A Members, the Class B Members and Preferred Unit 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.

"Monetary Default", as it pertains to the Operating Agreement, means the failure of a Member to pay when due any Additional Capital Contribution or other sum required to be paid under this Agreement.

"NAREIT" means National Association of Real Estate Investment Trusts.

"Net Cash Flow" means the gross cash Offering Proceeds from Company operations from whatever source derived, including without limitation gross cash Offering 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 Offering 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.

"New Build" means a property that is a new construction undertaking by the Company.

"Non-Contributing Member" has the meaning set forth in Section 7.1 of the Operating Agreement.

"Non-Defaulting Members", as it pertains to the Operating Agreement, means any Member that is not a Defaulting Member.

"Non-Monetary Default", as it pertains to the Operating Agreement, 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 President 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 a membership interest other than pursuant to the provisions of this Agreement.

"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).

"Offering" means the One Million (1,000,000) of Series B 10-5-10 Notes being offered.

"Offering Effective Date" and "Effective Date" means that date which is on the front cover of the Memorandum, January 15, 2014.

"Offering Memorandum" means this Offering or Memorandum under which the 1,000,000 Series B 10-5-10 Notes are being offered.

"Offering Period" means that period during which the Series B 10-5-10 Notes may be offered for sale which is up to and including March 31, 2014 plus an additional 270 days if so determined by the Company.

"Offering Price" means the price for one Series B 10-5-10 Note ($50,000), as offered under the Offering.

"Offering Proceeds" means funds raised under the Offering.

"Operating Agreement" and "Company Operating Agreement" means the Operating Agreement for the Company, as amended. (See Exhibit A, Operating Agreement)

"Percentage Interest" and "Interests" means the percentage interest of each Member in this Company set forth in Schedule 1 of the Operating Agreement.

"Person" means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

"Portfolio Asset" means any real estate property owned by a Fund.

"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-Development" means the conditions that exist at the time that plans for the land development of a tract of land are approved by the plan approval authority. Where phased development or plan approval occurs (preliminary grading, road, and utilities, etc.), the existing conditions at the time prior to the first item being approved or permitted establishes the pre-development conditions.

"Preferred Unit(s)" means the 4,000,000 Series A Convertible Units offered under the Offering.

"Preferred Unit Cumulative Dividend" means the Cumulative Dividend due to the Preferred Unit-holders.

"Preferred Unit Deferred Dividend" means the Deferred Dividend due to the Preferred Unit-holders.

"Preferred Unit Member" means a subscriber for Preferred Units who has been accepted by the Company.

"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, 2010.

"President" means the President of the Company as elected by a majority vote of the Executive Members.

"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.

"Proper Officer(s)", as it pertains to the Operating Agreement, means the President, and such other Persons to whom the Executive Committee delegates authority and duties to conduct the business and affairs of the Company.

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

"Property" or "Properties" means any real estate asset acquired, developed, invested in or joint ventured by a Fund.

"Property Asset" means any real estate developed, acquired, held or managed on behalf of a Fund.

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

"Property Portfolio" means a group of properties owned by a Fund.

"Public Offering(s)" means the offering of securities to the public under a SEC registration.

"Purchasers" mean subscribers who purchase the Series B 10-5-10 Notes.

"Purchase Price" means one Series B 10-5-10 Note ($50,000).

"Qualified Property" means a property under consideration for purchase by the Company that has passed the Company's primary due diligence process.

"Quarterly Dividend Payment Dates" means March 31, June 30, September 30 and December 31.

"RHC" means USA Barcelona Realty Holding Company, LLC.

"Redemption Date" means December 31, 2017 the date on which the Company must redeem all outstanding Preferred 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 U.S. 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.

"SLP LLC" and "Single Land Parcel LLC" means a limited liability company that owns one land parcel.

"SAM" means Strategic Alliance Manager.

"Securities" mean the Series B 10-5-10 Notes.

"Series B 10-5-10 Note Subscription" means the Questionnaire and Subscription Agreement that is attached to the Memorandum as Exhibit A and is titled "Qualifications and Subscription Agreement".

"Shovel-Ready" means a property that received all required permit development and construction approvals, financing commitments and franchise commitment (as applicable) is ready to enter the construction stage.

"Subscriber" means a person who subscribes to acquire Series B 10-5-10 Notes offered under the Offering.

"Subscription Agreement" and "Questionnaire and Subscription Agreement" means the agreement under which an investor subscribes to acquire the Company's Series B 10-5-10 Notes.

"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 the Company. For the Company it means Units of Class A interest, Class B Member interest and Preferred Unit interest.

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

"USA Barcelona Realty Advisors" and "USA BRA" means USA Barcelona Realty Advisors, LLC.

"USA HC-I" and "HC-I" means USA Barcelona Hotel Company I, LLC.

"USA HHC" and ""HHC" means USA Barcelona Hotel Holding Company, LLC.

"USA RHC" and "RHC" means USA Barcelona Realty Holding Company, LLC.

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

"Warrants" and "Class A Member Unit Warrants" means the certificate received by a Subscriber evidencing his/her rights to acquire Class A Member Units.

"Withdrawal Event" means any of those events and circumstances listed in Section 29-733 of the Act.

"Working Capital" means the cash reserves of the Company to cover normal operating costs/expenditures.

"10-5-10 Offering" means the Series B 10-5-10 Note Offering.

"12-6-12 Offering" means the $1,000,000 offering conducted by the Company that was effective October 1, 2012, and through subsequent amendments remains effective through Janua1, 2014. The 12-6-12 Offering is comprised of four (4) $250,000 Units wherein each unit is comprised of a 12-6-12 Note and a Class B Member Unit.

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XIX. ADDITIONAL INFORMATION

Prospective investors may review any materials available to the President 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:

Investor Relations Department

Patrick McDonough or Connie Cook

USA Barcelona Realty Advisors, LLC

7025 North Scottsdale Road, Suite 160

Scottsdale, Arizona 85253

Phone: 480-625-4355 (for Offering information)

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XX. INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

USA BARCELONA REALTY ADVISORS, L.L.C.

1,000,000 Series B 10-5-10 Notes
Minimum Purchase of One Note ($50,000)

This is copy no. 138 of the Private Placement Memorandum dated January 15, 2014.

The following Subscription Documents are for the use of investors interested in subscribing for Series B 10-5-10 Notes 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 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 Series B 10-5-10 Notes 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 Questionnaire, Subscription Agreement and Warrant with the same instrument. Your initials reflect the fact that you have read and understand the Series B 10-5-10 Notes Questionnaire, Subscription Agreement and Warrant, particularly the Representations and Warranties in Paragraph 2.

___ D. DATE and SIGN the Questionnaire and Subscription Agreement on page __. If the Series B 10-5-10 Note(s) will be registered in joint ownership, such as husband and wife, both must sign.

E. SIGN the Warrant on page ___. If the Series B 10-5-10 Notes will be registered in joint ownership, such as husband and wife, both must sign the Warrant.

___ 2. **DELIVER** all documents TOGETHER WITH PAYMENT (if made by a certified, cashier's check: make payable to USA BARCELONA REALTY ADVISORS) in the amount of the cash purchase price for SERIES B 10-5-10 NOTES being purchased, to:

USA Barcelona Realty Advisors, LLC.
Attention: Investor Relations Department
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253
Company telephone number is 480-625-4355

Payment may be made by bank wire. See instructions contained in the Subscription Agreement package.

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

(i) A copy of your accepted Questionnaire and Subscription Agreement which evidences your ownership of _____ Series B 10-5-10 Notes.

(ii) An executed Series B 10-5-10 Note from the Company in the amount of $_____

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USA BARCELONA REALTY ADVISORS, L.L.C.

SERIES B 10-5-10 NOTE
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 Series B 10-5-10 Notes 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. **SERIES B 10-5-10 NOTES WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE SERIES B 10-5-10 NOTES 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 Series B 10-5-10 Notes. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Series B 10-5-10 Notes 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes, (ii) can bear the economic risk of losing the entire amount of my investment in Series B 10-5-10 Notes, 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes based solely upon my own investigation and evaluation.

(i) I understand that no Series B 10-5-10 Notes 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 Series B 10-5-10 Notes are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Series B 10-5-10 Notes only to Accredited Investors or pursuant to an exemption from registration.

(j) The Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Series B 10-5-10 Notes by anyone but me.

(k) I am aware of the following:

(i) The Series B 10-5-10 Notes are a speculative investment that involves a high degree of risk;

(ii) My interest in the Series B 10-5-10 Notes 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 Series B 10-5-10 Notes for investment nor any recommendation or endorsement of the Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes. Any certificates or other documents representing my Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to be purchased, and the exact name(s) in which the Series B 10-5-10 Notes will be registered:

TOTAL PRINCIPAL AMOUNT: $ _____

NAME(S): 1) _____

2) _____

SOCIAL SECURITY #(S): 1) _____

2) _____

Ownership shall be taken in the Series B 10-5-10 Notes 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:

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its:_____

DATED: _____, 201__

ACC005776
FILE #8503

SPECIMEN DOCUMENT – NOT FOR EXECUTION

USA BARCELONA REALTY ADVISORS, L.L.C.

Series B 10-5-10 Note
PROMISSORY NOTE

This Series B 10-5-10 Note in USA Barcelona Realty Advisors, LLC has been acquired under the Private Placement Offering Memorandum dated January 15, 2014, to which Payee subscribed to acquire _____ Series B 10-5-10 Note(s).

FOR VALUE RECEIVED, USA BARCELONA REALTY ADVISORS, 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 B 10-5-10 Note will earn interest at a ten percent (10%) 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 10% annual rate; however, the initial interest payment shall be due and payable on 6-30-2014 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 5% of the Note amount, and prorated based on the date of the Note, shall be paid on 12-31-2014;

(c) A Year 2 Bonus Interest payment in an amount equal to 10% of the Note amount, and prorated based on the date of the Note, shall be payable on 12-31-2015; and,

(d) Principal, any earned and unpaid Interest shall be paid on or before 12-31-2015 (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 B 10-5-10 Note must be made on a pro rata basis to all holders of the Series B 10-5-10 Note.

2. Default. The failure by Maker to pay principal and interest due under this Series B 10-5-10 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 B 10-5-10 Note for any purpose whether or not this Series B 10-5-10 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 B 10-5-10 Note, or for any claim based on this Series B 10-5-10 Note, against any Member or President 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 B 10-5-10 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 B 10-5-10 Note, including attorneys' fees and all costs.

5. Governing Law and Severability. This Series B 10-5-10 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 B 10-5-10 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 B 10-5-10 Note.

6. Time of Essence. Time is of the essence of this Series B 10-5-10 Note.

7. Notices. All notices under this Series B 10-5-10 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 B 10-5-10 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 B 10-5-10 Note.

IN WITNESS WHEREOF, Maker has executed this Series B 10-5-10 Note as of the date set forth below.

"MAKER"

USA BARCELONA REALTY ADVISORS, L.L.C.

By:_____

Its:_____

Dated: _____

Address:

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

ADDRESS OF PAYEE:

_____

_____

_____

AMENDED AND RESTATED AS OF NOVEMBER 21, 2013

OPERATING AGREEMENT OF USA BARCELONA REALTY ADVISORS, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") is made and entered into effective as of November 21, 2013 (the "Effective Date"), by and among **USA Barcelona Realty Advisors, LLC** (f/k/a Barcelona Administration Company, LLC), an Arizona limited liability Company (the "Company"), those Persons listed on Schedule 1 hereto, as the Members of the Company, 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. This Agreement amends and restates in its entirety the original Operating Agreement of the Company dated March 29, 2013 and the Amended and Restated version dated April 25, 2013.

ARTICLE I
FORMATION, NAME, PURPOSE

1.1 Formation. The Company was duly formed by the filing of the Articles of Organization (the "Articles") with the Arizona Corporation Commission under the Act on November 12, 2010. The Executive Committee shall cause articles of amendment to the Articles to be filed with the Arizona Corporation Commission from time to time.

1.2 Intent. It is the intent of the members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. It is also the intent of the members 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 hereto.

1.3 Name. The name of the Company is USA Barcelona Realty Advisors, LLC. The Company's name was changed from Barcelona Administration Company, LLC to USA Barcelona Realty Advisors, LLC and filed articles of amendment to the Articles with the Arizona Corporation Commission on March 29, 2013.

1.4 Known Place of Business. The known place of business of the Company shall be at 7025 North Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. The known place of business may be changed to any other place within the State of Arizona at the discretion of the Executive Committee.

1.5 Purpose.

(a) The Company has been formed to be the advisor to a series of private funds (each, a "Fund") and their respective Affiliates to investment in hotels and other income-producing real estate, and may operate select Funds as real estate investment trusts ("REITs").

(b) Except as otherwise provided in this Agreement, without the unanimous consent of all members, the Company shall not engage in any other activity or business, and no Member acting in the Member's capacity as a Member or Executive Member, if applicable, shall have any authority to obligate the Company or any other Member, or to hold itself out as a Member or Executive Member 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 Member of this Company are set forth on Schedule 1 hereto, as such schedule may be amended from time to time pursuant to this Agreement.

1.8 Agent for Service of Process. The name and business address of the agent for service of legal process on the Company in Arizona is National Registered Agents Inc., 300 West Clarendon Avenue #240, Phoenix, Arizona 85013. The Company's agent for service of legal process may be changed at the discretion of the Executive Committee.

1.9 Definitions. Capitalized words and phrases used but not defined in this Agreement shall have the meanings set forth in Appendix A.

ARTICLE II
CAPITALIZATION OF THE COMPANY; LOANS; FEES AND OTHER PAYMENTS DUE AFFILIATES

2.1 Issued Units; Authorized.

(a) The Company is authorized to issue up to fifty four million (54,000,000) Class A Member Units ("Class A Member Units"), four (4) Class B Member Units ("Class B Member Units") and four million (4,000,000) Series A Convertible Preferred Units ("Preferred Units"). The Executive Committee has approved the issuance of the Class A Member Units and Class B Member Units to the members and in the amounts shown on Schedule 1, and the Company is authorized to issue additional Class A Member Units and Class B Member Units upon the approval of the Executive Committee.

(b) Class A Member Units, Class B Member Units and Preferred Units shall have the rights, preferences and privileges set forth herein. Furthermore, the Executive Committee may adopt, from time to time, a resolution or resolutions providing for the issuance of additional Units, in one or more classes, with such powers, designations, preferences, and privileges, and qualifications, limitations or restrictions thereof as shall be set forth in the resolution or resolutions adopted by the Executive Committee. Schedule 1 shall be amended from time to time to reflect the addition of new members and any adjustments of the membership interests.

2.2 Initial Capital Contributions.

(a) Each Class A Member has made the initial Capital Contributions to the Company set forth on Schedule 1. In exchange for each Class A Member's initial Capital Contribution to the Company, such Class A Members were issued Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

(b) Each Class B Member was issued the Class B Member Unit(s) in the amounts shown on Schedule 1 in conjunction with Series A 12-6-12 Note(s) in connection with a Private Placement Offering made pursuant to a Private Placement Memorandum dated October 18, 2012 and amendments thereto.

2.3 Additional Capital Contributions.

(a) Executive Members who are also Class A Members (and excluding the Class B Members who are Class A Members) shall make Additional Capital Contributions to the Company at the times and in the amounts as shall be determined by the Executive Committee.

(b) In the event the Company is authorized by the Executive Members to raise additional capital through the sale of any new class of Member Unit ("New Issue"), existing Class A and Class B Members shall have the first opportunity to acquire such number of Units of any such New Issue as will result in their economic interest in the Company remaining the same after the New Issue is sold in its entirety as was their economic interest before the New Issue was sold.

2.4 Credits to Capital Accounts.

(a) Capital Accounts. An individual Capital Account will be established and maintained for each Member on the books of the Company.

(b) Organization Services. Richard C. Harkins and George T. Simmons shall have credited to their Capital Accounts an aggregate amount of $500,000 for services rendered to the Company pertaining to the organization of the Company as follows:

Member	Amount of Capital Account Credit
Richard C. Harkins	$400,000
George T. Simmons	$100,000

(c) Other Authorized Payments And Fees. Richard C. Harkins and George T. Simmons may elect to have amounts due to them under agreements between them and the Company, other than credits to their respective Capital Accounts under Section 2.4(b) above classified as Executive Member Loans.

2.5 Executive Member Loans. If the Executive Committee determines that the business of the Company requires funds, in addition to the capital contributed by the members, the Company may borrow money from the Executive Members, and the Executive Members may make one or more loans to the Company to enable the Company to meet its obligations ("Executive Member Loans"). The Company shall repay Executive Member Loans from the Net Cash Flow of the Company as otherwise allowed under this Agreement. Executive Member Loans shall be repaid in chronological order of their respective origination dates beginning with the earliest origination date. The Executive Member Loans will bear an annualized 12% rate of interest.

2.6 Member Loans. If the Executive Committee determines that the business of the Company requires funds, in addition to the capital contributed by the members and any Executive Member Loans, the Company may borrow money from the members, and the members may make one or more loans to the Company to enable the Company to meet its obligations ("Member Loans"). If the Executive Committee decides 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 unanimously acceptable to the Executive Committee, then the Company shall allow any Member to make a Member Loan to the Company. The Executive Committee shall give notice to the members, setting forth the amount of funds needed, the proposed use of the funds, and the timing for funding. No 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.

2.7 Withdrawal or Return of Capital Contributions. Except as otherwise expressly provided for in this Agreement: a) no part of the Capital Contributions of any Member may be withdrawn except as otherwise approved in writing by all Non-Defaulting Members, 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.

2.8 No 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 on funds contributed as a Capital Contribution.

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 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, Net Income and Net Loss shall be allocated as follows:

(a) Net Income. Net Income for the Fiscal 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 Fiscal Years equals the aggregate Net Loss 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 Fiscal 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 Fiscal 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) Second, to the members according to their Capital Accounts.

3.2 Tax Allocation Provisions:

(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 Fiscal 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 Agreement.

(3) Minimum Gain Chargeback. Notwithstanding anything herein to the contrary, if in any Fiscal Year there is a net decrease in Company Minimum Gain ("Company Minimum Gain") for such year and, if necessary, for subsequent years, each Member 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 Fiscal 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 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 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 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 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 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 Fiscal 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 President reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 3.2(b)(3) of this Agreement.

(4) The President shall have reasonable discretion, with respect to each Fiscal 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 Fiscal 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 IV, as soon as practicable after the end of each quarter of the Fiscal Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Fiscal Year, the Company shall distribute and apply the Net Cash Flow for the previous quarter in the following order of priority:

(a) To the Class B Members - $12,500 Cumulative Priority Distribution to each Class B Member Unit.

(b) To the Preferred Unit Members - 100% to the Deferred Dividend which shall accrue as of the Date Of Purchase of each of the Preferred Unit until Conversion or Redemption, at a cumulative non-compounding rate equal to ten percent (10%) per annum. The initial Accrued Dividend payment is payable 12/31/2014 and quarterly thereafter.

(c) To the Preferred Unit Members - Pertaining to a Liquidation Distribution, or at the time of Redemption or Conversion, but otherwise not applicable, 100% to the Cumulative Dividend which shall begin accumulating interest as of the Date Of Purchase of each of the Preferred Units which will accumulate at a cumulative non-compounding rate equal to five percent (5.0%) per annum and is

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due when the Preferred Units are Converted, redeemed or the Company is liquidated.

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

(e) 100% (or such lesser amount as is required) to repay the principal of any outstanding Initial members loans and members loans.

(f) 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.

(g) 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.

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 Member, to the extent such Member 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 such members pursuant to Section 4.1.

ARTICLE V
RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Liability for Company Obligations. Except as otherwise provided in the Act, no Member shall be personally liable for the debts, obligations and liabilities of the Company whether arising in contract or tort, under a judgment, decree or order of a court or otherwise.

5.2 Authority of Members. No Member shall take part in the control of management of the Company's business except to the extent of the rights and powers of a Member provided under this Agreement. Unless a Member is an Executive Member, or is delegated the authority of an officer as set forth in Section 6.3, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purposes. The members' voting rights are limited to the following:

(a) Except as otherwise provided in this Agreement, each Class A Member shall be entitled to cast one vote for each Class A Member Unit held on any proposed action by the Company that if implemented would materially diminish a Class A Member's membership interests in the Company. 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. A vote of the Majority-in-Interest of the Class A Members entitled to vote under this Section 5.2(a) is required to approve any such proposed action.

(b) Each Class B Member shall each be entitled to cast one vote for each Class B Member Unit held on any proposed action by the Company that if implemented would materially diminish a Class B Member's membership interests in the Company. A vote of the Majority-in-Interest of the Class B Members entitled to vote under this Section 5.2(b) is required for approval of any such proposed action.

5.3 Other Activities of the Members. No Member shall be required to devote his, her or its whole time or any specified time to that Person's duties under this Agreement, provided, however, that the Executive Members shall devote as much time to the Company's business and affairs as is reasonably necessary to achieve the purpose of the Company and to discharge such Executive members' respective duties and responsibilities set forth herein. The 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 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.

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5.4 Compensation. Except as otherwise set forth in this Agreement, no Member shall be entitled to receive any salary or other compensation for services rendered in his, her or its capacity as an Executive Member or Member or on behalf of or to the Company.

5.5 Meetings and Minutes.

(a) Call and Place. Meetings of the members, or a specific class of members, for any purpose or purposes, may be called by either a Majority-In-Interest of a class of members or the Executive Committee by giving written notice to the members, or a specific class of members, in the manner provided in Section 5.5(b). Meetings may be held at any place within or without the Arizona as determined by the Executive Committee. The members may participate in a meeting of the 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 members, unless waived by attendance at the meeting or by written consent, must be given by written notice at least fourteen (14) days before the date of the meeting, or hand delivered, emailed or sent by facsimile at least ten (10) 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 Member at a meeting constitutes waiver of notice of the meeting; provided, however, that no such waiver will occur if the 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-In-Interest of members, represented in person or by proxy, will constitute a quorum at a meeting of the members.

(e) Voting. Class A Members, Class B Members and Preferred Unit 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. A vote of the Majority-In-Interest of the Class A Members is required for any such approval.

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.

(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 B Members economic rights. A vote of the Majority-In-Interest of the Class B Members is required for any such approval.

(i) The Preferred Unit Members will have no voting rights.

As a result of the limited voting rights of Class A Members, Class B Members and Preferred Unit Members, the Executive Members have control of the Company through their exclusive right to approve all Major Decisions (as defined in Section 6.4 below).

(f) Majority Vote Required for Action. Other than as stipulated in 5.5(e)(i)(i)(iii), there are no matters on which the Class A Members, Class B Members or Preferred Unit Members have a right to vote.

(g) Conduct. At any meeting of the members, the Executive Committee may adopt such rules for the conduct of the meeting as they deem appropriate.

5.6 Action Without a Meeting. Any action that may be taken at a meeting of the members, requiring a vote of a class of members entitled to vote thereon, may be taken without a meeting if a Majority-In-Interest so agree in writing, and a consent in writing setting forth the action so taken is signed by a Majority-In-Interest of the class of members entitled to vote thereon. Any action that may be taken at a meeting of the Executive Members requiring a vote of the Executive 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.

(b) Each Proper Officer shall in good faith, but at the sole cost and expense of the Company, use the Proper Officer'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 Agreement, including, but not limited to, the matters described below. Each Proper Officer, 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 any Proper Officer may possess, he or she 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 Agreement) the following rights and powers:

(1) Protect and preserve the titles and interest of the Company Assets;

(2) 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;

(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 Managers in a Company account or accounts in a bank or banks determined by the President;

(7) Make distributions periodically to the members in accordance with the provisions of this Agreement;

(8) Insure or cause the Company Assets and the Company to be insured in such amounts and against such risks as the President 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 Agreement;

(10) Perform other obligations provided elsewhere in this Agreement to be performed by the President;

(11) Enter into and execute agreements and related documents in connection with the Company's assets;

(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 officers, in their reasonable discretion, shall deem reasonably necessary to meet anticipated Company expenses; and

(15) Enter into and execute such additional agreements or other documents on behalf of the Company as the officers reasonably deem necessary to effectuate the foregoing.

6.4 Major Decisions. Notwithstanding any other provision hereof, neither the Managers nor any officer acting pursuant to the authority delegated to him in Section 6.3, shall take any action or incur any obligation binding on the Company within the scope of any of the following actions (the "Major Decisions") unless such action is expressly authorized elsewhere in this 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

5.7 No Delay. Each Member agrees not to unreasonably delay its response to any action or decisions proposed by the other members, requiring approval by a Majority-In-Interest, and each Member agrees to make itself available at reasonable times and on reasonable notice.

5.8 Restrictions on Withdrawal. No Member may withdraw from the Company unless such withdrawal is approved in the same manner as a permitted transfer of a membership interest in accordance with the provisions of Section 9.2(a). Any Member withdrawing in violation of this provision shall be treated in the same manner as a Defaulting Member and be immediately expelled in accordance with Section 7.7. The occurrence of a Withdrawal Event with respect to a Member shall not result in the dissolution of the Company, and the Executive Committee and remaining members shall have the right to continue the Company.

ARTICLE VI
MANAGEMENT

6.1 Management of the Company. Subject to the approval requirements for Major Decisions, the right, authority and duty to manage, control and conduct the business and affairs of the Company shall be vested in the President, and such other officers who may be named by the Executive Committee. The President, and such other Persons to whom such authority and duties are delegated, are sometimes referred to in this Agreement as "Proper Officers". The Proper Officers, in connection with the management of the Company's business, shall have any and all rights and powers of a manager under the Act, all of the rights and powers which are necessary for or convenient or incidental to the accomplishment of the Company's purpose and the conduct of the Company's business. The Executive Committee shall be comprised of no fewer than three members, each of whom shall be referred to as an Executive Member (the "Executive Members"). As of the date of the Agreement, the Executive Members are Richard C. Harkins, George T. Simmons, Robert Kerrigan and Bruce Orr. The Executive Members shall hereafter be elected to the Executive Committee by vote of a majority of the Executive Members. Each Executive Member shall have one vote. Unless otherwise provided in the Agreement, the vote of a majority of the Executive Committee shall determine the decisions of the Executive Committee. The decisions of the Executive Committee shall be made in the best interest of the Company. If the Executive Committee is deadlocked on any issue after at least two rounds of voting, the President of the Company, if any, shall have an additional, tie-breaking vote to resolve the deadlock. Unless otherwise provided in this Agreement, all actions, approvals and other authorizations of the Executive Members may be undertaken only by Proper Officers or Managers elected by the Executive Committee who will have sole authority to manage, control and conduct the business and affairs of the Company, as provided in this Article VI.

6.2 Vacancy; Removal of Executive Members. In the event of a vacancy on the Executive Committee, a new Executive Member shall be elected by a majority of the remaining Executive Members. Any or all of the Executive Members may be removed for 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.

6.3 Officers. The Executive Committee may, from time to time, delegate to one or more Persons (including any Executive Member or officer of the Company and including through the creation and establishment of committees) such authority and duties as the Executive Committee may deem advisable. In addition, the Executive Committee may assign titles and delegate certain authority and duties to Persons as further described below. The salaries or compensation, if any, of the Proper Officers of the Company shall be fixed from time to time by the Executive Committee. Any delegation pursuant to this Section 6.3 may be revoked at any time by the Executive Members. The Executive Committee hereby delegates Richard C. Harkins as the President. The President, and such other Proper Officers as the Executive Committee may elect from time to time, shall have the following authority and duties as officers of the Company:

(a) The President shall oversee the day-to-day activities of the Company, make all decisions other than Major Decisions or other decisions that have been delegated to other Proper Officers, and carry out Major Decisions which are made by the Executive Committee. The President shall devote such part of his time to the 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 neither the President nor any other Proper Officer shall be required to devote his or her entire time or attention to the business, affairs and purpose of the Company.

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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 Agreement;

(c) Develop or 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;

(e) Amend in any material respect, or waive any material rights in, any agreement the entering into of which was a Major Decision;

(f) Dissolve or wind up the Company except as otherwise provided in this Agreement or authorize any act that would make it impossible to carry on the ordinary business of the Company;

(g) 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;

(h) Extend the term of the Company;

(i) Consent to, or file for any bankruptcy, custodianship, receivership or trusteeship of the Company;

(j) Make any distributions of property in kind by the Company or accept any contributions by any Company of property other than cash;

(k) Admit any other Member to the Company except as otherwise provided herein or redeem membership interests;

(l) Determine any Agreed Value;

(m) Authorize any Additional Capital Contributions;

(n) Adopt or modify each budget hereafter approved by the Executive Members;

(o) Incur any liability or obligation not contemplated in a Budget except de minimis amounts incurred in the ordinary course of business;

(p) 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;

(q) Cause the Company to settle any lawsuit that materially affects the ability of the Company to carry on its business as contemplated by this Agreement;

(r) Enter into any transaction with a Member of the Executive Committee or Affiliate of a Member of the Executive Committee at a cost to the Company of $50,000 or more; and

(s) Authorize the increase of Units in any class of Units or the creation of an additional class of membership interests.

At the time the Executive Committee requests approval of any Major Decision, the Executive Committee 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.

6.5 Other Business Ventures. The members agree that none of the members of the Executive Committee shall be in violation of the duty of loyalty to the Company if he or she engages in or possesses an

interest in any other business venture of any nature and description, independently or with others, whether such ventures are competitive with the Company or otherwise. The members further agree that neither the Company nor the Executive Committee shall have any right by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom.

6.6 Executive Committee Members' Duty of Care. Each Member of the Executive Committee shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner such Member of the Executive Committee reasonably believes to be in the best interests of the Company. Each Member of the Executive Committee shall cause the Company to conduct its business, operations and affairs separately from those of each Member of the Executive Committee or Member or of any of their respective Affiliates.

6.7 Liabilities of any Executive Committee Member.

(a) No Member of the Executive Committee shall be liable, responsible, or accountable in damages or otherwise to any other Member for any act done or omitted by such Member of the Executive Committee, within the scope of the authority conferred on such Member of the Executive Committee by this Agreement or by law, except for acts of active negligence, fraud, or breach of the fiduciary duty of such Member of the Executive Committee.

(b) The Company shall indemnify, defend and hold harmless each Member of the Executive Committee for, from and against all loss, damages, liabilities and expenses (including, without limitation, attorneys' fees and court costs and expert witness fees) incurred by such Member of the Executive Committee, whether individually or jointly, arising out of acts or omissions committed or alleged to have been committed while acting as a Member of the Executive Committee for or on behalf of the Company; provided that with regard to the act or omission involved, such Member of the Executive Committee's actions, or failure or refusal to act were not fraudulent or actively negligent or in breach of such Member of the Executive Committee's fiduciary duty to the Company. Any indemnification extended pursuant to this Section 6.7 shall be paid from, and limited to, the assets of the Company, and no Member shall have any personal liability on account thereof.

6.8 Indemnification of Agents. The Company shall indemnify, defend and hold harmless against any liability, claim, action, damage or expense (including, attorney's fees, costs of court and expert witness fees) any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including arbitration) by reason of the fact that he is or was a Member, officer, Executive Committee Member, deemed manager, or managing agent of the Company or is now serving or has served, at the request of the Company, as an Executive Committee Member, manager, director, officer, employee or other agent of the Company or another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such Persons being referred to herein after as an "agent"), such indemnity to be extended to the fullest extent permitted by applicable law; provided that no indemnity shall be extended to any Member, employee or agent of the Company who has engaged in any intentional or willful wrong doing or fraud, or breach of this Agreement. The members of the Executive Committee shall be authorized, on behalf of the Company, to enter into indemnity agreements from time to time with any Person entitled to be indemnified by the Company hereunder, upon such terms and conditions as the Executive Committee adopts.

6.9 Actions of the Executive Committee. Each Member of the Executive Committee is entitled to one vote; except that the President may have an additional tie-breaking vote in the case of a deadlock. The members of the Executive Committee may act through meetings, written consents, committees or any other Person or Persons to whom authority and duties have been delegated by the members of the Executive Committee.

6.10 Resignation. A Member of the Executive Committee may resign from the Executive Committee at any time by giving at least thirty (30) days written notice to the members pursuant to Section 13.1. The resignation of the Member of the Executive Committee shall take effect thirty (30) days after the receipt of notice thereof or at such other time as may be agreed to between the Member of the Executive Committee 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 Member of the Executive Committee's rights and liabilities as a Member.

6.11 List of Members. Upon written request of any Member, the Executive Committee shall promptly provide a list showing the names, last known addresses and Interests of all members.

6.12 Meetings. The Executive Committee shall not be required to hold regular meetings but shall hold meetings as required to provide guidance to the Proper Officers 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 (3) days' notice to the other Executive Members. However, in case of emergency, reasonable notice of a special meeting shall suffice.

(a) Quorum. There shall be a quorum of the Executive Committee if a majority of the 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 (5th) 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.

(b) 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 five (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.

(c) 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.

(d) 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.

6.13 Compensation of Proper Officers and Executive Members. The Proper Officers and Executive Members shall receive reasonable compensation as set forth below for the performance of their services as Proper Officers and Executive Members (collectively, the "Guaranteed Payments"), provided that all Executive Members approve such compensation for the Proper Officers and each Executive Member. All Executive Members must approve any increase in the compensation payable to the Proper Officers and any Executive Member pursuant to the Agreement.

(a) With respect to the President, commencing November 1, 2012 and through November 21, 2013, the President shall accrue an annual Guaranteed Payment of $150,000 which shall be paid on any basis as agreed to by the Executive Members. Commencing November 1, 2012, other than the President, 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 basis agreed to by the Executive Members, or a lesser amount based on less than Full-Time Service to the Company, as agreed by all Executive Members. In the event an Executive Member draws compensation from the Company for services rendered to the Company, any such compensation shall offset any Guaranteed Payment otherwise due. As of November 21, 2013, the accrued base annual Guaranteed Payments that commence on November 1, 2012, shall no longer apply to any Executive Member other than Robert Kerrigan, and his Guaranteed Payment may be increased or decreased on a calendar quarterly basis provided that all Executive Members approve any such increase or decrease.

(b) 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 Agreement within ten (10) days of the due date, the Executive Committee 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 Executive Committee shall immediately give written notice of such fact to each Member and for a period of five (5) business days after the date of such notice each other Member shall have the right to advise the Executive Committee 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 Executive Committee of the Member's desire to make a Contribution Loan, such Member (a "Contributing 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 Executive Committee shall advise each Member indicating a desire to make a Contribution Loan of the amount such Member is to advance to the Company and the date on which the funds are due and payable to the Company. 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 President 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.

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 membership interests.

(b) The Non-Contributing Member hereby grants a security interest in its membership interests to the Contributing Member(s) who advances a Contribution Loan(s) and irrevocably appoints the Contributing Member(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 Member(s). If there is more than one Contributing Member, each Contributing Member's security interest in the Non-Contributing Member's membership interests 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 the Contribution Loans to such Non-Contributing Member. Copies of any such documents shall be mailed to the Non-Contributing Member.

7.4 Defaulting Members. If any Contribution Loan (which shall include all reasonable attorney fees, interest, and costs incurred by the Contributing Member(s)) 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 Member and the Contributing Member(s) shall have, with respect to the Non-Contributing Member and his membership 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 membership interest. A Non-Contributing Member whose membership interest is foreclosed upon and sold shall remain liable to the Company and the Contributing Member(s) 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.

7.5 Loan Repayment. Until such time as a Non-Contributing Member becomes a Defaulting Member, any Contribution Loan shall remain in place and shall bear interest and be repaid as provided above. Until any such Contribution Loan is repaid in full, any distributions which would otherwise be payable to the Non-Contributing Member shall be paid to the Contributing Member(s) 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 right to vote on any 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 Executive Committee 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 Members 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 performance, or for the appointment of a receiver or specific master, in the discretion of the Company and/or such Non-Defaulting Members.

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 Agreement.

8.2 Audit. The books of the Company shall not be audited unless upon a vote of a majority of Executive 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 Executive Committee, or the President acting pursuant to the authority delegated to him in Section 6.3, shall cause the preparation for filing of all federal, state and local Company tax returns at the Company's expense, and shall make such tax elections and determinations as appear to be appropriate. Such tax returns shall be prepared by the President or an independent public accounting firm to be designated by the Executive Committee. The Executive Committee, or the President acting pursuant to the authority delegated to him in Section 6.3, shall endeavor to deliver to each Member its Form K-1 and any other required tax information by March 1 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 President. Check signing and other authority to transact business with respect to the accounts shall be vested with the President.

8.6 Tax Matters Partner. The President 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 a majority of the Executive 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.

ARTICLE IX
RESTRICTIONS ON TRANSFERABILITY

9.1 Restrictions on Transfer of Interests. No Member shall sell, assign, pledge, hypothecate, encumber or otherwise voluntarily transfer by any means whatsoever ("Transfer") any membership 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), except as permitted pursuant to Section 9.2.

9.2 Permitted Transfers. Members may transfer any membership interest or any portion thereof if:

(a) all Executive Members shall have consented to such Transfer, and the Member shall have paid to the Company a transfer fee of five hundred dollars ($500) to cover administration expenses associated with the Transfer;

(b) the Transfer is made to the estate, personal representative, executor, heirs, or devisees of a deceased Member;

(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:

(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 membership interest;

(2) The Member shall have offered to sell to the members all, but not less than all, of such Member's membership 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 membership 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; and

(4) The transferee complies with the provisions of Section 9.4 hereof.

9.3 Special Provision Respecting Transfers.

(a) Upon the death of a Member or a divorce of a Member resulting in the ex-spouse receiving any part of the Member's membership interest, 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 membership interest of the Member which is owned by the heirs, devisees or ex-spouse. If more than one Member so elects, the membership interest shall be divided among the electing members according to their relative Percentage Interests. A Member shall be responsible for promptly notifying the other members should such Member become divorced during the term of this Agreement when the divorce results in an ex-spouse receiving any portion of the Member's membership interest. The total purchase price for such deceased or divorced Member's membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

(b) Upon Bankruptcy of a 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 membership interest of such Member. The total purchase price for such Member's membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

9.4 Substituted Members. Except with respect to Transfers to Permitted Transferees, no Person taking or acquiring, by whatever means, the membership interest of any Member shall be admitted as a substitute Member in the Company (a "Substituted Member") without satisfying the following conditions:

(a) Each Executive Member shall have consented to the substitution, except in the case of a Transfer by an Executive Member, such transferring Executive Member shall not consent to the substitution;

(b) The Person to whom the Transfer is to be made shall sign a counterpart of this Agreement in the form attached hereto as Schedule 2, agreeing to be bound by the provisions hereof, and if such Person is married, causes his or her spouse to sign a spousal consent in the form attached hereto as Schedule 3; and

(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).

9.5 Settlement and Purchase Price. The settlement for the purchase of the membership 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 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 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 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) Membership 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 membership interest.

9.6 Termination of the Company for Tax Purposes. Notwithstanding anything to the contrary contained in any other provision of this Agreement, the sale or exchange of all or any part of a membership interest in the capital and/or the profits of the Company may not be made (and will be null and void) if the membership interest sought to be sold or exchanged, when added to all other membership 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 membership interest in violation of the provisions of this 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 Section 29-785 of the Act;

(b) a unanimous vote of the Executive Members to dissolve;

(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 Company Assets, 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 Company Assets shall be distributed to the members in the same manner as provided in Section 3.1. The Executive Committee 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 President 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 Company 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 Member shall look solely to the Company Assets 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 shall have no recourse against any other Member.

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 Company Assets 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 11.1 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.

ARTICLE XII
GENERAL

12.1 Notices. All notices and other communication required or permitted to be given pursuant to this 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 change 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 12.1.

12.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

12.3 Controlling Law. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Arizona.

12.4 Provisions Severable. If any provision of this 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.

12.5 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 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.

12.6 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.

12.7 Execution in Counterparts. This Agreement may be executed in any number of original or electronic counterparts, all of which taken together shall constitute one and the same instrument.

12.8 Amendment. This Agreement may be amended only by an agreement in writing executed by all members.

12.9 Attorney's Fees. If any party institutes a suit or other proceeding against any other party in any way connected with this 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.

12.10 Number of Days. Unless the subject provision references "business days," in computing the number of days for purposes of this 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 Agreement, all days shall be counted except Saturdays, Sundays, and holidays.

12.11 Captions. Captions are not intended to convey any meaning or be a part of this Agreement but are merely used for assistance in identifying paragraphs and Sections.

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

Managers:

_____
Richard C. Harkins

_____
George T. Simmons

_____
Bruce Orr

_____
Robert J. Kerrigan

Appendix to
USA Barcelona Realty Advisors, LLC
Amended and Restated Operating Agreement
November 21, 2013

DEFINED TERMS

Definitions. Whenever used in this Agreement, the following terms shall have the following meanings:

"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 initial Capital Contributions made pursuant to Section 2.1.

"Additional Member" means any Person who is admitted to the Company as an additional Member pursuant to this Agreement.

"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" 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 Executive Committee, 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 President 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 Membership Interest greater than the Membership 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 Membership 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 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).

"Agreement" means this Amended and Restated Operating Agreement, by and among the Members, the Executive Members and the Company, and as may be 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 Members.

"Articles" means the Articles of Organization filed by the Company.

"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.

"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:

   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 Capital Accounts, the Capital Accounts 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 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 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 Capital Accounts, would be allocated among all the Members 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

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 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 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).

i. Upon the transfer of all or a part of a Membership Interest, the Capital Account of the transferor

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Member that is attributable to the transferred Membership Interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a Membership 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.

ii. 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 Executive Committee (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.

"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.

"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.

"Class A Member" means the Members owning Class A Member Units.

"Class A Member Units" means the 54,000,000 Class A Member Units issued authorized under this Agreement.

"Class B Member" means the Members owning Class B Member Units.

"Class B Member Units" means the 4 Class B Member Units authorized by the Company.

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

"Company" means USA Barcelona Realty Advisors, LLC

"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.

"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).

"Contributing Member" means a Member who has made a Contributing Loan to the Company.

"Contribution Loan" has the meaning set forth in Section 7.1.

"Cumulative Priority Distribution" means a $12,500 annual Distribution payable at the discretion of the Company to each Class B Member Unit.

"Defaulting Member" means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Members are Non-Defaulting Members.

"Depreciation" means for each Fiscal 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

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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 Executive Committee.

"Effective Date" means the effective date of the Operating Agreement which is November 21, 2013.

"Executive Member(s)" means the 4 Executive Members; Richard Harkins, George T. Simmons, Robert J. Kerrigan and Bruce Orr.

"Executive Member Loans" mean any loans made by an Executive Member to the Company.

"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.

"Fiscal Year" means the accounting year of the Company ending December 31 of each year, unless the Executive Committee otherwise establishes a different year.

"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, Full-Time Service for Executive 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 Executive Committee or an Executive Member wherein no less than a three (3) day notice is given to the Executive Committee and each other Executive Member of such meeting. The intent in establishing the parameters of Full-Time Service is to assure that the Company's business is a high priority for each Executive Member.

"Guaranteed Payment" means the payments made to the Executive Members as stipulated in the Operating Agreement, Section 6.18(h)(i).

"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.

"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.

"Majority-In-Interest" means a simple majority of a Class of Members in the Company.

"Member" means each Person who becomes a Member under the terms of this Agreement and each Person who may become an Additional Member or Substituted Member. For the avoidance of doubt, the Executive Members are also Members.

"Member Loans" means any loans made to the Company by Members.

"Member Nonrecourse Debt" means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

"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).

"Membership Interest" means a Member's interest in the Company's capital, profits, losses and distributions of the Company, together with any other rights and obligations granted to, or assumed by, a Member under this Agreement, including such Member's Units in the Company.

"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.

"Net Cash Flow" means the gross cash Offering Proceeds from Company operations from whatever source derived, including without limitation gross cash Offering 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 Executive Member Loans, 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 Fiscal 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 Offering 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.

"New Issue" means the raise of additional capital through the sale of any new class of Member Units.

"Non-Contributing Member" has the meaning set forth in Section 7.1.

"Non-Defaulting Members" means any Member that is not a Defaulting Member.

"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 President 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 a Membership Interest other than pursuant to the provisions of this Agreement.

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"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).

"Offer" means a bono fide offer from a third party to purchase all, or a portion of, membership interests

"Percentage Interest" means the percentage interest of each Member in this Company set forth in Schedule 1.

"Person" means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

"Preferred Units" means the 4,000,000 Series A Convertible Preferred Units authorized by the Company.

"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.

"Proper Officer(s)" means the President, and such other Persons to whom the Executive Committee delegates authority and duties to conduct the business and affairs of the Company.

"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(s)" mean a real estate investment trust.

"Series A 12-6-12 Notes" 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 3-31-2014.
- Year 1 Bonus Interest is a one-time payment in the amount of 6.0% of the Note amount, and prorated based on the date of the Note, is due 12-31-2014.
- Year 2 Bonus Interest is a one-time payment in the amount of 12.0% of the Note amount and is due 12-31-2015.
- Original Face Amount of $250,000 is due on the Series A 12-6-12 Note Term of 12/31/2015.

"Substitute Member" means the transfer of membership interest to a Permitted Transferee under the terms outlined in Section 9.4 of the Operating Agreement.

"Tax Matters Partner" means the President of the Company who will act as the Partner for the Company for federal income tax purposes.

"Transfer" means the sale, assignment, pledge, hypothecation, or encumbering of any membership interest in the Company.

"Unit" means a unit of measurement the Company will use for purposes of determining a Member's Percentage Interest at any point in time and for purposes of determining voting rights.

"Withdrawal Event" means any of those events and circumstances listed in Section 29-733 of the Act.

SCHEDULE "1"

Names of Class A Member Unit-holders and Class B Unit-holders as of the Effective Date.

Vested	Holder	Class Of Ownership	Percentage Ownership of Class A Units	Percentage Ownership of Class B Units	Class A Ownership as a % of the Company	Class B Ownership as a % of the Company	Percentage Ownership of the Company	Option Rights to Class A Units	Class B Unit Owned
Current	Richard Harkins	A	9.12%		6.38%	0.00%	6.38%	4,922,652	-
Current	George T. Simmons	A	5.46%		3.82%	0.00%	3.82%	2,946,133	-
Current	Robert Kerrigan	A	3.73%		2.61%	0.00%	2.61%	2,013,812	-
Current	Bruce Orr	A	2.87%		2.01%	0.00%	2.01%	1,547,652	-
Current	Partner 1001	B	0.00%	2.00%	0.00%	0.60%	0.60%	-	0.08
Current	Partner 1002	B	0.00%	25.00%	0.00%	7.50%	7.50%	-	1.00
Current	Partner 1002	A	1.38%		0.97%	0.00%	0.97%	745,856	-
Current	Partner 1004	B	0.00%	5.00%	0.00%	1.50%	1.50%	-	0.20
Current	Partner 1005	B	0.00%	10.00%	0.00%	3.00%	3.00%	-	0.40
Current	Partner 1006	B	0.00%	5.00%	0.00%	1.50%	1.50%	-	0.20
Current	Jeff Teets	A	0.83%		0.58%	0.00%	0.58%	447,514	-
Current	Patrick McDonaugh	A	0.45%		0.31%	0.00%	0.31%	242,403	-
Current	Glenn Erler	A	0.28%		0.19%	0.00%	0.19%	149,171	-
Current	Connie Cook	A	0.45%		0.31%	0.00%	0.31%	242,403	-
Current	Partner 1011	A	0.45%		0.31%	0.00%	0.31%	242,403	-
Current	Partner 1012	B	0.00%	5.00%	0.00%	1.50%	1.50%	-	0.20
Current	Partner 1013	B	0.00%	10.00%	0.00%	3.00%	3.00%	-	0.40
			25.00%			0.00%	0.00%		-
	Authorized and Unissued		75.00%	38.00%	52.50%	11.40%	63.90%	40,500,000	1.52
	Held Under Options and Issued		13,500,000						-
	Totals		100.00%	100.00%	70.00%	30.00%	100.00%	54,000,000	4.00

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Schedule "2"

Form of Joinder

The undersigned hereby executes this Joinder (this "Agreement") to the Amended and Restated Operating Agreement (the "Operating Agreement") of USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, dated as of November 21, 2013, by and among the members, the Managers and the Company, as may be amended from time to time. Capitalized terms used but not defined in this Agreement shall have the meanings given such terms in the Operating Agreement.

The undersigned hereby acknowledges, agrees and confirms that, by his, her or its execution of this Agreement, the undersigned will be deemed a party to the Operating Agreement and shall have all rights and obligations of a member thereunder as if the undersigned had executed the Operating Agreement.

[_____]

Date:_____

Schedule "3"

Form of Spousal Consent

I have read the foregoing Amended and Restated Operating Agreement (the "Operating Agreement") of USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, dated as of November 21, 2013, by and among the members, the Managers and the Company, as may be amended from time to time. I agree: (a) to be bound by and to comply with all the terms of the Operating Agreement in any matter in which I have a financial interest, including restrictions on the transfer of membership interests, the terms under which interests in the Company may be sold or otherwise transferred, and the liquidation of the membership interests upon the occurrence of specified events; (b) to allow my spouse to have an irrevocable proxy during my lifetime and upon my death to vote the interest in the Company owned by us as community property; and (c) not to devise or bequeath whatever community property interest or quasi-community property interest I may have in the Company in contravention of the Operating Agreement.

[_____]

Date:_____

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USA Barcelona Realty Advisors, LLC
Balance Sheet
December 31, 2013

Assets		
Cash	$	25,731
Property and Equipment		33,300
Capitalized Costs		1,472,600
Advances Receivable from USA Barcelona Realty		211,000
Total Assets	$	1,742,631
Liabilities and Equity		
Accounts Payable	$	-
Accrued Interest on Pre-2012 Notes		190,098
Promissory Notes Payable-Pre 2012 - Founder Member Loans		392,100
Promissory Note Payable - Executive Member Loan		130,000
Promissory Notes Payable - Other Members		200,000
Promissory Notes Payable-12-6-12 Offering		670,000
Total Liabilities		1,582,198
Members' Equity		
Class A Member		279,100
Class B Member		-
Additional Paid-in Capital		882,500
Accrued Cumulative Preference		116,430
Current year profit & loss		(811,069)
Retained Earnings		(306,528)
Total Equity		160,433
Total Liabilities and Equity	$	1,742,631

As of December 31, 2013, the Company has $330,000 of commitments for its current 12-6-12 Offering.
As of December 31, 2013, the Company has commitments for $150,000 of its Preferred Units.
Exhibit C to the Offering has been prepared by the Company and has not been reviewed by any independent

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EXHIBIT D – FORECASTED STATEMENTS OF CASH FLOWS FOR 2014 THRU 2017

Available Upon Request

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FILE #8503

EXHIBIT E – FEE STRUCTURE BETWEEN USA BARCELONA REALTY ADVISORS AND HOTEL COMPANY I, LLC

Land Parcels in HC-I	Land Value	Completion Costs	Liquidation Value
Property 1	$ 3,000,000	$ 18,000,000	$ 26,100,000
Property 2	3,500,000	21,000,000	30,450,000
Property 3	4,000,000	24,000,000	34,800,000
Property 4	3,800,000	22,800,000	33,060,000
Property 5	4,500,000	27,000,000	39,150,000
Property 6	5,000,000	30,000,000	43,500,000
	$ 23,800,000	$ 142,800,000	$ 207,060,000

Type of Fee	Basis of Fee	Fee %	Phase 1 2014	Phase 1 2015	Phase 2 2016	Rent Up 2017	Stable Ops Period 2018	Stable Ops Period 2019
Organization Fee	Land Value	4.00%	$ 952,000	$ -	$ -	$ -	$ -	$ -
Construction Administration Fee	Completion Costs	0.50%	-	714,000	-	-	-	-
Phase I Asset Mgt Fee	Land Value	1.25%	297,500	297,500	-	-	-	-
Phase II Asset Mgt Fee	Completion Costs	1.25%	-	-	1,785,000	-	-	-
Completion Fee	Completion Costs	1.50%	-	-	1,071,000	1,071,000	-	-
Ops Period Asset Management Fee	Completion Costs	1.25%	-	-	-	1,785,000	1,785,000	1,785,000
Liquidation Fee	Liquidation Value	2.00%	-	-	-	-	-	4,141,200
Total Fee Income from HC-I		$ 15,684,200	$ 1,249,500	$ 1,011,500	$ 2,856,000	$ 2,856,000	$ 1,785,000	$ 5,926,200

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Overview of the HC-I Fee Model

- Phase 1 commences with the land contracts for each SLP and concludes when the last SLP is Shovel-Ready.
  - Financing for Phase 1 is provided approximately 10% by advances from its parent or USA BRA and the balance from a single investor or a class of investors, which are referred to as Class A Members of HC-I. The preliminary budget for HC-I is under development as of the Offering Date as are the specifics of the properties that will be included. The HC-I budget is comprised of the following major line items: land contract deposits, due diligence expenses, appraisal and franchise expenses, land planning, hotel design and engineering, construction financing commitment expenses and advisor fees.
  - Each SLP will be taken through a process that will qualify it as "feasible" based on a sequential feasibility testing of: Land matters and major issues running with the land, operating performance forecast, development and construction cost, franchise commitment, construction and permanent finance commitment(s) and entitlements and permitting matters.

If at any of the feasibility steps, a SLP fails to meet our requirements, the land option will be terminated. Otherwise, each SLP will travel through the feasibility process to the point where all of our requirements are satisfied and all necessary contracts and permits are ready to be finalized. We refer to this step in the process as "Shovel-Ready". At Shovel-Ready, each SLP moves to Phase 2.

The anticipated maximum period for Phase 1 is 24 months. However, because each SLP will take a different amount of time to get to its Shovel-Ready stage, it is anticipated that the start to Shovel-Ready period will vary from as little as 12 months to as long as 24 months.

As mentioned above, HC-I may involve one or more SLPs where the SLP is a joint venture with a company that has the SLP already significantly along in its getting to Shovel-Ready status, which would shorten the time-frame for that SLP staying in the Phase 1 status.

- Phase 2 commences with each SLP following one of two scenarios (Case A and Case B):
  - Case A - The SLP's continues as subsidiaries of HC-I. The following events occur:
    - A second class of investors step in. This is the Class B Member(s).
    - The Class A Members, who are a preferred Class in HC-I, are liquidated via a return of capital plus a distribution that yields them a stated IRR.
    - The Class B Member(s) provide the capital that, in addition to any construction debt financing that has been arranged for the SLPs, takes the SLPs through site development and construction of the hotels, and on through the initial and ongoing operating stage to the point where each SLP's hotel is sold.
    - At sale, the Class B Member(s) receive a liquidating distribution required to bring them to a predetermined IRR, USA BRA receives a Liquidation fee and the managing member plus any affiliate member interest holders receive their Liquidation distributions.
    - It is anticipated that the time frame for Phase 2 is in a range of 4 to 5 years; one year for construction and three to four years of operations to bring the hotel to a maximum stabilized value.
    - The hotel may be liquidated to an Affiliate or to a non-Affiliate.
    - The Class A Members may or may not have a continuing interest in HC-I. This will be defined when the HC-I Offering structure is finalized.
  - Case B - The SLP is sold or contributed to a new entity which may be either (i) an unaffiliated party or (ii) an entity comprised of an Affiliate of HHC acting in the capacity of managing member of the new entity and or a class of investors unrelated to the Class A Members of HC-I. At this juncture, SLP1 is out of the HC-I portfolio and the new entity pays HC-I an amount that satisfies HC-I's return on investment obligation to its Class A Members for the SLP1 portion of the HC-I SLP portfolio plus any other consideration required to provide USA BRA with its structured fees, and the requisite return to HHC as managing member of HC-I.

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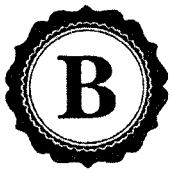

USA Barcelona

REALTY ADVISORS

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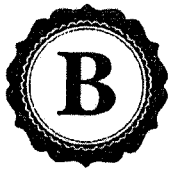


USA Barcelona

HOTEL LAND COMPANY I

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

USA Barcelona Hotel Land Company I, LLC

$10,000,000

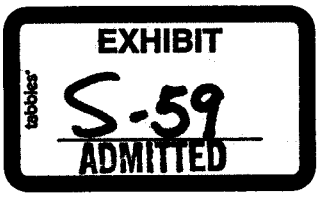
Comprised of:
10,000 Class A Member Units at $1,000 per Class A Member Unit

Minimum Purchase of 100 Class A Member Units for $100,000

OFFERED ONLY TO:

ACCREDITED INVESTORS

Memorandum dated May 5, 2014



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Harkins EXHIBIT 27
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

USA Barcelona Hotel Land Company - I, LLC

An Arizona Limited Liability Company

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

$10,000,000

10,000 CLASS A MEMBER UNITS ("CLASS A UNITS") AT $1,000 PER CLASS A UNIT

$100,000 MINIMUM INVESTMENT

The offering described in this Confidential Private Placement Offering (the "Memorandum") is being made to provide USA Barcelona Hotel Land Company I, LLC. (the "Company", "us", "we" or "USA HLC-I") with capital to fund the organization stage and operating requirements of the Company, and to pay selling fees, legal fees, offering costs, and marketing expenses associated with this offering of Class A Units (the "Offering"). ***Capitalized terms used in this Memorandum and not otherwise defined have the meanings set forth in "Defined Terms".*** The Company and its single land parcel Affiliates ("SLP LLCs") are being formed to acquire and Entitle Land Parcels, each of which we intend to sell to an Affiliate entity that would construct, own and operate a hotel franchised by a leading brand franchise company, such as Marriott, Hilton, Hyatt or possibly others.

USA HLC-I, an Arizona limited liability company, will be the manager of each SLP LLC. USA Barcelona Hotel Holding Company, LLC ("USA HHC") is our Manager, and is owned by USA Realty Holding Company, LLC (the "Parent Company"). Under an advisory agreement ("Advisory Agreement") between the Company and USA Barcelona Realty Advisors, LLC ("Advisor", "USA BRA"), an Arizona limited liability company, USA BRA provides all administrative services to the Company and its Affiliates.

The Company is currently offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit, with a minimum purchase of 100 Class A Units for $100,000, except that, in our discretion, we may permit investments of a lesser amount. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

The Class A Units are being offered by members of management 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 ("Selling Agents") subject to applicable laws, may receive fees or commissions of up to 8% of the sales price of Class A Units sold. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

We expect to terminate the Offering on March 31, 2015, or when all of the Class A Units offered by this Memorandum have been sold (whichever occurs sooner). However, we may extend the Offering Period for up to an additional 180 days.

	Price to Investor	Commissions & Expenses	Offering Proceeds to the Company
Per Minimum Purchase Class A Units [1]	$100,000	$9,000	$91,000
Total Class A Units Offered [1]	$10,000,000	$900,000	$9,100,000

[1] See "Planned Offering Proceeds and Expenses" on following page.

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

ONLY ACCREDITED INVESTORS MAY PURCHASE CLASS A UNITS. THE CLASS A UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES ACT OF ARIZONA OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION RELYING ON EXEMPTIONS FROM REGISTRATION PROVIDED BY SECTION 4(a)(2) OF THE ACT, RULE 506(c) OF REGULATION D AND OTHER COMPARABLE EXEMPTIONS. ONLY PROSPECTIVE PURCHASERS WHO PROVIDE THE MANAGER WITH INFORMATION ENABLING THE MANAGER TO SUPPORT A "REASONABLE BELIEF" THAT SUCH PERSONS ARE "ACCREDITED INVESTORS" MAY INVEST IN THE UNITS. SEE "WHO MAY INVEST".

THE DATE OF THIS CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM IS MAY 5, 2014

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FILE #8503

(continued from previous page)

Planned Offering Proceeds and Expenses	Maximum Offering	
Class A Member Units Sold [1,2]	100.0%	$10,000,000
Offering Commissions; Custodian Fees [3]	8.0%	800,000
Offering Expenses [4]	1.0%	100,000
Working Capital [5]	91.0%	9,100,000
Total Planned Use of Offering Proceeds	100.0%	$10,000,000

(1) There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

(2) Eligible Persons may purchase Class A Units at a Modified Price of not less than $920 per Class A Unit. Subscribers fund their Class A Unit Purchase Price by paying 100% of the amount subscribed at Subscription. We expect to terminate the Offering when all of the 10,000 Class A Units offered by this Offering have been sold, or March 31, 2015 (whichever occurs sooner), unless extended by us for up to an additional 180 days, at the sole discretion of the Company.

(3) The Class A Units are being offered by members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Offering fees and commissions of up to 8.0% of the Subscription Purchase Price may be paid by the Company on Class A Units sold in this Offering where sales are made by securities dealers and other Selling Agents legally authorized to receive such compensation. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. The Company will not pay offering commissions or custodian fees relating to Class A Units sold at the Modified Price. Regarding purchases of Class A Units by IRAs, if applicable, the Company will pay a one-time fee to the associated IRA custodian of up to $500, which payment will be deducted from any commissions otherwise due on the sale of the associated Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period.

(4) Offering Expenses in an amount up to 1% of Offering Proceeds may be paid by the Company for legal, accounting, escrow, printing and other related expenses. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds.

(5) We intend to use working capital to fund operating requirements of the Company and repayment of loans made to us by USA HHC, LLC, Advisor and other Affiliates for our organizational and operating requirements. See "Uses of Offering Proceeds and Gross Operating Income".

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FILE #8503

CERTAIN FACTORS; LEGENDS

THE UNITS ARE SPECULATIVE SECURITIES THAT INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST. PROSPECTIVE INVESTORS, PRIOR TO MAKING AN INVESTMENT, MUST EXAMINE THE "RISK FACTORS" SECTION THAT BEGINS AT PAGE 53, AND SHOULD CAREFULLY CONSIDER ALL OF THE RISKS, CONFLICTS OF INTEREST AND SPECULATIVE FACTORS INHERENT IN AND AFFECTING THE BUSINESS OF THE COMPANY.

THE 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. ONLY PROSPECTIVE PURCHASERS WHO PROVIDE THE MANAGER WITH INFORMATION ENABLING THE MANAGER TO SUPPORT A "REASONABLE BELIEF" THAT SUCH PERSONS ARE "ACCREDITED INVESTORS" MAY INVEST IN THE UNITS.

THE OFFERING OF THE UNITS AND OPERATION OF THE COMPANY INVOLVE SEVERAL ACTUAL AND POTENTIAL CONFLICTS OF INTEREST. THE MANAGER HAS 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 JANUARY 15, 2014 AND HAS NO OPERATING HISTORY. THE ORIGINAL COMPANY NAME WAS USA BARCELONA LAND COMPANY I, LLC. THE NAME WAS CHANGED TO USA BARCELONA HOTEL LAND COMPANY I, LLC ON FEBRUARY 25, 2014, TO ADD CLARITY AS TO THE NATURE OF THE COMPANY'S BUSINESS.

THERE IS NO PUBLIC MARKET FOR THE 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 OFFERING EFFECTIVE 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.

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REFERENCE TO INDUSTRY TRADEMARKS AND TRADE NAMES

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We refer in this Memorandum to STR ("STR"), which provides data and benchmarking statistics for the hotel industry for North America and the Caribbean. STR is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. STR has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. STR has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

We refer in this Memorandum to PKF Consulting USA, LLC and PKF Hospitality Research, LLC ("PKF"). PKF manages an extensive database of hotel property income statements and sale prices that provide information services and custom research in the industry. PKF is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. PKF has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. PKF has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

We refer in this Memorandum to HVS Consulting & Valuation Services ("HVS") a global hotel consulting and valuation firm with offices in North America, Europe, Asia, South America and the Middle East. HVS is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. HVS has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. HVS has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

"Chanen Construction Company" ("Chanen") and USA Barcelona Realty Holding Company, LLC have reached an agreement that Chanen will coordinate with the Company the Entitlement work on the Land Parcels and handle all site development and construction requirements for the New Build Affiliates. Chanen is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. Chanen has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Chanen has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

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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.
- Risks associated with the hotel industry, including competition, increases in employment costs, energy costs and other operating costs, or decreases in demand caused by events beyond our control including, without limitation, actual or threatened terrorist attacks, any type of flu or disease-related pandemic, or downturns in general and local economic conditions.
- The availability and terms of financing and capital and the general volatility of securities markets.
- Our ability to acquire desirable future Land Parcels on a favorable basis, and to obtain a satisfactory price when we liquidate the fully Entitled Land Parcels.
- Risks associated with the real estate industry, including environmental contamination and costs of complying with the Americans with Disabilities Act and similar laws.
- Interest rate increases.
- Our ability to maintain sufficient liquidity and our access to capital markets.
- The effect of changing economic conditions in the United States.
- Our relationships with franchisors.
- We have included a Financial Forecast forecasting Company operations for the period 2014-2017. Our Financial Forecast is based on many 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.

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USA Barcelona Hotel Land Company - I, LLC

An Arizona Limited Liability Company

CONFIDENTIAL PRIVATE PLACEMENT
OFFERING MEMORANDUM

$10,000,000

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I. OFFERING SUMMARY- USA Barcelona Hotel Land Company I, LLC

This Summary highlights selected information contained elsewhere in this Memorandum. It is not complete, and may not contain all of the information that is important to you. To understand this Memorandum more fully, you should read the entire Memorandum carefully, including the Risk Factors, Conflicts of Interest, Business Plan, Management & Advisors, Financial Statements and Financial Forecast of Cash Flows for Period 2014-2017, particularly the assumptions used by Management to create the Forecast. Capitalized terms used in this Memorandum and not otherwise defined have the meanings set forth in "Defined Terms".

The Company

The Company was formed on January 15, 2014 as an Arizona limited liability company under the name USA Barcelona Hotel Company I, LLC. A name change to USA Barcelona Hotel Land Company I, LLC was filed with the State of Arizona on February 25, 2014, to add clarity as to the nature of the Company's business.

The Company is a manager managed ("Manager Managed") limited liability company and its manager is USA Barcelona Hotel Holding Company, LLC. Our Advisor, USA Barcelona Realty Advisors, LLC, will provide all administrative services to the Company and our Affiliates. The Company's registered office is located at 7025 N. Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. Its telephone number is 480-625-4355.

Terms of the Offering

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member.

Purchasers must purchase a minimum of one hundred (100) Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. Eligible Persons may purchase Class A Units at a Modified Price of not less than $920 per Class A Unit.

Subscribers must purchase Class A Units for cash by paying 100% of the amount subscribed at Subscription. We expect to terminate the Offering when all of the 10,000 Class A Units offered by this Offering have been sold, or March 31, 2015 (whichever occurs sooner), unless extended by us for up to an additional 180 days, at the sole discretion of the Company.

The Offering will terminate no later than March 31, 2015, subject to the right of the Company, exercisable in its sole discretion, to extend the Offering for an additional period not to exceed 180 days.

USA Barcelona Realty Holding Company, LLC Business Plan

This Offering of USA HLC-I is the only Fund the Parent Company intends to sponsor for the Entitlement of Land Parcels. We intend to follow this Offering with a series of offerings by New Build Affiliates. As currently planned, each New Build Affiliate would acquire a Land Parcel from the Company, and then construct, own and operate a select service hotel on the Land Parcel. The Hotel Land Parcel Entitlement Program is designed to create value through obtaining the necessary Entitlements to make a Land Parcel ready for hotel construction ("Shovel Ready"). The Company plans to sell each Land Parcel on a basis that will result in the Company receiving cash payments from the New Build Affiliates for the Land Parcels and Refundables. See "Business Plan – The Company Receives a Refundables Payment from the New Build Affiliates" for a discussion of Refundables.

Upon completion of the Entitlement Process, the Company plans to assign or sell each Land Parcel to a New Build Affiliate. For a Land Parcel acquired by the Company during the Entitlement Period, we intend to "sell" the Land Parcel to a New Build Affiliate. For a Land Parcel that the Company has not yet acquired, but controls under terms of a Land Parcel Purchase Contract (which is the primary plan), the Company intends to "assign" the Land Parcel Purchase Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Entitled Land Parcel and the purchase price owed to the seller under the Land Parcel Purchase Contract. See "Business Plan - Value Creation Resulting From the Entitlement Process" for an example of value creation.

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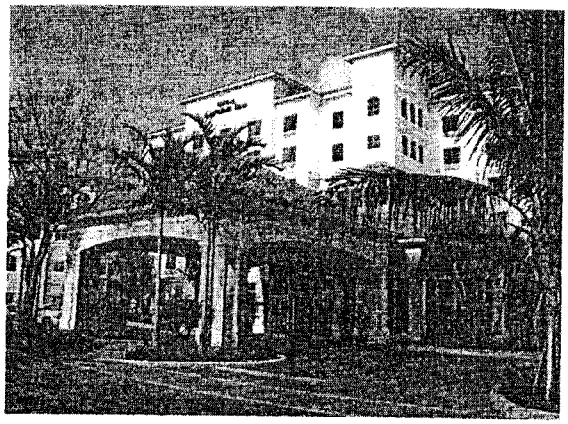
In the event a New Build Affiliate designated to receive a specific Land Parcel is not capitalized to accept the assignment of the related Land Parcel Purchase Contract, the Company intends to employ other resources that may be available to it, which could include cash reserves, secured bank credit facilities, or advances from the Parent Company, to accommodate a required Land Parcel purchase.

Following construction and achieving stabilization ("Stabilization") of each hotel built by a New Build Affiliate, we plan that the hotels will be sold or exchanged to USA Barcelona REIT, another entity that we intend to create. If and when the USA Barcelona REIT's hotel portfolio is of sufficient size and economic performance, our Parent Company plans for the REIT to conduct an initial public offering. We anticipate that the Parent Company will create additional Funds with similar Hotel Land Parcel Entitlement Program and New Build Program objectives.

Land Entitlement Strategy



We intend to create Shovel Ready Land Parcels on which New Build Affiliates will construct hotels with franchises from leading hotel brands, which we expect to primarily include Marriott, Hilton and Hyatt. Our investment objective, as described above, is to create value in Land Parcels through the Entitlement Process.

Our Hotel Land Parcel Entitlement Program calls for each Entitled Land Parcel to be acquired from us by a New Build Affiliate. We expect that the Hotel Land Parcel Entitlement Program will provide Land Parcels ready for hotel construction to our New Build Affiliates which we believe will provide the underpinnings of the Parent Company's profit model.

We expect to identify Land Parcels that are well-positioned for the construction of select service hotels. The Land Parcel acquisition, Entitlement and disposition strategy focuses on providing our investors with quarterly Distributions commencing in mid-2015 and diversification of risk through our investment in multiple Land Parcels located in several markets in the US. See "Business Plan - Targeted Land Parcel 'Qualified Land Parcel' Map".

Advisor's Capital Contributions

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000 for these Capital Contributions.

Investment Features Overview

The information below is based on our Forecast included as Exhibit D in this Memorandum, which is forward-looking information that is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. The Forecast was created using numerous assumptions set forth in the Forecast, which you should examine carefully. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in the Forecast will in fact transpire or prove to be accurate.

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We forecast the maximum investment period for an investment in the Company to be 36 months. The Forecast predicts that Members would receive quarterly Distributions over the latter half of that period. The Forecast indicates the total return will be in excess of 200% of the original investment, achieved over a three year period.

Key Assumptions in the Forecast

Number Of Land Parcels – 16 Land Parcels will be incorporated in the Hotel Land Parcel Entitlement Program, thereby offering the investors in the Class A Units diversification of opportunity and risk.

Time to Entitle Land Parcels - Each Land Parcel will be held by the Company for an average of 12 months while the Land Parcel moves through its Entitlement Process.

Expected Investment Period - The 16 Land Parcels will be brought under contractual control over a period of 24 months leading to an expected life-cycle of the Company of 36 months from the time the initial Land Parcel is contracted to be acquired by the Company to the sale of the last Land Parcel to a New Build Affiliate.

Key Investment Features

Quarterly Distributions - Investors will receive periodic cash Distributions as Land Parcels are liquidated to the New Build Affiliates. We believe these cash Distributions will occur quarterly commencing in the second quarter of 2015.

Final Distribution Option - Class A Members may choose to (i) accept a cash payment for the full amount of their Final Distribution, (ii) forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate specified by the Company; or, (iii) split the Final Distribution amount into (a) a partial cash payment; and, (b) the balance in units in the specified New Build Affiliate. See Final Distribution Option under "The Offering".

Liquidity Feature – The Company intends to create a Liquidity Feature to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

Passive Income - We believe the Company will be deemed to be a dealer in property and the income allocations will be taxed as ordinary income to the investors. We believe the income of the Company will be classified for federal tax purposes as "passive investment income". Where applicable, we believe that investors possessing passive investment losses will be able to offset the recognition of income allocations received from the Company with their suspended passive activity losses. Accordingly, our investment produces a hard-to-find passive income generator, or "PIG".

Distributions

The Company plans to make Distributions to the Members on a quarterly basis commencing in mid-2015 or as otherwise determined by the Company and in accordance with the Distribution procedure shown in "The Offering" and as stipulated in the Operating Agreement. See "Exhibit B – Operating Agreement". The following chart is a summary of forecast Distributions benefits for a $100,000 Investment in Class A Units shown by Quarter for each year in the Forecast.

Forecast Distributions, by Quarter (based on a $100,000 investment in Class A Units)

Year	*ROI*	Totals	Q-1	Q-2	Q-3	Q-4
2014	*0.0%*	$ -	$ -	$ -	$ -	$ -
2015	*23.6%*	23,643	-	7,774	7,873	7,997
2016	*77.2%*	77,232	8,859	9,751	20,463	38,160
2017	*113.7%*	113,650	113,650	-	-	-
Total Return	*214.5%*	$ 214,526				

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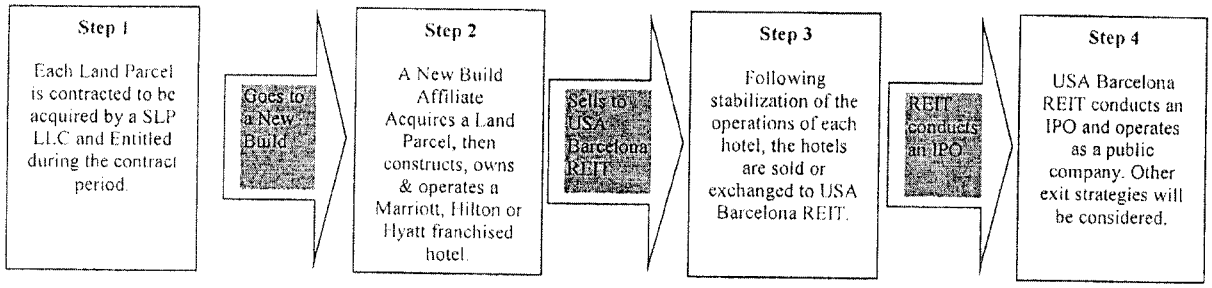
A Perspective on the Company and our Parent Company's Plan

The following is provided to give a perspective on how the Company fits into the larger business plan of our Parent Company. Our Hotel Land Parcel Entitlement Program is the first step in the four step plan of USA Barcelona Realty Holding Company (the "Parent Company") to build a hotel portfolio for its planned Affiliate USA Barcelona REIT and "go public".

This Offering represents an investment in USA Barcelona Hotel Land Company I, LLC ("USA HLC-I"), which plans to contract to acquire Land Parcels and during the contract period, Entitle the Land Parcels, and sell or assign each Entitled Land Parcel to a New Build Affiliate that would construct, own and operate a Marriott, Hilton or Hyatt (possibly other brands) hotel on each Land Parcel.

Following construction and achieving stabilization ("Stabilization") of each hotel built by a New Build Affiliate, we plan that the hotels will be sold or exchanged to USA Barcelona REIT, another entity that we intend to create. If and when the USA Barcelona REIT's hotel portfolio is of sufficient size and economic performance, our Parent Company plans for the REIT to conduct an initial public offering. We believe that our plan offers short term benefits from the investment in the Company and optional opportunities to participate in the longer term plans of the New Build Affiliates and potentially the USA Barcelona REIT. See "Business Plan". While the Company's business plan is discussed at length in this Memorandum, details of our Parent Company's plan is outside the scope of this Offering.

*About our nomenclature – An **SLP LLC** is an Affiliate of the Company that is making this **Offering**. Each SLP LLC contracts to acquire a single **Land Parcel**. Each SLP LLC expects to bear the expenses of the Entitlement activities conducted on its Land Parcel, and intends to sell its Entitled Land Parcel or assign its Land Parcel Purchase Contract for its Land Parcel Purchase Contract to a **New Build Affiliate** that will construct, own and operate a hotel on the Land Parcel.*



Step 1 - The Company is only involved in Step 1. Entitlement activities include negotiating the purchase of Land Parcels, performing due diligence on Land Parcels, coordinating planning and design for hotels to be built on the Land Parcels, arranging construction and mini-permanent financing for the hotels to be constructed by New Build Affiliates, obtaining franchise approval for the New Build Affiliates' hotels, and achieving all necessary approvals for the New Build Affiliates to obtain building permits to build their hotels. During the Entitlement Process, the Company intends to complete essentially all requirements needed for the New Build Affiliate to obtain permits and construct hotels on their Land Parcels. We expect that the Entitlement Process will add considerable value to the Land Parcels. The profits realized from moving the Land Parcels to the New Build Affiliates and the Refundables received by the Company from the New Build Affiliates will be our sources of income.

Class A Members in the Company will have the opportunity to make a tax deferred move from ownership of Class A Units in the Company to ownership of investment units in a New Build Affiliate. It is implemented under "Final Distribution Option" which works as described in the following.

At the time the Company determines to make the Final Distribution, each Class A Member will have the following choices: (i) accept a cash payment for the full amount of its Final Distribution, (ii) forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate, that will be specified by the Company; or, (iii) split the Final Distribution amount into (a) receipt of a partial cash payment; and, (b) the balance in investment units in the specified New Build Affiliate. Units in the specified New Build Affiliate will be valued net of any Sales Fees associated with the units. See "Section II" for further discussion of the Final Distribution Option.

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Step 1 hand-off to Step 2 - The Company does not intend to acquire any Land Parcels, rather, we plan to control them through the Land Parcel Purchase Contracts and upon completion of the Entitlement Process, sell each Land Parcel we have acquired to a New Build Affiliate, or, for the Land Parcels we have not acquired, assign each Land Parcel Purchase Contract to a New Build Affiliate. Whether we execute a "sale" or "assignment" transaction with a New Build Affiliate will be based on:

(i) For a Land Parcel acquired by the Company during the Entitlement Period, we expect to "sell" the Land Parcel to a New Build Affiliate, or,

(ii) At the time entitlement is complete, for a Land Parcel that the Company has not yet acquired and controls under terms of the Land Parcel Purchase Contract, the Company will "assign" the Land Parcel Purchase Contract to a New Build Affiliate. The sales price of the Entitled Land Parcel to the New Build Affiliate will be established by an independent MAI appraisal, and the Company's net profit on the Land Parcel transaction with a New Build Affiliate would be the difference between the appraised value of the Land Parcel and Company's contract price with the seller.

Step 3 – We forecast that a New Build Affiliate would construct (about a 12 month process) a hotel on its Land Parcel and operate the hotel to the point of Stabilization (we forecast a four year operating period but it could be more or less than four years). At Stabilization, the hotel would then be sold or exchanged to USA Barcelona REIT that the Parent Company intends to organize.

Step 4 - At the point where USA Barcelona REIT's hotel portfolio has sufficient earnings performance, USA Barcelona REIT would endeavor to conduct an IPO. Upon completion of the IPO, investors in USA Barcelona REIT would hold registered shares in the new public company. We will also consider other exit strategies.

The USA Barcelona Entities

Because there are multiple entities with "USA Barcelona" names, it may be difficult to distinguish among those entities when reading the Memorandum. The organizational structure of the Parent Company, USA Barcelona Realty Holding Company, LLC, the Company, the Company's SLP LLCs and other Affiliated entities is described below. They are discussed in order of the chain of managerial control. Other important entities are discussed but are not principal entities in the chain of control.

1. **USA Barcelona Realty Holding Company, LLC** – The Parent Company is the Manager of USA HHC, the Company's Manager, and is referred to herein as:
   - ✓ ***USA RHC***
   - ✓ ***Parent Company***

Purpose - The top of the organization. Officers and directors create the Parent Company Plan and the manner in which the business will be separated into various Affiliates that execute the Parent Company Plan.

2. **USA Barcelona Hotel Holding Company, LLC** – the Company's Manager and referred to herein as:
   - ✓ ***USA Barcelona Hotel Holding Company, LLC***
   - ✓ ***USA HHC***

Purpose – to act in the capacity of Manager of the Company and future hotel Funds and New Build Affiliates.

3. **USA Barcelona Hotel Land Company I, LLC** – The Company making this Offering and referred to herein as:
   - ✓ ***USA Barcelona Hotel Land Company I, LLC***
   - ✓ ***USA HLC-I***
   - ✓ ***Company, us, we***

Purpose – to acquire and entitle Land Parcels and when Entitled, sell or assign each Land Parcel to a New Build Affiliate.

4. **Single Land Parcel LLCs** – The single land parcel affiliates of the Company, referred to herein as:
   - ✓ ***SLP LLC(s)***

Purpose – The Company contracts to acquire each Land Parcel in the name of a specific SLP LLC. The letter of intent and Land Purchase Parcel Purchase Contract, all Entitlement activities and all service contracts are conducted in the name of a specific SLP LLC. Our Advisor has an Advisory Agreement with each SLP LLC.

5. **USA Barcelona Realty Advisors, LLC** – Our Advisor, also referred to herein as:

- ✓ *USA BRA*
- ✓ *Advisor*

Purpose – Neither the Company nor any of our Affiliates have any employees. All of the work conducted to execute our business plan, our Parent Company Plan and its Affiliates' business plans is accomplished by USA BRA under Advisory Agreements with us and each Affiliate with whom it engages. USA BRA will provide advisory services to the Parent Company, the Company's Manager, the Company, the SLP LLCs, and all other USA Barcelona Affiliates.

Other Affiliates

New Build Affiliates – Affiliates that we intend to form to effectuate Stage 2 of our Parent Company's Plan. These single-purpose entities are referred to as:

- ✓ ***New Build Affiliate(s)***

Purpose – Each New Build Affiliate would acquire a Land Parcel from the Company by either (i) purchase, or (ii) assignment of a Land Parcel Purchase Contact. The New Build Affiliate would construct, own and operate a hotel on the Land Parcel.

USA Barcelona REIT - The Parent Company Plan calls for each hotel, upon achieving Stabilization, to be sold or exchanged to the USA Barcelona REIT, which our Parent Company intends to organize.

- ✓ ***USA Barcelona REIT***

Purpose – The Parent Company Plan calls for creating a hotel portfolio through construction at this point in the business cycle and acquisition at the latter stage of this cycle and into the early stage of the following business cycle. The Land Entitlement Company and the follow-on New Build Affiliates are the first two stages of this plan. The fourth stage of the Parent Company Plan is to take the USA Barcelona REIT public or there may be other alternatives that at the time would be more attractive for the investors in the Funds sponsored by the Parent Company, including USA Barcelona REIT.

II. THE OFFERING

Description of the Offering

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. Purchasers must purchase a minimum of 100 Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

Who May Invest. Only Accredited Investors may purchase Class A Units. In general, natural persons must have a minimum annual income of at least $200,000, or a net worth of $1,000,000. See "Plan of Distribution - Investor Qualifications".

Risk Factors. The Class A Units being offered involve a high degree of risk. Prospective investors, prior to making an investment, should carefully consider the risks and speculative factors inherent in and affecting the business of the Company. See "Risk Factors".

Net Offering Proceeds. Estimated net proceeds of the Offering are $9,100,000. See "Planned Use of Offering Proceeds"

Subscription Payment. Subscribers fund their Class A Unit Purchase Price by paying 100% of the amount subscribed at Subscription.

Exempt Offering. The Class A Units are being sold in an exempt offering to Accredited Investors pursuant to exemptions from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, Regulation D 506(c) adopted thereunder, and applicable state laws.

Plan of Distribution. The Class A Units are being offered by the members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Other persons who assist in sales, including registered investment advisors, licensed securities dealers and others ("Selling Agents") subject to applicable state securities laws, may receive fees or commissions of up to 8% on sales of Class A Units. We also intent to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of than $920 per Class A Unit.

Commissions; Sales to Eligible Persons. The Company may pay fees and commissions of up to 8% of the price of Class A Units sold in this Offering where sales are made by licensed securities dealers and others ("Selling Agents") authorized to receive such amounts under applicable securities laws. The Company's estimated allocation of the net Offering 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.

Additionally, regarding purchases of Class A Units by IRAs, the Company may 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 Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period, and any unused funds apportioned to this category will be reapportioned to Company Working Capital. We also intend to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of not less than $920 per Class A Unit. Maximum legal, accounting, printing and other expenses associated with the Offering are estimated to be $100,000 and will be paid from Offering Proceeds.

Escrow. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

Allocations. 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 his or her respective Capital Account as provided in the Operating Agreement. See Exhibit B, Operating Agreement.

Voting. The Class A Members voting rights are limited to (i) any matter that would materially alter their Distribution rights, and (ii) the removal of the Manager for Cause. A Majority In Interest of the Class A Members must approve any action on which the Class A Members are entitled to vote. See Exhibit B - Operating Agreement.

Class A Member Tax Returns. The federal income tax information sent to each Class A Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. Management will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by management in compiling the tax information to be sent to the Class A Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Class A Member for his individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

Liquidity Feature

The Company intends to create a Liquidity Feature to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

Final Distribution Option

At the time the Company determines to make the Final Distribution, we intends to offer each Class A Member the following choices:

1. Accept a cash payment for the full amount of the Final Distribution;

2. Forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate that will be specified by the Company; or,

3. Split the Final Distribution amount into (i) a partial cash payment and (ii) the balance in units in the specified New Build Affiliate.

Units in the specified New Build Affiliate will be valued net of any sales fees or commissions associated with the units.

Advisor's Capital Contributions

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000 for these Capital Contributions.

Distributions

Each Class A Unit holder's ("Unit holder") capital account ("Capital Account") will be initially established in the amount of the purchase price paid for the Class A Units. We refer to that amount as the "Initial Capital Account".

Each Class B Unit holder's Capital Account will be initially established in the amount of the purchase price paid for the Class B Units plus any applicable Capital Account Credits ("Capital Account Credits") granted by the Company for amounts due for organization period work.

In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

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Distribution of Net Cash Flow. Commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the fiscal year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each fiscal year, the Company plans to make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first Distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first Distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second Distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth Distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

Cumulative Distributions means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

Financial Forecast. A Financial Forecast for the years 2014 through 2017 depicting our forecast of Company operating income, expenses and profits resulting from executing our business plan, as currently forecasted, is included as Exhibit D to the Offering.

Our Forecast is forward-looking information that is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. The Forecast was created using numerous assumptions set forth in the Forecast, which you should examine carefully. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in the Forecast will in fact transpire or prove to be accurate.

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III. RISK FACTORS

THE 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.

SOME OF THE MOST SIGNIFICANT RISKS TO YOUR INVESTMENT IN THE COMPANY INCLUDE:

Investment Risks

- ***Members will not have the benefit of reviewing our past performance or any properties that we own.***

We do not have an operating history. We believe that we have developed a distinctive and sound business plan, and through USA BRA, we have assembled a management team with combined experience which we believe to be significant and fully qualified to meet our business objectives. We have no significant assets at this time.

We own no properties at this time, nor do we have any signed purchase agreements, options or letters of intent to acquire any of 16 Qualified Land Parcels that we include in our Financial Forecast. However, we have established what we believe are mutually acceptable terms and conditions for the purchase of sevev Qualified Land Parcels with their respective owners, and we expect to have signed letters of intent for those Qualified Land Parcels by June 1, 2014. Because we have no signed agreements, Investors will have to rely upon the ability of our management to acquire and Entitle a suitable portfolio of Land Parcels. We can give no assurance that we will acquire any of the identified Qualified Land Parcels, or any other Land Parcels, or that we will operate successfully or achieve our objectives.

In addition, we do not intend to have employees, and will be dependent upon USA BRA to handle all of our administrative services requirements.

- ***The Company does not have any cash flow from operations at its disposal and must depend on implementing its cash plan, which includes employing the funds received from this Offering, funds from Land Parcel sales and Refundables and possibly other debt or equity financings, if applicable.***

Our plans to raise capital are aggressive, and our Financial Forecast is based upon us being able to raise capital from a variety of means. If we are unable to raise capital as anticipated for the Company or for other Affiliates, particularly New Build Affiliates that we intend will purchase our Entitled Land Parcels, we will be unable to implement our business plans and meet our Financial Forecast.

- ***Projections; Forward-Looking Information.***

We have provided a Financial Forecast, upon which we base all of the projected results of our business. Because we intend to acquire and Entitle Land Parcels in several currently undetermined geographic areas in the continental United States and possibly in Canada, no significant basis exists upon which accurate projections might be made. Any projections employed by the Company are hypothetical and based upon then present factors influencing our intended business. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen changes in Land Parcel purchase and sale practices, the entry into our market of significant additional competitors, the terms and conditions of our future financings and other risks inherent to our proposed business. While we believe that the projections reflect possible future results of our operations based on sound industry data, those results cannot be guaranteed. The execution of our business plan is contingent upon the occurrence of many events, including the Company procuring the additional funding that is noted in the projections. We have based our Financial Forecast on many assumptions. You should critically examine our assumptions. Actual results will differ from our Financial Forecast. See "Exhibit D – Financial Forecast."

- ***Investments and Advances in the Company by USA BRA.***

Our Advisor, USA BRA, has applied $750,000 of overhead costs on behalf of the Company to the organization period of the Company. $500,000 of that amount will be credited to USA BRA's Capital Account as paid in capital for its Class B Membership in the Company; the balance will be repaid without priority in cash. Distributions made to USA BRA as a Class B Member in ensuing periods will reduce amounts otherwise available for Distribution to the Class A Members.

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

Our senior executive officers have broad discretion to make investments, and they may make investments where the returns are substantially below expectations or which result in net operating losses. Management and other personnel of our Advisor, USA BRA, will serve the Company, and at the same time serve as the management and personnel of the Parent Company and its other Affiliates. The Advisor's management and personnel will not devote their full business time to serve the Company. Our Advisor has formed, and will form Affiliates, such as a real estate brokerage company, to which we would pay fees in connection with property acquisitions and dispositions. The Company will reimburse our Advisor for specified costs and expenses incurred on our behalf. These compensation arrangements have been established without the benefit of arms-length negotiation. The Company has no ownership interest in USA BRA.

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 Advisor (who will also be employed by Affiliates) to apply the Offering 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 Advisor with guidance, and we cannot assure you that any such advisors engaged by the Advisor will render prudent advice not mitigated by the knowledge and experience of the management and personnel of the Advisor's President and Affiliates. The Company's future success depends in large part upon the ability of its Advisor to hire and retain additional highly skilled managerial, operational and marketing personnel. The Advisor may require additional real estate, finance, operations and marketing people who have experience in the hotel industry. The Company cannot guarantee that its Advisor or its Affiliates will be successful in attracting and retaining skilled personnel. Should the Advisor or its Affiliates be unable to attract and retain key personnel, the ability of the Advisor to make prudent decisions for the Company may be impaired.

- ***Accredited Investor Due Diligence.***

We will sell Units solely to Accredited Investors. Investors must rely on their own due diligence to the extent they deem appropriate with respect to, among other things, our business, business plan, capitalization, management, financial projections, and unaudited balance sheet. Information is presented based on certain assumptions we have made, and our assumptions may be incorrect.

- ***We are a thinly-capitalized Company and, as a result, you cannot be sure how we will be operated and whether we will achieve the investment objectives described in this Memorandum.***

Our initial capitalization consists of $501,000 of paid in capital from our Advisor which is comprised of a $1,000 cash Capital Contribution and $500,000 of organization costs credited to our Advisor's Class B Member Capital account. An additional $250,000 of organization costs charged by our Advisor will be paid to it from operating revenues. We plan to reimburse all pre-offering period payables to third parties from Offering Proceeds or operating revenues.

Our "thin capitalization" entails additional risks for prospective Investors. Since we only have nominal assets, and must raise substantial funds to execute our plans, you cannot be sure how we will be operated, whether we will achieve the objectives described in this Memorandum or how we will perform financially. Furthermore, if we are not successful in selling more than 5,500 Units in our Offering (55% of the Units offered under the Offering), we will not be able to engage in our proposed business without formulating and implementing an alternative method to replace the additional capital which we plan to raise in this Offering. Consequently, shareholders may have an illiquid investment in a resultant small entity.

Real Estate Business Risks

- ***The Company's success will be subject to its ability to identify, contract for purchase, Entitle and acquire Land Parcels for the Company.***

We intend to enter into Land Parcel Purchase Contracts for Qualified Land Parcels suitable for hotel development. These transactions, whether or not consummated, require substantial time and attention from management. Furthermore, potential Land Parcel acquisitions require significant expense, including expenses for due diligence, legal fees and related overhead. To the extent we do not consummate one or more of the transactions and fail to acquire all of these Land Parcels, and do not obtain suitable replacement Land Parcels, these expenses will not be offset by revenues from these properties. The purchase of properties we put under contract may not be consummated.

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- ***We will face competition from numerous competitors in the hotel development industry which may limit our profitability and returns to our Members.***

The hotel development industry is highly competitive. Competition could drive up prices for suitable Land Parcels we seek to acquire and Entitle, which could adversely affect our operations. We expect to face competition from many sources. Over-building in the geographic areas in which we acquire Land Parcels could increase the number of hotel rooms available and may decrease demand for additional hotels. We will face competition from real estate investment trusts, management companies and hotel chains and other entities that may have substantially greater financial resources than we do. See "Business Plan".

- ***Our business will be subject to risks generally associated with land acquisition and real estate Entitlement and 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.

- ***Under its interest in Land Parcels, the Company, or its assigns, 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 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 to the full extent of the Company's liability. Furthermore, the Company 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 having its Advisor perform appropriate due diligence on the land Parcels it develops and acquires, including obtaining soil reports, environmental reports and as other studies and reports are deemed necessary.

- ***We will be dependent on our investments in a single industry.***

Our current strategy is to acquire Land Parcels suitable for hotel development in high demand markets in the continental United States, Entitle those Land Parcels, and sell or assign Shovel Ready Land Parcels to New Build Affiliates. As a result, we will be subject to the risks inherent in investing in only a limited segment of one industry. A downturn in the income-producing real estate industry may have more pronounced effects on the amount of cash available to us for distribution or on the value of our assets than if we had diversified our investments in other industries. See "Investing in the Lodging Industry."

Due to our concentration in Land Parcels for hotel development, a downturn in the lodging industry generally or a regional downturn in the markets in which we acquire Land Parcels would adversely affect our operation and financial condition.

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.

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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.

Risks Related to Developments in the Lodging Industry

- ***Current economic conditions may reduce demand for hotel properties and adversely affect hotel profitability.***

The performance of the lodging industry has historically been closely linked to the performance of the general economy and, specifically, growth in the U.S. GDP. It is also sensitive to business and personal discretionary spending levels. Declines in corporate travel budgets and consumer demand due to adverse general economic conditions, such as declines in U.S. GDP, risks affecting or reducing travel patterns, lower consumer confidence or adverse political conditions can lower the revenues and profitability of hotel properties and therefore the potential value of any Land Parcel. The recent global economic downturn led to a significant decline in demand for products and services provided by the lodging industry, lower occupancy levels and significantly reduced room rates.

We cannot predict the pace or duration of any such decline in demand or the length or extent of any follow-on recovery in the lodging industry. Any period of sustained economic weakness in the lodging sector would likely have an adverse impact on our ability to execute our business plan that focuses on Entitling Land Parcels and selling them to New Build Affiliates, which would negatively affect our results of operations, and our ability to make Distributions to our Members.

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:

Organization Costs Reimbursement,
Management Fees, and,
Acquisition and Entitlement Completion Fees. See "Conflicts of Interest."

- ***We Intend to Sell Our Entitled Shovel Ready Land Parcels to New Build Affiliates***

We expect to sell the Land Parcels that we Entitle to New Build Affiliates that we intend to organize and for which we intend to raise equity and debt capital. While we intend to have third parties appraise the Entitled Land Parcels to establish the sales prices, we will have conflicts arising from our joint ownership of, and participation in, the Company, New Build Affiliates, and other Affiliated entities dealing with one or more of these Affiliates.

- ***There were no arms-length negotiations for our agreements with the Advisor.***

Our Advisor, USA BRA, may receive substantial compensation from us in exchange for management and investment services it has agreed to provide to us. USA BRA Advisors will supervise and arrange for the day-to-day management of our operations and will assist us in maintaining a continuing and suitable Land Parcel acquisition, Entitlement and disposition program. See "Conflicts of Interest."

- ***The Company will not have employees.***

Instead of retaining its own employees, the Company, and any other Affiliate subsidiaries that we may form, will depend on USA BRA to provide services for day-to-day operations and for the acquisition of our properties and other assets.

- ***Conflicts of Interest may exist with our management because they may have duties as an officer and director to companies with which we contract or with which we may compete for properties.***

Generally, conflicts of interests between management and us may arise because management may have ownership or management roles with companies that may enter into contracts with us to provide us with asset management, property acquisition and disposition, or other services. Officers will not receive a salary from us, but may receive benefits from Fees and reimbursements paid to USA BRA.

In addition, members of management may be principals in other real estate investment transactions or programs that may compete with us, and could have conflicts of interest because they may serve as officers of other Affiliates organized in the future. None of our Manager's executive officers, all of whom are employed by USA BRA, are required to devote any minimum amount of time and attention to us as opposed to any of these other companies.

Under our Operating Agreement, we will indemnify members of our Manager's management from any liability and related expenses incurred in dealing with us or our Members, except in the case of willful misconduct, bad faith, and reckless disregard of duties or violations of the criminal law committed by our Manager's management. See "Conflicts of Interest."

- ***There may be conflicts because of interlocking boards of directors with affiliated companies.***

Members of our Manager's management may serve as directors or managers and concurrently serve as directors or management for other Affiliate entities which we may organize in the future. There may be instances where our Land Parcels are in the same markets as properties owned by such other entities. See "Conflicts of Interest."

- ***If we lose management personnel, or are unable to attract and retain the talent required for our business, our acquisition, Entitlement and/or disposition of suitable Land Parcels and future operating results could suffer.***

Our future success depends to a significant degree on the skills, experience and efforts of management. We may not carry key-man life insurance on any members of management. The loss of the services of members of management or the inability to retain the talent required for our businesses would negatively impact our ability to acquire, Entitle and sell or transfer suitable Land Parcels, and could cause our future operating results to suffer. Although management believes that they will have sufficient time to provide management and other services both to us and to the other companies, management may in the future organize, there can be no assurance that such persons will have sufficient time. If it became necessary, management would seek to hire additional personnel to provide management and other services, but there can be no assurance that they would be successful in hiring additional personnel, if necessary.

- ***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 will own Units of the Company, and may own equity interests in other Affiliates.***

Any Affiliate of the Company may acquire, own, hold and dispose of Units for that person's account and may exercise any of its, his or her rights to the same extent and in the same manner as if that person 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 "Business Plan" 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 "About Our Advisor – USA Barcelona Realty Advisors, LLC" and in the chart of fees contained in that title. 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.

Participation Risks

- ***Lack of Transferability of Interests.***

The Class A Units are not freely transferable, and are never intended to be freely transferable. Interests have not been registered with the Securities and Exchange Commission, the Securities Division of the Arizona Corporation Commission, or under any other state "blue sky" laws. No transfer of Interests may be made without the approval of the Manager and/or a Majority in Interest of the Members of the Company. We do not anticipate that any market for the Class A Units will develop, or that the holders of the Class A Units will be able to readily liquidate their investment in the event of an emergency or for other reasons. The Class A Units should be purchased only as a long-term investment.

- ***Exempt Offering Risks.***

Class A Units in the Company are being offered only to persons who are accredited investors. If the Class A Units are deemed to be securities, and the Company should fail to comply with the requirements of exemptions for securities sales, Members would have the right to rescind their purchase of Class A Units. If a number of Members were to successfully seek rescission, the Company would face severe financial demands which could adversely affect the Company as a whole and, thus, the non-rescinding Members.

- ***This is a "best-efforts" Offering of Class A Units conducted by our management and others, and there is no assurance that any Offering amount will be raised.***

This is a "best-efforts" Offering which we intend to have primarily conducted by management, although we may sell Class A Units through Selling Agents such as broker dealers, registered investment advisors and others subject to applicable state

securities laws. There is no Minimum Offering before the Company can use Offering Proceeds, and there is no assurance that any amount of Class A Units will be sold. Additionally, if we fail to sell a substantial number of Class A Units we could be undercapitalized, and may not be able to execute our business plan. See "Plan of Distribution", "Uses of Offering Proceeds and Summary Operating Cash Flow." and "Exhibit D – Financial Forecast."

Debt Financing Risks

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

Should the Company elect to implement bank financing in its capital plan, the Company's 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, the Company intends to negotiate restrictive rate change terms in all bank loans employed by the Company.

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

The Company anticipates that it will require significant future bank borrowings to meet Company cash requirements. The Company cannot assure that it will be successful in arranging any bank loans, or if it does, that such bank loans will be a positive factor in executing the Company's business plan.

Should the Company make future bank borrowings and 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 bank 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 could 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.

- ***Our conflicts of interest policy may not adequately address all of the conflicts of interest that may arise with respect to our activities.***

In order to avoid any actual or perceived conflicts of interest with our trustees, officers or employees, we have adopted a conflicts of interest policy to specifically address some of the conflicts relating to our activities. Although under this policy any transaction, agreement or relationship in which any of our trustees, officers or employees has an interest must have the approval of a majority of our disinterested trustees, there is no assurance that this policy will be adequate to address all of the conflicts that may arise or will address such conflicts in a manner that is favorable to us.

Tax Risks

INVESTORS MUST LOOK TO THEIR OWN TAX ADVISORS REGARDING THE TAX IMPLICATIONS INHERENT IN THE COMPANY AND ITS OPERATION, AND THE IMPACT THE INVESTMENT WILL HAVE ON THEIR PERSONAL TAX SITUATIONS. NO TAX ADVICE IS GIVEN IN THIS MEMORANDUM.

Prospective Members must look to their own tax advisors regarding the tax implications inherent in the Company and its operation, the income or deductions that the Company may potentially generate, and the impact the investment will have on their personal tax situations. The Company has no operating history, and potential income or deductions, if any, could only be based on the based on the Company's Forecast included as Exhibit D in this Memorandum, which is forward-looking information that is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. The Forecast was created using numerous assumptions set forth in the Forecast, which you should examine carefully. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in the Forecast will in fact transpire or prove to be accurate.

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You must confer with your tax advisor to determine whether, if Company operations generate such tax loss items, you could use them to offset any distributions and/or other income.

- ***Members' tax returns***

The federal income tax information sent to each Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. Management will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by management in compiling the tax information to be sent to the Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Member for his or her individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

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 Class A 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:

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

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IV. USES OF OFFERING PROCEEDS AND SUMMARY OPERATING CASH PLAN

The Company's estimation of its allocation of the net Offering 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 Offering Proceeds. The Company's projected Use of the Offering Proceeds from this Offering and Summary Operating Cash Plan is described in the Offering, and cash flows are based entirely on the Financial Forecast included as Exhibit D, using the assumptions set forth therein. The Company may attempt to raise additional capital if the need arises.

	Notes	Maximum Offering	
Gross Offering Proceeds:	1	100.0%	$ 10,000,000
Offering Commissions & Expenses; Custodian Fee Payments	2	-8.0%	(800,000)
Legal and Other Expenses	3	-1.0%	(100,000)
Net Offering Proceeds to Working Capital	4	91.0%	$ 9,100,000
Operating Period:			
Sources Of Cash		100.0%	$ 80,394,360
Class A Members' Capital	1	12.4%	10,000,000
Class B Members' Capital	5	1.2%	1,001,000
Loan From USA BRA - Deferred Organization Costs	6	0.3%	250,000
Not Used	7	0.0%	-
Loans from USA BRA	8	0.6%	500,000
Land Parcel Purchase Contract Assignments and Sales	9	72.6%	58,391,200
Reimbursables from New Build Affiliates	10	12.8%	10,252,160
Total Sources of Cash		100.0%	$ 80,394,360
Uses Of Cash			
Organization Costs	11	-0.9%	$ (750,000)
Offering Related Costs	12	-1.3%	(1,050,000)
Program Administration Costs	13	-4.5%	(3,600,000)
Land Parcel Acquisition Fees and Entitlement Completion Fees	14	-4.1%	(3,295,428)
Land Purchase Contracts at Face	15	-45.4%	(36,494,500)
Land Parcel Entitlement Expenses	16	-12.9%	(10,339,392)
Discontinued Land Parcel Entitlement Costs	17	-0.3%	(240,000)
Loan Repayment - Principal and Interest	18	-1.1%	(902,083)
Distributions to Class A Members	19	-26.7%	(21,451,597)
Distributions to Class B Members	19	-2.8%	(2,271,360)
Total Uses Of Cash		-100.0%	$ (80,394,360)

See Exhibit D – "Financial Forecast" for more detailed information.

(1) The Class A Units are being offered on a best efforts basis up to a maximum of 10,000 Units for $10,000,000. Eligible Persons, as defined under "Plan of Distribution", may purchase Units at a Modified Class A Unit Price equal to not less than $920 per Class A Unit.

(2) The Company plans to offer and sell Units through our members of management, who will not receive sales commissions or other compensation directly or indirectly related to their sales efforts. The Company may pay appropriately licensed Selling Agents a commission of up to 8% of the sales price of Units sold by them, subject to reduction as specified herein.

(3) These amounts reflect our estimate of Offering expenses, such as filing fees, legal, accounting and financial printing fees and promotion costs, exclusive of any Selling Commissions which may be payable to Selling Agents. If the Offering expenses are greater than the amounts indicated, the amount of proceeds available for investment will decrease, and if these expenses are less, the amount available for investment will increase. However, the longer our Offering continues, the more likely it is that we will incur increased printing and legal costs, such as costs of updating disclosures in supplemental Offering materials. Any unused funds apportioned to this category will be reapportioned to reserves. Our Advisor may pay certain expenses associated with marketing the Units; we may reimburse our Advisor for such expenditures.

(4) Working capital shall be applied to the execution of the Company's business plan.

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(5) USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment. USA BRA will be credited with an additional $500,000 to its Capital Account for foregoing the first $500,000 in Entitlement Completion Fees due to it which allows the Company to retain that cash to accommodate any payments made to Class A Members under the Liquidity Feature. These costs are capitalized.*[1]

(6) See Note 5.

(7) Not Used

(8) USA BRA has agreed to loan up to $500,000 to the Company for working capital to enable it to commence executing letters of intent and engaging in the Land Entitlement process on Land Parcels it contracts to acquire in the period preceding the receipt of initial Offering Proceeds.

(9) This reflects the Income forecasted to be received from the New Build Affiliates as Land Parcel Purchase Contracts are assigned or as Land Parcels owned by the Company are sold to New Build Affiliates.

(10) New Build Affiliates will reimburse the Company for specific amounts the Company spent during the Entitlement Period that otherwise would be paid out of each New Build Affiliate's construction period budgets.

(11) See Note 5. Capitalized Organization Costs are charged off to earnings in the final period of the Forecast.

(12) Reflects all Offering related expenses and marketing costs including costs paid directly from Offering Proceeds ($900,000) and other costs ($150,000) paid from operating cash flows that are specific to the marketing of the Offering.

(13) Reflects the monthly payments paid to the Advisor for conducting the business operations of the Company under the Company's business plan. Pursuant to the Advisory Agreement, USA BRA will be entitled to a Program Management Fee of $150,000 per month commencing in May 2014 and continuing through May 2015, and $75,000 per month thereafter until the last Land Parcel is sold or assigned.

(14) Reflects fees paid to the Advisor for arranging the acquisition of the Land Parcels and the assignment to the New Build Affiliates when each Land Parcel completes entitlement. The Acquisition Fee is 4% of the contract price of a Land Parcel and totals $1,459,780, $329,840 of which is paid from Offering Proceeds and the balance from Company earnings. The Entitlement Completion Fee is 4% of the sales price or the assignment value of each Land Parcel and totals $1,835,648, all of which is paid from Company earnings and none from Offering Proceeds. *[1]

(15) Reflects the purchase price of the Land Parcels as stated in the Land Parcel Purchase Agreements with the land owners/sellers.

(16) Reflects the amounts spent on entitlement of the Land Parcels during the entitlement period.

(17) Reflects expenses incurred on Land Parcels that do not proceed past preliminary due diligence review.

(18) Reflects repayment of principal and related interest expense on loans. (see Notes 6, 7 and 8)

(19) Reflects all Distributions made to the Class A Members and the Class B Members.

*[1] USA BRA contributed $1,000 in initial capital to the Company. The Forecast includes Class B Member Capital of $1,001,000 which is the result of the initial capital contribution and two non-cash events. USA BRA is granted a $500,000 Capital Account credit in lieu of taking the cash payment due it for organization period work and early operating stage payments made by USA BRA on behalf of the Company, and an additional $500,000 Capital Account credit in lieu of taking a cash payment due it for Entitlement Completion Fees which allows the Company to retain that cash to accommodate any payments made to Class A Members under the Liquidity Feature.

We intend to invest amounts in our working capital reserve, together with any other proceeds not invested in Land Parcels or used for other Company purposes, in temporary investments such as U.S. Government securities or similar liquid instruments.

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V. THE COMPANY

Company Formation

The Company was formed on January 15, 2014 and has no operating history. The original Company name was USA Barcelona Land Company I, LLC. The name was changed to USA Barcelona Hotel Land Company I, LLC on February 25, 2014, to add clarity as to the nature of the Company's business.

About the Company

The Company has been formed to acquire Land Parcels, Entitle each Land Parcel, and then sell each Entitled Land Parcel to a New Build Affiliate. We intend that the New Build Affiliate will construct, own and operate a hotel on the Entitled Land Parcel. We have already vetted seven of the proposed Land Parcels as Qualified Land Parcels, and have generally identified them below under "Business Plan". We plan to select others from among a number of prospective Land Parcels currently being considered by the Company, as well as others that we may discover as we go forward. In addition, with each owner of a Qualified Land Parcel, we have established an understanding of mutually acceptable terms and conditions of purchase of the Land Parcel. Currently we own no Land Parcels nor do we have any signed purchase agreements, options or letters of intent to acquire any of 16 Qualified Land Parcels that we include in our Financial Forecast. However, we have established what we believe are mutually acceptable terms and conditions for the purchase of seven Qualified Land parcels with their respective owners, and we expect to have signed letters of intent for each of those Qualified Land Parcels by June 1, 2014. Information on Qualified Land Parcels is contained below under "Business Plan".

The Company has identified the select service hotel sector for its investment program for several reasons that are more fully described in the "Hotel Development Business Opportunity" section of this Memorandum. We plan to Entitle Land Parcels suitable for developing hotels with franchise brands from hotel companies such as Marriott, Hilton and Hyatt. Their select service hotel brands in the Upscale and Upper Midscale chain scale are as follows:

Marriott International, Inc.

Courtyard
Residence Inn
SpringHill Suites
Fairfield Inn & Suites
TownePlace Suites

Hilton Hotels Corporation

Hilton Garden Inn
Hampton Inn
Homewood Suites
Home 2 Suites

Hyatt Hotels Corporation

Hyatt Place
Hyatt House

Company Business Purpose

The Company has been formed to acquire Land Parcels, each of which we will seek to Entitle and sell to a New Build Affiliate that will construct, own and operate a hotel thereon. The tasks and obligations associated with the Entitlement of the Land Parcels and execution of the Company's business plan will include, but are not limited to, the following:

- Obtain contractual control of the Land Parcels to be acquired through letters of intent followed by formal Land Parcel Purchase Contracts.

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- Perform due diligence, planning, design, construction budgeting, construction financing, franchise approval, and permitting to reach "Shovel-Ready" status.
- Secure the capital required to fund the Entitlement work for each Land Parcel.
- Arrange for the sale (or Land Parcel Purchase Contract assignment) of each Land Parcel to a New Build Affiliate.

The Company's business plan calls for each Land Parcel to be sold or assigned to a New Build Affiliate following its Entitlement. The sales price of each Land Parcel shall be based on the value established by an independent MAI appraisal valuation.

Entitlement activities include performing due diligence, coordinating planning and design, arranging construction and mini-perm financing, obtaining franchise approval and achieving all necessary approvals for a New Build Affiliate to obtain a building permit to build a hotel (essentially all the requirements needed to obtain permits to construct a hotel are accomplished in the Entitlement Process). The Entitlement stage adds considerable value to the Land Parcel and the profits realized from moving the Land Parcels to the New Build Affiliates are the source of Distributions to our Members.

The Company does not intend to acquire any Land Parcels, rather, we plan to control them through the Land Parcel Purchase Contracts and upon completion of the Entitlement process, sell or assign each Land Parcel to a New Build Affiliate. Whether we "sell" a Land Parcel, or "assign" to a New Build Affiliate the related transaction between the Company and the New Build Affiliate will be based on:

- ✓ For a Land Parcel acquired by the Company during the Entitlement Period, we will "sell" the Land Parcel to a New Build Affiliate a price equal to the appraised value of the Land Parcel at the time of the sale, or

- ✓ For a Land Parcel which the Company has not yet acquired, but controls under terms of the Land Parcel Purchase Contract, and for which we complete Entitlement, the Company will "assign" the Land Parcel Purchase Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Land Parcel at the time of assignment, and the amount due to the seller under the Land Parcel Purchase Contract.

The Company plans to make Distributions on a quarterly basis starting in mid-2015 in accordance with the Distribution procedure outlined in Section II under "Distributions". Upon the sale of all of its Land Parcels, the Company will conclude its business operations, settle all outstanding obligations and make a final liquidating Distribution.

Cash Management

We intend to use Proceeds from Land Parcel sales will be used to pay Company expenses, retire Company debt (if any), establish reserves and make Distributions to Members, as follows:

- ✓ To pay expenses of the Company.
- ✓ To retire principal and interest due on outstanding Company and SLP loans (if any).
- ✓ To establish cash reserves for the Company.
- ✓ To pay the Distributions to the Members.

Advisor

USA Barcelona Realty Advisors, LLC, will provide all the administrative services to the Company to include, but not limited to, the following services: (i) seek to obtain, investigate, evaluate and recommend Land Parcel investment opportunities, (ii) serve as advisor and consultant in connection with all policy decisions, and, (iii) serve the Company's day-to-day operations.

Advisory Agreement

The Company and Advisor will enter into an Advisory Agreement and a Land Parcel Acquisition/Entitlement Completion Agreement which will define duties provided to the Company and compensation to be received by our Advisor.

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Advisor Capital Contributions and Loans to the Company

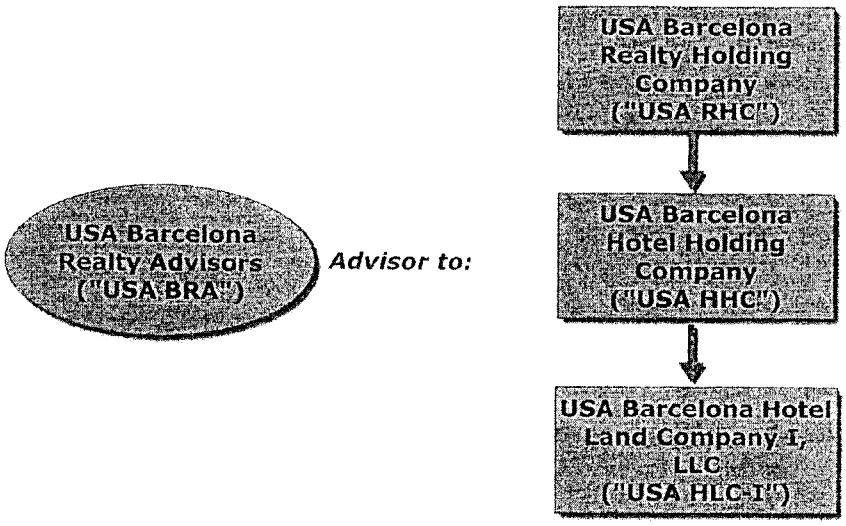
Our Advisor has agreed to contribute capital and made loans to the Company in the aggregate amount of $1,751,000. This is comprised of $750,000 in loans and $1,001,000 in capital contributions. These amounts are described in the following chart.

Description of Advisor's Capital Contributions and Loans	Capital Contribution	Non-prioritized Loans
USA BRA contributed $1,000 in initial capital to the Company.	$1,000	-
USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment.	$500,000	$250,000
USA BRA has agreed to loan up to $500,000 to the Company to enable it to commence executing letters of intent and engaging in the Land Entitlement process on Land Parcels it contracts to acquire in the period preceding the receipt of initial Offering Proceeds.	-	$500,000
Our Liquidity Feature will be funded by USA BRA taking equity in the form of Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company.	$500,000	-
Totals	$1,001,000	$750,000

Company Ownership and Control

The Company is owned ninety percent (90%) by its Class A Members and ten percent (10%) by its Class B Member(s). However, our Manager makes virtually all business decisions for the Company. The Class A Members voting rights are limited to (i) approving any matter that would materially alter their rights to receive Distributions, and (ii) removing the Manager. A Majority In Interest of the Class A Members must approve any action on which the Class A Members are entitled to vote.

The following chart shows the Company in the overall organization structure under our Parent Company, USA Barcelona Realty Holding Company ("USA RHC").



The pending relationship between USA RHC and Chanen Construction Company ("Chanen") is an important ingredient in the Parent Company Plan. The interplay between Chanen and the Company, during the Entitlement process of each Land Parcel is an essential factor in the smooth transition from Entitlement to construction. Chanen is a design/build company meaning they play a hands-on role in the Entitlement process so as to assure they are prepared in all respects to conduct the bidding, buying

and management of the pre-construction phase on each New Build Affiliate's construction process. Further, the involvement of Chanen in the civil engineering, structural engineering and architectural design of the hotels plays a vital role in delivering a top quality finished hotel on time, on budget, and on specification.

Management of the Company

Except for the exercise of their approval rights set forth in Article 5 of the Operating Agreement, the Class A Members may not take part in the management of the affairs of the Company, or control the Company business, and the Class A Members may, under no circumstances, sign for or bind the Company. Subject to the limitations set forth in the Operating 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 Class A Member.

Limitation of Authority

Our Manager makes all the decisions for the Company other than decisions that require a vote of the Class A Members. 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. The Manager may be removed for Cause at any time upon vote of a Majority In Interest of the Class A Members.

Broad Industry Relationship of Principals

Our Parent Company has extensive long-standing relationships with hotel owners, management companies, franchisors, lenders, brokers and consulting companies. We think this broad set of relationships affords the Company high level access to numerous business opportunities.

Franchise Relationships

We intend that the New Build Affiliates will develop and own franchised hotels in the Upscale and Upper Midscale chain scale such as Courtyard by Marriott, Residence Inn and Springhill Suites by Marriott, Hilton Garden Inn and Homewood Suites by Hilton. To further diversify the Company's portfolio, the target will be upper midscale hotels with top-performing brands such as Fairfield Inn by Marriott, TownePlace Suites by Marriott, Hilton's Hampton Inn, and Hyatt's Hyatt Place and Hyatt house.

Before construction, each New Build Affiliate hotel will have a franchise license agreement between the New Build Affiliate and a franchise company providing for the payment of royalty fees and program fees to the franchisor as stipulated in the franchise 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.

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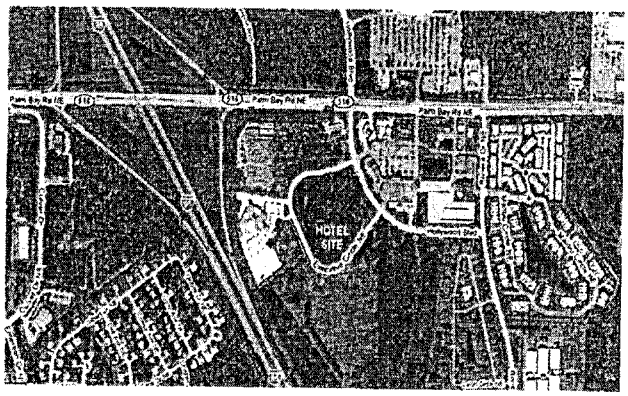
VI. BUSINESS PLAN

Through 2017, we anticipate that our Parent Company will primarily sponsor Land Parcel Entitlement and New Build Programs. Our Parent Company's rationale is based on the current and projected need for additional rooms supply in the select service sector of the hotel scale and the large value gain achieved through the creation of a hotel versus the acquisition of a Core Property hotel.

The Company's sole business focus is on executing the Hotel Land Parcel Entitlement Program. As Land Parcels are sold to the New Build Affiliates, our Advisor will act in the capacity of construction manager to oversee site development and construction of hotels by the New Build Affiliates. As hotels are constructed and begin operations, property management will be handled by strategically aligned management companies, which we refer to as SAM's. Currently, we expect that these management companies would include Pyramid Hospitality and Development Company, based in Scottsdale, Arizona and Concord Hospitality Enterprises, which is headquartered in Raleigh, North Carolina.



Why Hotel Development vs. Acquisition of Core Property Hotels

We have created the Company and designed this Offering as a part of the Parent Company's plan to deal with three primary questions we believe investors ask themselves when considering investing: (i) do I want to be in this industry, (ii) do I want to be in this industry with this management team, and, (iii) do I want to be in this industry with this management team, at this time?

Likely, an interested investor has reached this point in the Memorandum because he answered all three "yes". But to be clear, we pose the question: why do we elect to **build** rather than **buy** existing hotels? We make this election for two primary reasons, "market cycle timing" and the ability to "create value". While there may be some remaining existing Core Property acquisition opportunities, we have concluded that the institutional investor market has moved so heavily into the hotel space (over the past two to three years) as to drive cap rates down and prices up to the point where the top branded hotels represent a "bond" quality investment with no near-term upside. This is not a "value add" scenario.

We believe that the opportunity to acquire Core Properties and execute a "value add" is gone for the duration of this business cycle. But, demand continues to increase for new hotel rooms across many of the U. S. markets. Therefore, **we intend to build to create value**. That is the "why" behind our current and near-term direction.

We believe there are better investment returns to be achieved through the development of new hotels rather than acquiring existing hotels. We approach the matter of New Build in two steps. First, through the Hotel Land Parcel Entitlement Program (the subject of this Offering) followed by our Parent Company's New Build Program.

Overview of the Company's Hotel Land Parcel Entitlement Program Business Plan

- The Class A Units being offered in this Offering will be sold by members of management of our Company, registered investment advisors, broker-dealers and others ("Selling Agents") subject to applicable securities laws.
- The Hotel Land Parcel Entitlement Program involves land purchase(s) for new hotel construction, with focus on Marriott, Hilton and Hyatt brands in the select service space.

Our primary plan involves taking each Land Parcel through Entitlement, which we define as completing the following steps: due diligence, planning, design, construction budgeting, construction financing, franchise approval, and permitting - all necessary to arrive at being ready to begin construction, as we refer to as being "Shovel-Ready". At Shovel-Ready, we liquidate the Land Parcel to a New Build Affiliate that will construct, own and operate a hotel on the Land Parcel.

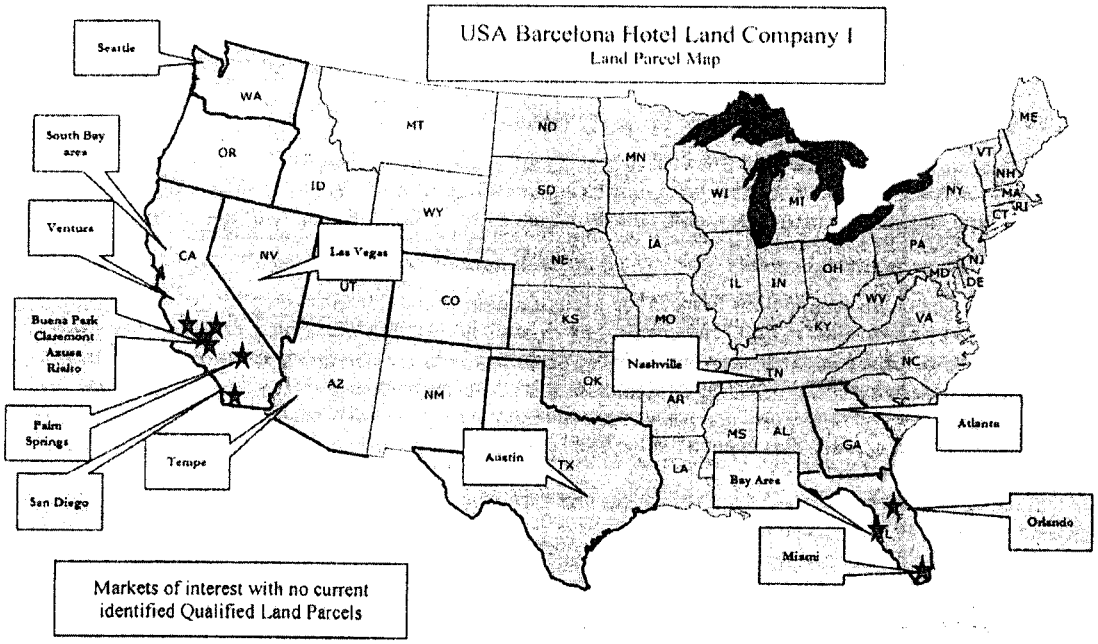
There are two scenarios when liquidating a Land Parcel. These are:

(i) For Land Parcels acquired by the Company during the Entitlement Period, we will sell to a New Build Affiliate; or

(ii) For Land Parcels that the Company have not yet acquired but continue to control under terms of the Land Parcel Purchase Contract, the Company will assign the Land Parcel Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Land Parcel established by an independent appraiser and the purchase price owed to the original Land Parcel owner under the Land Parcel Purchase Contract.

The New Build Affiliate to whom the Company has transferred the Land Parcel will pay additional consideration to the Company for amounts that have been paid by the Company during the Entitlement Process, wherein such costs represent costs the New Build Affiliate would otherwise pay as normal hotel construction period costs. These Refundable costs are discussed later in the Memorandum. See "Business Plan - Value Creation Resulting From The Entitlement Process".

Targeted "Qualified Land Parcel" Map



Currently Identified Qualified Land Parcels

As the map above shows, there are a number of Land Parcels, primarily in the Western United States, that have passed the Company's initial due diligence process, and are under consideration for purchase. We classify each of those Land Parcels as a "Qualified Land Parcel". Initial prospects comprised of dozens of high quality sites have been reduced to a smaller group of Qualified Land Parcels. Seven of the proposed Land Parcels that we consider Qualified Land Parcels are identified below. We do not have signed purchase agreements, options or letters of intent to acquire any Qualified Land Parcels. However, in that we wanted to coordinate the execution of purchase agreements, options or letters of intent with the Effective Date of the Offering, we have established what we believe are mutually acceptable terms and conditions for the purchase of those seven Qualified Land parcels with their respective owners, and we expect to have signed letters of intent for those Qualified Land Parcels by June 1, 2014. We intend to select others from among a number of Land Parcels currently being considered by the Company. For each Qualified Land Parcel, we have completed preliminary financial reviews and, in most cases, site visits with a representative of our selected franchisor. To date, Marriott, Hilton and Hyatt are the franchise brands, or "flags" we are considering.

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Specific Qualified Land Parcels and other Land Parcels Under Current Consideration

Azusa, California –

107 room Home2 Suites by Hilton. The site is near Azusa Pacific University, and not far from The City of Hope Cancer Hospital.

Hesperia, California –

80 room Hampton Inn. In a rapidly growing area, on a high traffic location.

Buena Park, California –

128 room Hampton Inn & Suites. Centrally located in Orange County. The site is near a major theme park, Knott's Berry Farm.

Rialto, California –

136 room Hilton Garden Inn. The site is in a major new development that includes residential, industrial and retail projects.

Cathedral City, California –

101 room Hampton Inn & Suites. The property is on a major traffic artery and near a proposed new casino.

Madera Beach, Florida –

A "Dual Branded" hotel consisting of a 109 room Hampton Inn & Suites and an 84 room Homewood Suites by Hilton. The site is in a major tourist area on the Inter-coastal Waterway.

Claremont, California –

136 room Hilton Garden Inn. This site is near the Claremont College Campus, and is located within a new multi-use development.

We are currently evaluating other potential Land Parcels in: Tampa/ St. Petersburg/Sarasota, Florida – 2 sites; Boca Raton, Florida; Austin, Texas; Dallas–Fort Worth, Texas; Atlanta, Georgia – 2 sites; and San Diego, California – 2 sites.

To see the sequence of Land Parcels as they flow through the Forecast, see "**Sixteen Land Parcels and their Entitlement Periods**".

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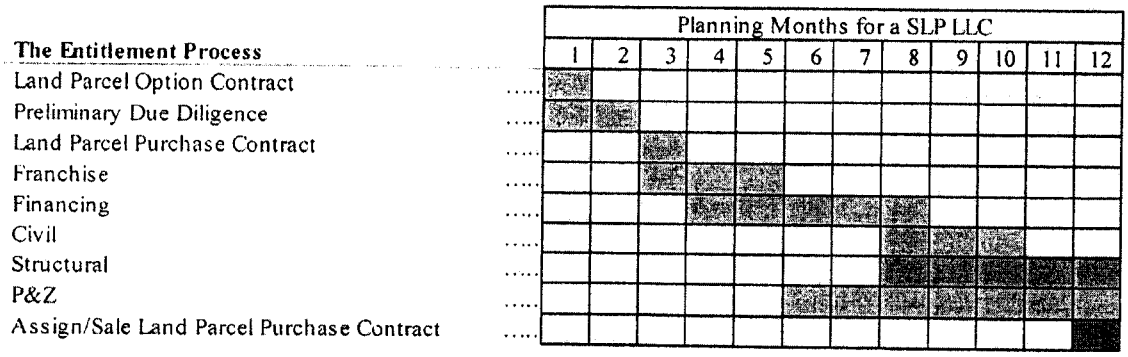
The Entitlement Process

The Company's business plan takes each Land Parcel through a series of value enhancing steps which, in aggregate, we refer to as the Entitlement Process.

- The Entitlement Process commences following the signing of a letter of intent with the land owner for the purchase of the Land Parcel. The Entitlement Process concludes when the SLP LLC has obtained all the necessary approvals to allow the construction of a hotel, which we refer to as Shovel-Ready.
- Financing for the Entitlement Period ("Entitlement Period") is provided approximately 10% by advances from our Parent Company and the balance from Offering Proceeds.
- Each Land Parcel will have an Entitlement Period budget that incorporates the following major line items, which are associated with steps in the Entitlement Process:
    - Land Parcel Contract executed between the Company or a SLP LLC and the land owner.
    - Preliminary Due Diligence – The initial 60 days under contract will involve numerous internal and third party contractor studies and confirmations.
    - Franchise – Hotel franchise application and franchisor approval obtained.
    - Financing – Lender approval obtained for construction and mini-perm financing.
    - Civil Engineering – all civil engineering work completed and submitted to appropriate municipal authorities for review and approval.
    - Structural and Design – all structural engineering and architectural work completed and submitted to appropriate municipal authorities for permit review and approval.
    - General Contractor engaged and final construction budget and construction schedule developed.
    - Planning & Zoning ("P&Z" in the chart below) approvals obtained.
- Based on successfully navigating a Land Parcel through these steps, it reaches "Shovel Ready" status.

Executing the Hotel Land Parcel Entitlement Program

Our definition of "Fully Entitled" is to bring a Land Parcel to Shovel Ready status. Our definition of Shovel Ready is that the Land Parcel is ready to have building permits issued and is ready for construction. The Land Parcel Purchase Contract is structured to allow us to prepare a Land Parcel for our intended sale to a New Build Affiliate prior to closing on the Land Parcel purchase. The Land Parcel Entitlement Process has several steps. These steps and the associated timelines are described above and summarized in the chart below:



Each of the initial seven Qualified Land Parcels' letters of intent are being structured in a fashion so as to allow the Entitlement Process to follow a staggered start/completion sequence as demonstrated in the chart on the following page, entitled "Sixteen Land Parcels and their Entitlement Periods". It is assumed that the following seven planned Land Parcels will follow the schedule as presented in the chart.

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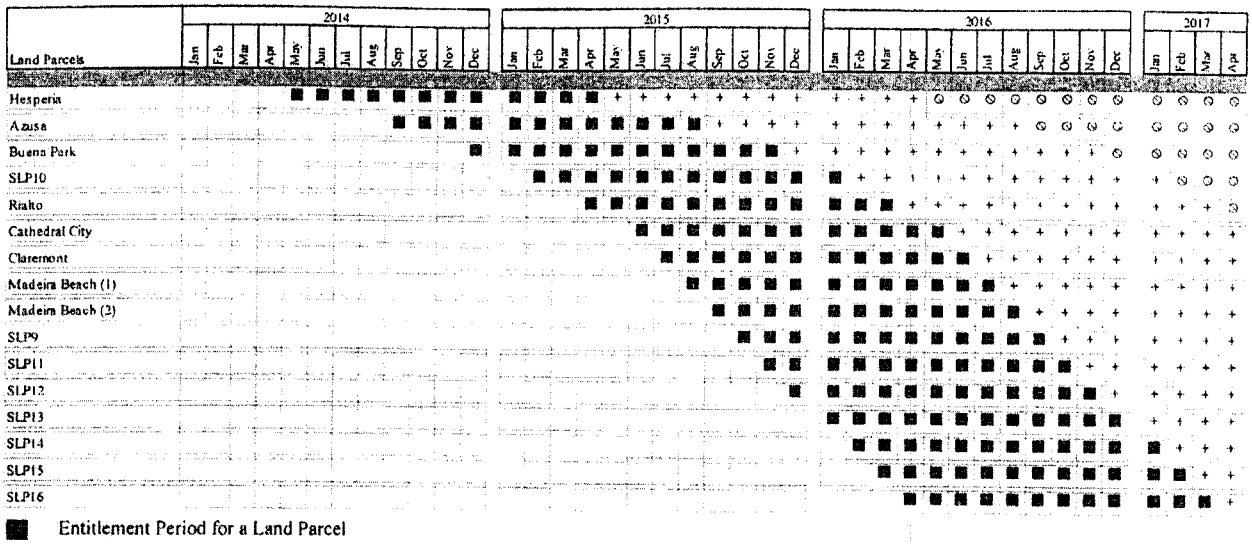
Sixteen Land Parcels and their Entitlement Periods (based on assumptions contained in the Financial Forecast):



The above schedule demonstrates the Entitlement period schedule (the red rectangles) for each of the sixteen Land Parcels included in the Company plan. This schedule is a key factor in driving the Entitlement Period costs and revenues from Land Parcel sales incorporated in the Forecast model. Following the Entitlement Period, the following 12 months incorporates the construction period and thereafter is the operating period (to the extent this shortened schedule extends that far for a particular Land Parcel). The schedule in its full coverage through sale to the USA Barcelona REIT is available on request.

Six Steps To Entitlement

Step 1 - Execute a letter of intent with the land owner. This initial agreement with the land owner allows us to accomplish two basic matters: (a) have the time to conduct our initial due diligence, and (b) prepare a Land Parcel Purchase Contract.

Step 2 – Initial due diligence takes approximately two months. During this period we take a potential hotel site through "USA Barcelona Entitlement Boot Camp". Most will make it through, but not all. The following work conducted by third party specialists will be accomplished during this period:

- Land Parcel Title Report
- Market Feasibility Study (PKF *1, see below)
- Land Parcel Appraisal (HVS *2, see below)
- Comp Set Report (STR *3, see below)
- Environmental, Soils & Geo Tech Studies
- Franchise Exploration (not a formal application)
- Site Plan - Preliminary Design
- Traffic Study
- Utility Study

Step 3 - Based on the Land Parcel passing our acceptance on matters undertaken in Step 2, we proceed with the following:

- A formal application will be made with the targeted franchisor company. The approval process is normally in the 90 day range.
- Other processes are started in this 90 day period but no significant expenditures will be made until we have secured the targeted hotel franchise.
- Note: Significant work has been done with the desired hotel franchisor prior to going to the letter of intent stage with the land owner. This franchisor work includes a site visit with a representative of the targeted franchisor.

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Step 4 - At such time as we are comfortable that the desired franchise agreement can be reached with the franchisor company, we will proceed with arranging financing for the construction of the hotel to be built on the Land Parcel.

- Construction / Mini Perm Financing.
- A firm commitment must be obtained before we will proceed to the expensive step of contracting for full civil engineering and hotel design.
- Our affiliate (Hotel Financial Strategies) works out front on each New Build Affiliate to arrange this financing.
- Receipt of a firm Financing Agreement triggers the 5th and 6th Step of Entitlement work.

Step 5 - When we have reached preliminary financing agreement with a construction lender (bank), we will engage a civil engineering company to design the site improvements and an architectural firm to prepare all required working drawings for the construction of the hotel.

- The civil engineering work also triggers the beginning meetings with the Municipality's planning and zoning departments as does meetings with architects for the hotel design.
- Our in-house Entitlement professionals work with our engineers, architects and Municipality's officials to pave the way to Planning & Zoning and preliminary building plan approvals.
- As we approach the 9th to 10th month in the Entitlement Process, we will make formal application to the Planning Department and on to Municipality for final approvals.
- On a parallel path, the architects are going through building plan review with the Municipality's building department.

Step 6 - Obtain all zoning and permitting approvals required for constructing and operating the hotel.

Value Creation Resulting From the Entitlement Process and Reimbursables

We believe the value created in the Entitlement of a Land Parcel falls in the range shown in the following chart (from 60% to 100%). Refundables include cash expenditures that we made to enhance the value of the Land Parcel during the Entitlement Process that typically are classified as "construction period costs". These refundable items are shown in the following chart under Land Deposits and Other Direct Costs:

Entitlement Period Activities	Low	High	Land Deposits	Other Direct Costs
Land Parcel Option Contract	0.0%	5.0%	$ 25,000	$ -
Preliminary Due Diligence *1	5.0%	5.0%	-	60,000
Land Parcel Purchase Contract	0.0%	5.0%	25,000	-
Franchise	10.0%	10.0%	-	82,500
Financing	10.0%	20.0%	25,000	-
Civil	10.0%	10.0%	-	68,700
Structural	10.0%	20.0%	-	275,000
P&Z	15.0%	25.0%	25,000	60,000
Entitlement Value Increase	60.0%	100.0%	$ 100,000	$ 546,200

**1 (See Step 2 on preceding page)*

Note: the Financial Forecast incorporates an anticipated 60% increase in Land Parcel value resulting from the Entitlement process. We feel this is a conservative increase based on the number of the Land Parcels in the USA HLC-I Fund that are located in Florida and California. Both of these States can be more challenging than most others due to expansion and environmental issues that are unique to many areas of those States.

The Company May Acquire One or More Land Parcels

The Company plans to maintain suitable cash reserves, derived from Offering Proceeds and Land Parcel sales, so as to close on a Land Parcel Purchase Contract if needed. We also intend to arrange a bank secured lending facility to be used for this purpose. This is the event that would result in the Company acquiring and owning a Land Parcel. The Company, if required, could execute other exit strategies such as a sale to a third party hotel developer.

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Due Diligence Involves Coordination with Third Party Consultants

In the initial two months of our due diligence process on a Land Parcel, it is evaluated on several fronts, two of great importance are (i) the feasibility of a future hotel to operate at that site, and, (ii) for the "as is" value and the Entitled value of the Land Parcel. The following three companies are relied on for accurate reports on these matters of feasibility and value. Upon the signing of a letter of intent between the Company and a Land Parcel owner, a STR Comp Set report, PKF feasibility report HVS "as is" appraisal are key factors in our decision to proceed with the Land Parcel.

PKF Consulting & PKF Hotel Realty

*1 PKF provides a number of valuable market data resources including one we make extensive use of, Hotel Horizons Market Reports. The following is a list of the markets that PKF analyzes and reports on in its Hotel Horizons Market Reports

Hotel Horizons® Market Reports, March to May 2014, Forecast Period 2014 ~ 2018

Albuquerque	Columbus	Kansas City	Oahu	St. Louis
Anaheim	***Dallas***	Long Island	Oakland	Salt Lake City
Atlanta	***Denver***	***Los Angeles***	***Orlando***	***San Antonio***
Austin	Detroit	Memphis	Philadelphia	***San Diego***
Baltimore	Ft. Lauderdale	***Miami***	***Phoenix***	***San Francisco***
Boston	***Ft. Worth***	Minneapolis	Pittsburgh	***Seattle***
Charlotte	Hartford	***Nashville***	Portland	***Tampa***
Chicago	Houston	New Orleans	Raleigh-Durham	Tucson
Cincinnati	Indianapolis	New York	Richmond	***Washington, DC***
Cleveland	Jacksonville	Newark	Sacramento	***West Palm Beach***

Refer to our map entitled "Targeted Land Parcel Locations For The USA HLC-1 Program" presented earlier herein. A strong correlation exists between where our Advisor has been conducting site selections for our consideration over the past two years and the markets contained in the PKF library of Hotel Horizon reports. Their research is a valuable resource for our Advisor and our Parent Company in reviewing Land Parcel acquisition proposals brought forward by our Advisor.

HVS

*2 The Company intends to employ HVS for its Land Parcel appraisal work. The HVS database of hotel information – the largest in the world – combined with its broad insight and extensive experience, enables HVS Consulting & Valuation Services to produce well-documented appraisal reports with fully supported value conclusions to hold up under intense scrutiny and achieve their intended results. HVS states that they have access to thousands of management agreements, franchise contracts, leases, mortgages and other related financial documents, allowing its team to provide thorough documentation for its conclusions.

STR

*3 We keep track of the national lodging picture through STR's weekly market reports and long term forecasts. We feel that STR is the best resource in the hotel industry for accurate look-backs and forecasting. Each Land Parcel put under contract has STR reports in its due diligence check list. Prospective subscribers are encouraged to do some basic research on STR and include its "Comp Set" reports. STR has many standard reports available for subscribers and non-subscribers of their service, including the following:

STAR Program, the benchmark suite which is used by the majority of hotel chains as well as many independently operated hotels. It enables a user to track a property's occupancy, ADR and RevPAR performance against their selected competitors. STAR reports are the monthly report card of how hotels are doing against their competitive set. We anticipate that these will be the most frequently used reports in evaluating how our hotel Properties are performing;

Trend Reports assist in researching a hotel development project or in buying and repositioning a property. Run on a one time basis, Trend Reports display up to six years of monthly performance data including occupancy, ADR, RevPAR, supply, demand and revenue;

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Hotel Market Forecasts are an excellent resource for anticipating the future performance of a market's key metrics-occupancy, ADR, and RevPAR. The following two examples of reports are among those we pay ongoing close attention.

Weekly Report from STR Report (for the period February 25, 2014 - March 1, 2014).

The U.S. hotel industry posted positive results in the three key performance measurements during the week 23 February through 1 March 2014, according to data from STR.

In year-over-year measurements, the industry's occupancy increased 3.6 percent to 63.1 percent. Average daily rate rose 4.8 percent to finish the week at US$112.25. Revenue per available room for the week was up 8.5 percent to finish at US$70.88.

Among the Top 25 Markets, Orlando, Florida, reported the largest occupancy increase, rising 18.3 percent to 86.9 percent. Anaheim/Santa Ana, California, followed with a 14.4-percent increase in occupancy to 76.9 percent. Chicago, Illinois, fell 6.2 percent in occupancy to 54.7 percent, posting the largest decrease in that metric.

Two markets experienced ADR increases of more than 15 percent: New Orleans, Louisiana (+27.6 percent to US$177.50), and Orlando (+15.3 percent to US$125.96). Chicago fell 2.6 percent in ADR to US$104.70, ending the week with the largest decrease in that metric.

Five markets achieved RevPAR increases of more than 20 percent: New Orleans (+37.2 percent to US$128.48); Orlando (36.4 percent to US$109.42); San Diego, California (+27.8 percent to US$102.01); Anaheim/Santa Ana (+27.4 percent to US$101.48); and Nashville, Tennessee (+20.9 percent to US$81.60). Chicago (-8.6 percent to US$57.30) and Denver, Colorado (-6.1 percent to US$67.88) reported the largest RevPAR decreases for the week.

Two Year Outlook (published March, 4 2014, Smith Travel Research)

The STR/Tourism Economics forecast model indicates that RevPAR growth will slow to 5.3 percent in 2014 and 4.7 percent in 2015. This outlook is an extension of the predictions made by the companies last year.

STR and Tourism Economics predict revenue-per-available-room growth will continue to slow during the next two years, according to a new analysis of long-run lodging trends in relationship to the state of the economic cycle.

"Our forecasts for 2013 were more conservative than many analysts expected," said Jan Freitag, senior VP of strategic development at STR. "But we remained convinced that a shift to more moderate, post-recovery performance was under way."

STR/Tourism Economics forecasted RevPAR growth of 5.8 percent for 2013 compared to actual growth of 5.5 percent based on updated year-end figures released by STR this month. Demand expectations of 2.1 percent growth for the year compared favorably with an actual gain of 2.3 percent. Both indicators reflect a step down in the pace of increases from each of the previous two years.

Moving forward, the forecasting partnership expects further slowing as both demand and average daily rate converge with non-recessionary period growth averages.

"While the U.S. economy is gathering force, the lodging sector is on the back end of its recovery cycle," said Adam Sacks, president of Tourism Economics. "We expect RevPAR to continue to grow but not at the rates seen over the past four years."

While Oxford Economics, the parent company of Tourism Economics, expects U.S. gross domestic product to accelerate to 3.0 percent this year, the demand for lodging is forecast to grow 2.2 percent. STR/Tourism Economics expects this in the context of long-run relationships.

"Over the long term, lodging demand tends to expand more slowly than GDP. Since 1987, U.S. GDP growth has averaged 2.6 percent a year compared with lodging demand growth of 1.9 percent," said Aran Ryan, director of lodging analytics at Tourism Economics.

The forecasters also note that room nights per capita (based on working age population) and per employee reached historic highs in 2013, indicating that the surge in demand associated with the recovery has peaked and a more tempered expansion lies ahead.

VII. HOTEL DEVELOPMENT BUSINESS OPPORTUNITY

The Business Cycle Offers Opportunity

Since the decline of the national economy commenced in mid-2007, the real estate industry across most markets and product types suffered a 10% to more than 40% decline in values. This decline, together with severely restricted capital markets during the same period, depressed property values to pre-2007 levels. Annual construction starts for the lodging industry have nearly doubled since 2010 but are still 50% less than the 2007 peak. Consequently, our Parent Company sees an unprecedented opportunity to execute our New Build Program.

Another reason this business cycle presents opportunity is that selling prices for Core Properties are now higher than constructing a new select service hotel. Selling prices for the first half of 2013 soared to over $130,000 per room, up 15% over year-end 2012. That's the highest average selling price per room ever recorded by Lodging Econ*ometrics*, exceeding the previous record of $119,000 set in 2007. These prices reflect near record-low interest rates, which always maximized prices and the fact that industry performance has nearly recovered to pre-recessionary peaks. The sellers today are reaping the benefits of a steadily improving hotel market during the first half of the recovery cycle and our Company will likewise benefit from constructing, rather than acquiring, select service hotels during the second half of the cycle.

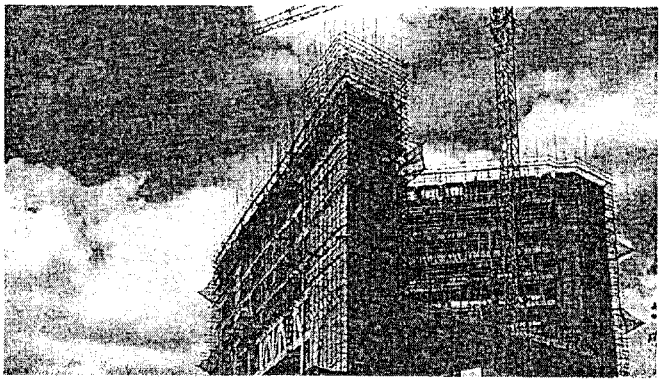
From the Entitlement Stage to New Build

Upon receipt of governmental approval of the Land Parcel, and the building department's approval of our building plans, the stage is set to build a hotel. However, the Company will not take that step. We intend to sell or assign the Land Parcel Purchase Contract to a New Build Affiliate. At this point we would receive payment for the land and reimbursement for specified costs that we have expended for matters that traditionally fall into the construction budget for a hotel. We refer to these cost recoveries as refundables ("Refundables").

The Entitlement Process is followed by hotel construction, which we refer to as the New Build Program. New Build Affiliates would acquire our fully entitled Land Parcels for prices based on independent appraisals, and we achieve final Liquidation upon the sale of our last Land Parcel. Our plan is that simple.

The New Build Program Business Plan and Chanen Constuction Company

The Company's business plan mandates that following its Entitlement each Land Parcel is to be sold or assigned to a New Build Affiliate. Entitlement includes (i) obtaining a franchise approval from Marriott, Hilton or Hyatt, (ii) completing site and building designs through working drawings, and (iii) obtaining all zoning approvals and required development and building permit approvals. In addition, the Company will (i) obtain a bank construction and mini-perm commitment, and (ii) in concert with our strategically aligned general contractor, Chanen Construction Company ("Chanen"), develop a development and construction budget and associated maximum cost contract.



We refer to an Entitled Land Parcel as being "Shovel-Ready", a term meaning ready for site development and hotel construction by a New Build Affiliate. The appraised value of the Entitled Land Parcel established by an independent appraiser will be used to set the selling price between the Company and a New Build Affiliate.

The Company would be paid for the Entitled Land Parcel by the New Build Affiliate based on the current value of the land as determined by an MIA appraisal, less amounts owed the seller on the Land Parcel Purchase Contract, which will be paid when the New Build Affiliate closes on the land. An additional payment is made to the Company by each New Build Affiliate for the Refundables and Entitlement Period costs incurred that relate to those items contained in the construction budget.

The Company intends to have a capital reserve that it could use if the Company needs to close on a Land Parcel Purchase Contract before we are ready to assign it to a New Build Affiliate.

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- If at any of the feasibility steps, a Land Parcel fails to meet our requirements, we intend to terminate our acquisition of that Land Parcel. Otherwise, each Land Parcel would travel through the feasibility process to the point where all of our requirements are satisfied and all necessary contracts and permits are ready to be finalized. We refer to this step in the process as "Shovel-Ready".
- The anticipated maximum period for the Company's operations is 36 months.

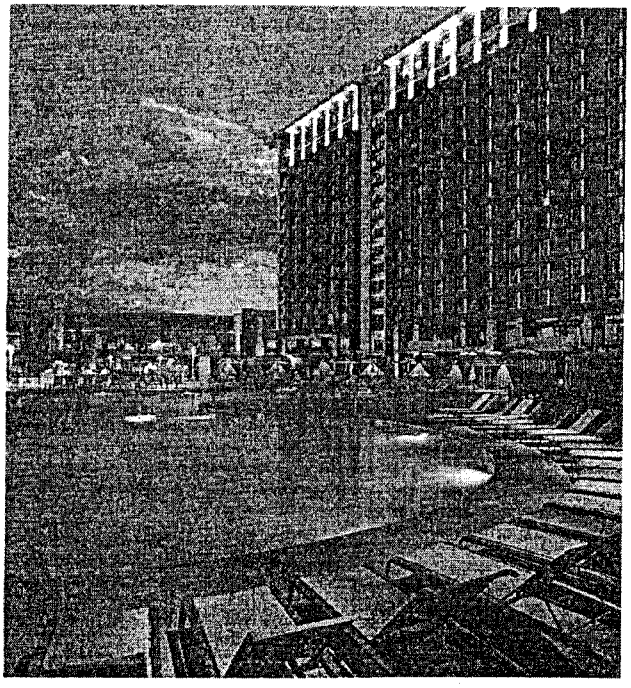
Selection of our General Contractor – Chanen Construction Company

Our Parent Company has reached agreement with Chanen Construction Company to coordinate with us in the Entitlement work and handle all site development and construction requirements of the New Build Affiliates. We feel this strategic alliance adds a great deal of quality to both the Company's investment Offering and the future offerings of the New Build Affiliates. Chanen's over 50 years of experience across a broad spectrum of major construction projects and specifically numerous major hotels and resorts undertakings for both their own account and as agents for others is a major benefit to our investors and our Company.

CHANEN
CONSTRUCTION COMPANY, INC.

Construction will be performed by Chanen Construction Company, Inc., an Arizona corporation, pursuant to a construction contract on the basis of cost of the work, plus a fee, with a guaranteed maximum price. A separate construction contract will be entered into for each project that goes from entitlement to construction.

Chanen Construction Company, Inc. was founded in 1955 and is a leader in the U.S. in the construction industry. The company has substantial experience in the construction of hotels as shown below. Chanen started building hotels in the late 1950's building the first locations for Ramada Hotels. Chanen has delivered projects as general contractor, construction manager, or design builder in the USA with a concentration in the Southwest including Arizona, California, Nevada, Florida, Illinois, Alaska, and North Carolina.

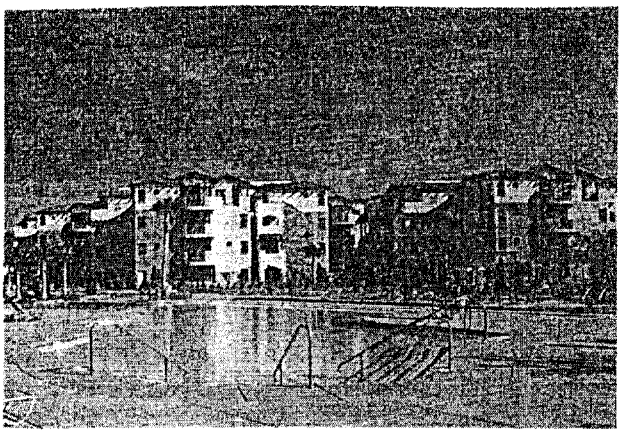


Chanen will comply with the construction licensing requirements in each state in which a hotel will be built and will subcontract for all the work. A separate guaranteed maximum price will be issued for each hotel project.

TALKING STICK RESORT
SCOTTSDALE, AZ

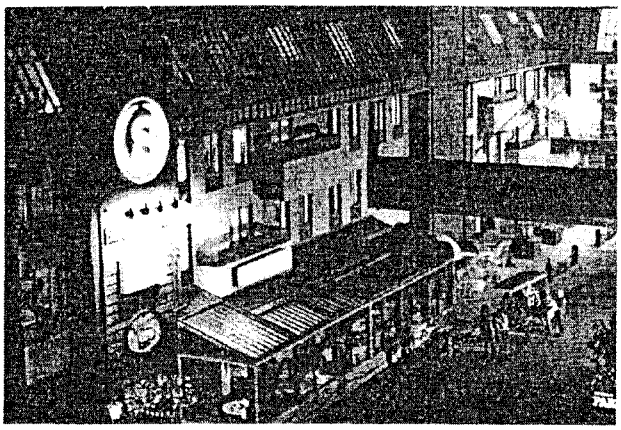
Chanen built the $450M, 497-key, 15-story Talking Stick Resort hotel, conference center, and spa that is part of a casino. The project includes a 240,000 sq. ft. gaming floor, a 750-seat showroom, a 13,000 sq. ft. spa and a 100,000 sq. ft. conference center. Additional amenities include 8-restaurants, 10-lounges, two multi-level parking garages, retail shops and many pools and water features.

The building is steel frame with an exterior palette of aluminum composite panels, glass, stone and exterior insulated finish system. The two parking structures are precast concrete. The project was built for the Salt River Pima-Maricopa Indian Community.



CIBOLA VISTA RESORT
PEORIA, AZ

The resort consists of separate small "cities" each of which have a courtyard that include spas, fountains, artwork, outdoor fire pits, sanctuaries, reflecting pools, and desert botanical gardens. Chanen Construction Company, Inc. built phase II of the project which consisted of 4-story hotel buildings with interconnected walkways and 128 hotel rooms.

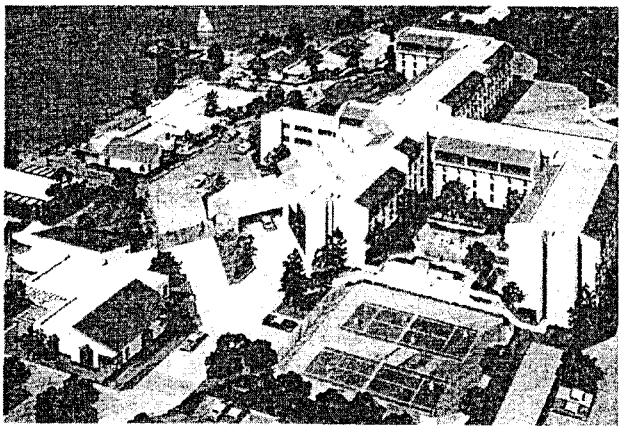


SHERATON AT FISHERMAN'S WHARF
SAN FRANCISCO, CA

The hotel, located near several San Francisco, California, landmarks, consists of 525 rooms, seven suites and 10,000 sq. ft. of meeting rooms including a 4,813 sq. ft. ballroom.

There are four separate buildings that are connected by pedestrian bridges at each level. This hotel frequently was recognized by Sheraton for its high average annual occupancy.

This project was developed, design-built and managed by Chanen. The $84 million hotel (at time of sale) was constructed using innovative structural engineering concepts, which were tested during the tragic 1989 earthquake, which it escaped unscathed



SHERATON AT ST. JOHN'S PLACE
JACKSONVILLE, FL

Chanen developed, built and owned this five-story, 350-room convention resort hotel. This hotel mirrored the wharf theme of Chanen's Sheraton at Fisherman's Wharf in San Francisco. The facility includes 17,139 sq. ft. of meeting rooms, a 10,180 sq. ft. ballroom, four restaurants and 20,000 sq. ft. of retail space. Located within the St Johns Place wharfside resort area, the hotel features modular meeting rooms which can form 13 different configurations ranging from 10,180 sq. ft. down to 393 sq. ft.. The elegant ballroom with its optional exterior entrance was designed to accommodate large social affairs and business conferences.

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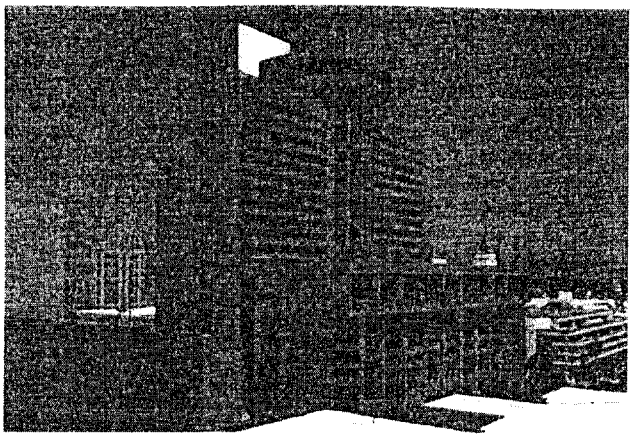
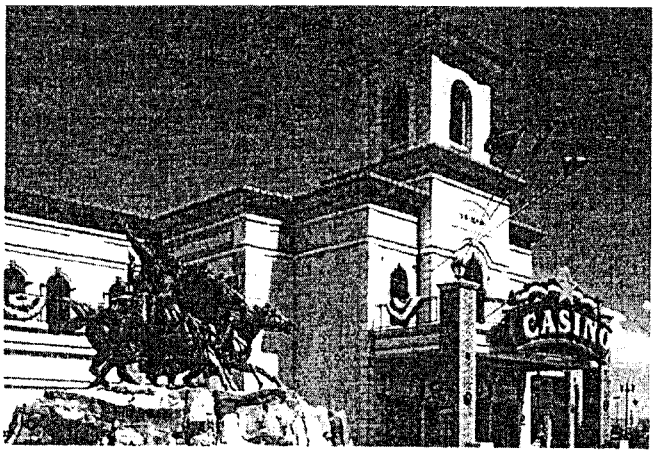


HYATT REGENCY PHOENIX
PHOENIX, AZ

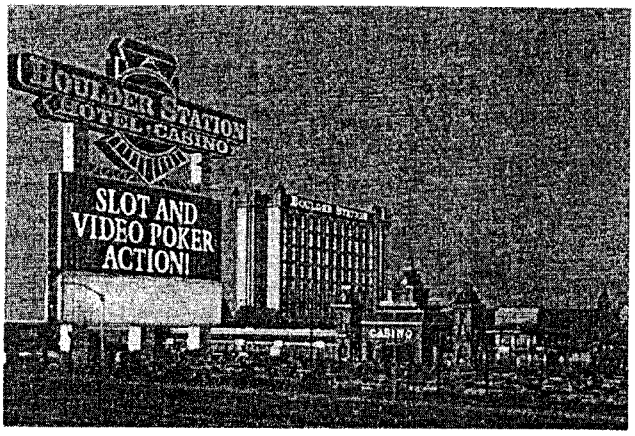
This luxurious 26-story hotel in the heart of the Phoenix cultural center is a well-known icon of the city's downtown skyline. Chanen served as general contractor on this $27 million (at time of construction) landmark project that defines the downtown Phoenix skyline. The facility includes 27,000 sq. ft. of meeting rooms, including a 10,168 sq. ft. ballroom, a nine-story section containing an eight-story atrium, a four-story section including pool and garden and a 21-story tower with a revolving restaurant on the top floor. The revolving Compass Restaurant at the top of the hotel is a 25-year Phoenix favorite



TEXAS STATION GAMBLING HALL & CASINO
LAS VEGAS, NV

Chanen was the construction manager of this $96 million (at time of construction), hotel and casino complex in North Las Vegas, Nevada, working with Manuel Corrao as design-builder.

This facility includes a six-story, 200-room hotel and approximately 140,000 sq. ft. of public and support areas. Built on a 50-acre site, the project features a Texas theme with 1,500 slot machines, 30 table games, keno lounge, race and sports book area, poker lounge, six restaurants, a 12-screen movie theater, a food court, travel agency and arcade. This fast-track project was designed and constructed in 14 months.



BOULDER STATION
LAS VEGAS, NV

Chanen provided construction management for the $25 million (at time of construction), 58,435-sq.-ft. renovation of the Boulder Station Hotel and Casino.

Station Casinos is considered the "inventor" of the "locals" hotel-casino. With more than 10 locations, Stations dominates Nevada locals. The project included an 11-plex movie theater, a five-level, 1,865-space parking garage and 28,000 sq. ft. of casino space. Additional work consisted of an upgrade of the west entry casino, realignment of the ring road, widening of the northeast roadway, construction of a theater drop-off area, a covered walkway from the parking garage to the casino, sidewalks and landscaping

PROJECTS OVERVIEW – The depth of the experience at Chanen Construction Company is matched by the breadth of their work. Since 1955, they have built a vast variety of projects to serve industries as diverse as aviation and health care, education and gaming. With every project, their goal is to build structures that exceed the expectations of their clients and create lasting landmarks, from the ground up to the skyline above.

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VIII. INVESTING IN THE LODGING INDUSTRY

According to Lodging Econo*metrics*, 2013 concluded the first leg of the new lodging real estate cycle. The period was characterized by near record low interest rates, a growing confidence in future operation trends, and the prospect for improved earnings. It was an opportune time for investors to sell and take profits on their stabilized assets acquired late last decade during the recessionary lows. Now that we are beyond the recovery phase, we perceive a greater opportunity ahead in the second leg of the lodging cycle, which should cause transaction activity to accelerate over the next few years. Since the new construction pipeline will not produce new supply additions of significance until later in the decade, we believe that it is an ideal time for attractive returns and capital appreciation for our New Build Program.

Why We Feel Hotels Are Sound Investments

- 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 to demand and changing market conditions.
- Hotels in the Marriott, Hilton and Hyatt brands enjoy industry branding. Such branding requires owners to constantly upgrade and periodically renovate the hotel to franchise standards to retain the franchise flag. This "franchise" control leads to a strong level of familiarity and consistency for hotel customers as to their lodging experience. While our focus will be on Marriott, Hilton and Hyatt brands, we have no limitation as to the brand of franchise or license with which the Fund's hotels will be associated.

Our Parent Company Plan calls for developing hotels that incorporate brands in the following chain scale segments:

- Upscale - Courtyard by Marriott, Residence Inn by Marriott, Springhill Suites by Marriott, Hilton Garden Inn, Homewood Suites by Hilton and Hyatt Place and Hyatt House by Hilton.
- Upper Midscale (this segment is without food & beverage outlets) - Fairfield Inn by Marriott, TownePlace Suites by Marriott, Hampton Inn, Hampton Inn & Suites and Home2 Suites by Hilton.
- Upper Upscale Hotels – There are no current plans to develop hotels that fit in this category.

Key Factors Behind Our Development of Select Service Hotels

- **Demand** - The recent global recession initiated many important changes for consumers, businesses and investors in every industry. The hospitality industry is no exception, with one of its most obvious and heavily reported trends being the widespread preference of business and leisure travelers for select service hotel accommodations. The highly regarded year-end 2013 Global Hospitality Insights (Top Thoughts for 2014) published by Ernst and Young, highlights "The rise of select service.....As the global economy and tourism recovery gains momentum, many travelers continue to show a recession-era preference for select-service hotels that offer a compelling value proposition by providing many full-service amenities at a lower price point. The convenience of select-service also fits the on-the-go lifestyle of today's business traveler and the fast-growing millennial population."
- **Travelers Accepting Amenities** – Select-service hotels are comparable to limited-service properties, but also offer a scaled down mix of amenities traditionally associated with full-service hotels, such as meeting space and casual dining. Because of the increasing acceptance and use by the traveling public, it is no surprise that investors and developers are favoring the select-service product as well, particularly due to the lower up-front capital requirements and the increased operating margins, helped by the efficiencies afforded through limited food and beverage operations and the absence of concierge and other services typical in this segment."
- **Favorable Development Cycle** - Development of select-service hotels is faster than full-service hotels, allowing the investor and developer to react more quickly to changing hotel market conditions, entering the market with new product on a quicker schedule. Sites are more easily identified because of size and location, obtaining entitlements is faster than full-service hotels, and the short construction cycle of 12 months allows a hotel to be operational in a shorter period of time to meet today's market demand.

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The Hotel Industry Today

Steady Improvement in 2014 - The U. S. hotel business is expected to post another solid year of recovery and growth just as it has in the previous two years. A top hotel industry firm, Smith Travel Research (STR), projects for 2014 that revenue per available room ("RevPAR") will grow an average of 6% and average daily rate ("ADR") will increase approximately 4.6%. As the economy improves, those projections are expected to continue to increase for the next few years. Occupancy is on the rise also with averages across all hotel chain scales to be in the 65–70% range, and above 70% in the select service sector where we will concentrate.

New Construction - According to Lodging Econo*metrics*, at the end of July, 2013, more than 75,000 hotel rooms were under construction in the U. S., an increase of 23 percent from the previous year. However, projects underway represent only 1.5 percent of supply, lower than the long term average of closer to 2 percent. Annual hotel construction starts in 2013 have nearly doubled since the 2010 bottom, but are still 50% below the peak in 2007. Based on these figures, supply is lagging behind demand which bodes well for our Hotel Land Parcel Entitlement Program.

In 2014, according to STR, the upscale and upper-midscale segments combined represent 80% of the hotels forecasted to be built in the U. S., while Lodging Econo*metrics* estimates that select service pipeline to be closer to 90% of new hotels entering the market. Both market segments are included in our Parent Company Plan for New Build Affiliates with Marriott, Hilton and Hyatt flags. (See "Our Targeted Hotel Preferences" for review of Up-Scale and Upper-Midscale branding).

Increasing Values – Lodging Econo*metrics* reported that hotel sale transactions recorded their highest ever selling price per room in the first half of 2013. Those prices reflect the near record-low interest rates which we believe always maximizes prices and supports the fact that industry performance has nearly recovered to pre-recessionary peaks. Hotels appraised at time of sale by Global Hospitality Services (HVS) shows capitalization rates holding steady in the select service segment at 7.4% giving further evidence that the development of hotels in this segment is a sound business strategy.

Hotels as an Investment Platform

Our Parent Company believes that developing, and in select cases acquiring hotels, offers attractive growth and high total return opportunity. The success of our Parent Company with the hotel asset class will depend upon its ability to make prudent decisions regarding (i) selection of markets, (ii) site selections, (iii) brands, (iv) contractors, (v) management companies, and (vi) market cycle timing. Those decisions will be guided by the expertise of our Advisor and the oversight of our Parent Company's independent board members.

- **Our Parent Company has chosen to concentrate on Marriott, Hilton and Hyatt brands in the select service arena and with limited to no food and beverage**

  By narrowing our model to select service hotels with limited to no food and beverage our Parent Company also determined the costs of operations were reduced due to less labor required to operate these facilities. Less labor meant less Advisor staff overhead to "asset manage" and less demands on our management companies to operate. We believe that less food and beverage translates to more consistent returns. We also concluded that those select service hotels that were branded with the top flags generally experienced less volatility in down markets than hotels with lesser flags or no flags. Our research indicated that the excess demand that these brands enjoyed in the up-cycle that was pushed into the competition due to lack of availability came back to their brand of choice during those periods of less overall market demand.

- **Hotel Brands** - In evaluating the scale of properties that would represent our best investment opportunity, our Parent Company also validated that brand selection is equally important. We determined that selecting top brand hotels is critical in mitigating the impact of a down economy as well as for taking full advantage of an up economy. We also know that travelers tend to be more inclined to select certain well-known brands due to their frequent guest programs and consistency of product and service levels. Business and leisure travelers often cross over from one brand to another but generally stay in similar brands. For example, if their preferred Marriott is not convenient (location) or available (capacity), a Marriott oriented traveler will often cross over and stay at a similar Hilton or Starwood or Hyatt product.

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Our Parent Company, through its New Build Affiliates, plans to develop, own and operate franchised hotels in the upscale chains that provide select service offering (minimal meeting space and food and beverage offerings), such as Courtyard by Marriott, Residence Inn by Marriott, Hilton Garden Inn, Homewood Suites, and Hyatt Place.

To further diversify its property Portfolio, our Parent Company intends to target hotels with top-performing brands such as Fairfield Inn by Marriott, SpringHill Suites by Marriott, TownePlace Suites by Marriott, Hampton Inn, and possibly, several key performing upper upscale hotels, such as full service Marriott and Hilton hotels.

- **Marriott, Hilton and Hyatt** - We further concluded that certain scale Marriott, Hilton and Hyatt (select service with limited or no food and beverage outlets) met our conservative approach to hotel investing as they each have established critical brand mass and deep market penetration. Hilton offers Hampton Inns, Hilton Garden Inn, Home2 and Homewood Suites. Marriott offers Courtyard by Marriott, Residence Inns, Fairfield Inns, SpringHill Suites and TownePlace Suites. Hyatt offers Hyatt Place and Hyatt house. All of these flags fit well within our "sweet spot" assuming their financial performance and due diligence meets our requirements. All offer strong frequent guest programs, strong "800 number", Global Distribution and internet brand contributions, and all are leaders in their respective brand segments. If our Parent Company elects to include any full service upper upscale hotels, our Parent Company would favor these three brands.

  Each of these brands brings superior occupancy and average daily rates ("ADR") opportunities and subsequent upside revenue per available room ("RevPAR") potential as market and economic conditions improve. Each has solid employee training and recognition programs and are viewed as good places to thus offering solid employee recruiting potential. Each of these select service hotels has a low full time employee ratio to available rooms which is important to maintaining consistent profit levels. They are also recognized for their superior service consistency. Each of these brands offers purchasing of supply discount opportunities that save owners money compared to prices available to non-branded hotels. The Hilton, Marriott and Hyatt brands are well recognized for their promotional programs in advertising and public relations which help reduce marketing costs to owners while keeping these brands as top of mind awareness for business and leisure customers.

Franchise Fee Analysis

- **Marriott** - Marriott franchise fees are generally 5.5% for royalty fees and 2.5% marketing fees for a total of 8.0% of gross room sales. If our Parent Company acquires a sufficient number of Marriott branded Properties, our Parent Company should be able to negotiate the royalty fee down to 5.0%. There are additional fees for Marriott Rewards at 1.9% of gross room sales on eligible stays. Reservation fees begin at 0.4% of gross room sales plus $3.15 per reservation made through the Marriott central reservation system. There are numerous other minor fees, many of which are optional, for training, sales support, revenue management, group leads and co-op advertising. While their fee structure is more expensive than most flags, Marriott consistently delivers superior results.
- **Hilton** - Hilton franchise fees are generally comprised of a 4.0% royalty fee for Homewood Suites and 5.0% royalty fee for Hilton Garden Inns and Hampton Inns, based on gross room revenue. Marketing/program fees are 4.0% for Homewood Suites and Hampton Inns and 4.3% for Hilton Garden Inns. Program fees include all brand marketing, all reservation and distribution fees (except travel agent commissions), and a standard configuration of computer hardware which includes the property management system and all support as well as a refresh of all hardware every 36 months. There are additional fees for HHonors frequent guest stays amounting to 3.6% of eligible room revenue. There are numerous other minor fees, many of which are optional, for training, sales support, revenue management, group leads and co-op advertising. Hilton delivers a strong brand contribution which also makes them a preferred brand for our business plan.
- **Hyatt** - Hyatt franchise fees are generally 5.0% of gross room revenue for royalty fee and 3.5% or gross room revenue for marketing fee. If our Parent Company acquires a sufficient number of Hyatt branded Properties, our Parent Company should be able to negotiate the total fees to a lower percentage of room revenue. The Hyatt Place and Hyatt house scale are increasingly strong players in their markets.

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Hotel Property Sector Overview

The Company is focused on the select service sector, which consists of hotels that can be built with less capital and operated with fewer employees than those in the full service categories. Select service hotels historically produce less volatile results than full service hotels due to the lower fixed costs, but also lack the ability to generate higher revenue in busy periods due to their lack of banquet, meeting, and exhibit space.

Properties in this sector have a more modest return than full service hotel properties, but they also suffer less in downturns due to the lean nature of the operation. In short, these hotels are more likely able to meet the returns necessary to meet our investor obligations during the down portion of a business cycle.

Hotel Service Level Selection Overview

- **Luxury and Resort** - We researched the various hotel market segments/service levels to determine the best development opportunities at this point in the cycle. We quickly eliminated luxury and resort properties due to their intense capital needs and volatility associated with economic ups and downs. Both were more subject to the cyclical extremes of economic highs and lows. This segment has a high cost per room to enter the market, and as such our Parent Company did not deem them a good investment opportunity for the Company.

- **Full Service** - We then looked at full service hotels. While they were generally less volatile than luxury or resort properties, in the rapid decline of the previous cycle they suffered significant declines in valuation similar to resorts and luxury hotels. We do not totally rule out upscale full service hotels once market conditions are more stabilized. There could be a select situation where an upscale full service hotel fits into the Parent Company's near-term plans.

- **Select Service** - We then analyzed select service hotels with and without food and beverage outlets. Our analysis determined that this was the "sweet spot" in the investment opportunity model for a variety of reasons. First, the cost to invest in these hotels was more reasonable on a cost per room and per property basis. Second, the select service properties performed better than full service hotels in a down economy. This overall financial performance consistency fits the prime investment objectives of the last stage of the Parent Company's plan for a REIT.

- **Budget** - We also looked at budget hotel properties. While they posed some attraction due to their lower capital construction costs, the budget sector also has a narrower appeal to the overall hotel owner market which our Parent Company felt posed a downside risk (limited market) at liquidation.

Our Targeted Hotel Preferences

- Within the Upscale Hotels - Courtyard by Marriott, Residence Inn by Marriott, Springhill Suites by Marriott, Hilton Garden Inn, Homewood Suites by Hilton and Hyatt Place and Hyatt House by Hilton.

- Within the Upper Midscale Hotels (this segment is without food & beverage outlets) - Fairfield Inn by Marriott, TownePlace Suites by Marriott, Hampton Inn, Hampton Inn & Suites and Home2 Suites by Hilton.

- Upper Upscale Hotels - We have no current plans to develop hotels that fit in this category.

IX. ABOUT OUR ADVISOR – USA BARCELONA REALTY ADVISORS, LLC

The Experience of our Advisor's Management Team and its outside Advisors

USA Barcelona Realty Advisors, LLC ("USA BRA") will act as Advisor to the Company. Its management team has a combined experience which we believe to be significant and uniquely qualified to meet our business objectives. The Advisor has senior management experience in top tier public accounting firms, Fortune 100 corporations, investment banking organizations, public and private REITs, plus extensive experience in commercial real estate finance, development and acquisition in addition to property level and portfolio asset management.

The following Executive and Advisor chart shows the depth and breadth of the experience of the management team of USA BRA, and their advisors, which we feel qualifies them to properly manage the business plan laid out for the Company.

Executive/Advisor	Commercial Real Estate	Property Development and Ownership	Various Property and Asset Portfolio Management	Capital Formation and Financial Management	Hotel Property and Asset Portfolio Management
Executives					
Richard C. Harkins	42	21	9	36	13
George T. Simmons	23	16	18	9	-
Bruce Orr	24	22	11	8	17
Robert Kerrigan	17	10	-	17	-
Jeffrey S. Teets	25	20	20	18	11
Rodney Eaves	25	25	20	5	0
Patrick McDonough	27	20	20	20	-
Advisors					
Anthony Manos	20	15	15	6	13
Dawn Berry	23	9	10	-	10
Steven Gold	44	-	-	44	-
Total Yrs Of Experience	270	158	123	163	64

Having created and molded their team together over the past 24 months, we believe that the Advisor has the added advantage of selecting people who:

- helped create and are committed to our business strategies and goals,
- bring management skills from a variety of large organizations,
- are entrepreneurs, exhibiting the energy and drive necessary to start and sustain a new company,
- fit a culture suited for "team players"; and,
- desire to help build and collectively benefit from a successful enterprise.

USA BRA Organization

The Company will enter into an Advisory Agreement with USA BRA, which will, among other things,

- Seek to obtain, investigate, evaluate and recommend Land Parcel investment opportunities for the Company.
- Serve as Land Parcel investment advisor and consultant in connection with investment policy decisions made by management of the Company.
- Subject to the direction of management, supervise the Company's day-to-day operations.

USA BRA intends to be staffed at all times sufficient to fully serve the Company. USA BRA intends to obtain, "key-man" life insurance on the life of certain officers. USA BRA currently has four Executive Members, six outside advisors, three department managers and staff. The Advisor intends to expand staffing as required in order to service the Company and other Affiliates. USA BRA may make arrangements with third parties to provide services for day-to-day operations and for the purchase or sale of real estate for the Company. We intend that negotiations between the Company and USA BRA relating to Program Management Fees will address USA BRA's operating requirements and an appropriate allocation of its time devoted to activities associated with the Company vis-a vis its other business activities.

Reimbursements to USA BRA and its Affiliates

USA BRA will be reimbursed for certain direct costs incurred on the Company's behalf for acquiring Land Parcels, and for goods and materials obtained from entities that are not affiliated with USA BRA. Possible reimbursable costs and expenses include, but are not limited to, interest and other costs for money borrowed, taxes on property or business, fees for legal counsel and independent auditors engaged, expenses relating to investor communications, costs of appraisals, non-refundable option payments on Land Parcels not developed or acquired, and title insurance. These expenses also include ongoing accounting, reporting and filing obligations that are provided by USA BRA and payments made to third parties that are made by USA BRA. These expenses will not include any amounts for overhead of USA BRA. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to USA BRA will be subject to the overall limitation on operating expenses discussed under "Compensation", but the amount of reimbursement is not otherwise limited.

USA BRA may provide other services and be entitled under certain conditions to compensation or payment for those services. Those conditions are summarized under "Conflicts of Interest—Transactions with Affiliates and Related Parties".

Organizational and Offering Expenses

In general, the Company's total organizational and offering expenses, including selling commissions, will not exceed 15% of the amount raised in any securities offering made by the Company. Furthermore, the total of all acquisition fees and acquisition expenses paid by the Company in connection with the purchase of a Land Parcel arranged by USA BRA shall be reasonable and shall in no event exceed an amount equal to 6% of the contract price for the Land Parcel, unless a majority of the management of the Company approves the transaction as being commercially competitive, fair and reasonable. For purposes of this limitation, the "contract price for the Land Parcel" means the amount actually paid or allocated to the purchase, development, construction or improvement of the Land Parcel, exclusive of acquisition fees and acquisition expenses. Any organizational and offering expenses or acquisition fees and acquisition expenses paid in excess of the permitted limits shall be repayable to the Company by USA BRA immediately upon demand.

Cost-Sharing Arrangements and Reimbursements

USA BRA employs the officers, managers and staff that perform services for the Company under the Advisory Agreement between the Company and USA BRA. The compensation paid to USA BRA will be allocated among the various Funds that USA BRA intends to organize in a manner that is proportionate to the estimated amount of time devoted to activities associated with the Company. Our Company, USA HLC-I, as the first such Fund, will bear all such expenses initially. Any future allocation would be determined by negotiation between USA BRA and management of the Company. USA BRA's compensation and the sharing arrangement it will have with the future Funds is anticipated to permit USA BRA to attract and retain superior executives, managers and staff. Fees paid to USA BRA by the Company under the Advisory Agreement would include compensation for their officers, managers, staff, overhead and profit.

Fee Compensation

The "Chart of Fees Paid to USA BRA by the Company" below describes all the compensation, fees, reimbursement and other benefits which will be paid by the Company to USA BRA and its Affiliates for contracted services. It is anticipated that each member of their management team and certain staff members will provide certain services to the Company. These persons are all employed by USA BRA. USA BRA expects to pay its senior managers and staff from compensation received by it under an Advisory Agreement and Land Parcel Acquisition/Entitlement Completion Agreement with the Company.

Chart of Fees Paid to USA BRA by the Company

The Company's business plan is a distinctive program that requires a broad set of experiences and talents to be properly executed. The Company has engaged with its Advisor to execute this program. The following chart outlines the type of expenses that will occur and the compensation that will be paid for those services.

The compensation paid by the Company to its Advisor falls into two categories. First, fees paid that are tied to specific accomplishments, which include the Land Parcel Acquisition Fee and Land Parcel Entitlement Completion Fee. It is important to note that only the Land Parcel Acquisition Fee of $329,840 for the first four Land Parcels is paid from Offering Proceeds and the balance of those fees are paid from Company earnings. The Land Parcel Entitlement Completion Fee is paid entirely from Company earnings and none from Offering Proceeds.

The second types of payments are for work accomplished to establish the Company and for managing its ongoing operations. The Organization Fee is not paid from Company earnings, rather, it is paid through distributions to the Advisors Class B Member Capital Account and repayment of a loan made to the Company. The Program Management Fee is a monthly payment for services related to running the ongoing business of the Company which requires essentially the full time application of the Advisors officers and staff. These payments are paid from Offering Proceeds over the initial 12 months of the Company's operating period and from Company earnings thereafter.

Entity Receiving Fees	Type of Fees	Amount of Fee Compensation	Sources & Timing of Payments
	Organization Period		
USA BRA	Reimbursements for expenses incurred in the organization period of the Company.	Advisor incurred significant costs during the organization period of the Company to (i) identify and establish business relationships with land owners, construction companies, construction lenders and numerous companies that will provide services to the Company during the Land Entitlement process, and (ii) identity and negotiate for the purchase of Land Parcels that meet the Company's development requirements. USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid without priority from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment.	This is a non-cash charge to the Company and not a use of Offering Proceeds. The credit to USA BRA's capital account entitles it to Distributions in the normal course of events as Distributions are declared by the Manager. The loan portion of the fee charge will be paid from earnings. The loan has no stated priority and the principal and interest on the loan will be paid from earnings.
	Acquisition Phase		
USA BRA	Acquisition Fee for acquiring Land Parcels for the Company.	Acquisition Fee – 4% of the purchase price of each Land Parcel arranged for purchase.	Only the initial four Acquisition Fees in the amount of $329,840 or 3.3% of Offering Proceeds are paid from Offering Proceeds. The balance is paid from earnings.

	Reimbursement allowance for real estate acquisition expenses.	Acquisition Expenses - Typical real estate acquisition expenses are estimated to be approximately .5% of the contract price of the Land Parcels.	
	Operations Phase		
USA BRA	Program Management Fee for managing the day-to-day operations of the Company.	Advisor will be paid a Program Management Fee of $150,000 a month commencing May, 2014 through May 2015 and $75,000 a month thereafter through the month in which the final Land Parcel sale or assignment occurs.	
USA BRA	Reimbursement for certain deposits and costs incurred on Company's behalf.	Not estimable, but subject to the limits described below under "The Advisory Agreement."	
USA BRA	**Land Parcel Sale or Assignment Phase** Entitlement Completion Fee for selling or assigning the Company's Land Parcels.	Entitlement Completion Fee - 4% of the sales price or the assignment value of each Land Parcel to a New Build Affiliate. USA BRA has agreed to take a $500,000 Capital Account credit in lieu of taking initial cash payments due it in that amount for Entitlement Completion Fees. This allows the Company to retain $500,000 in cash to accommodate any payments made to Class A Members under the Liquidity Feature.	No Land Parcel Completion Fees are paid from Offering Proceeds. All are paid from earnings.

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Specific Amounts of Compensation Payable to USA BRA

Except as otherwise indicated in the previous table, the specific amounts of compensation or reimbursement payable to USA BRA will depend upon factors determinable only at the time of payment. Compensation payable may be shared or reallocated in USA BRA's sole discretion. However, compensation and reimbursements which would exceed specified limits or ceilings cannot be recovered by USA BRA through reclassification into a different category.

The Advisory Agreement

The Advisory Agreement between the Company and USA BRA will have a four year term and will be renewable for additional one year terms thereafter, if the Company has remaining business activity. The Advisory Agreement provides that it may be terminated at any time by a majority of the Company's Manager's Board of Directors, with or without cause, upon 60 days' written notice. USA BRA can terminate the Advisory Agreement with or without cause upon 60 days' written notice. However, in the event of any such termination at the election of USA BRA prior to December 31, 2015, USA BRA shall grant to the Company the right to re-acquire its percentage interest in the Company at a price equal to that paid by the Company's investors multiplied by 20% for each whole or partial year held by USA BRA.

In addition to such further liability or obligation of either party to the other due upon termination of the Advisory Agreement, if the Advisory Agreement is terminated without cause, or in the case of any determination by the Company to liquidate its assets other than in the normal course of business or wind-up its affairs, the Company shall pay USA BRA a termination fee ("Advisory Termination Fee") in an amount equal to one percent of the Company's gross asset value (without adjustment for depreciation or amortization). For the purpose of determining gross asset value, the Land Parcel purchase prices contained in the Land Parcel Purchase Contracts shall be used. The Advisory Termination Fee shall be paid within 30 days following the date that the notice of termination is given.

Under the Advisory Agreement, USA BRA undertakes to use its best efforts (i) to supervise and arrange for the day-to-day management of Company operations, and (ii) to assist the Company in maintaining a continuing and suitable Land Parcel investment and disposition program consistent with Company investment policies and objectives. Under the Advisory Agreement, generally, USA BRA is not required to, and will not, advise on investments in securities, *i.e.*, the temporary investment of offering proceeds pending investment of those offering proceeds in real property. It is expected that the Company's Manager's officers and directors will generally make decisions with respect to temporary investments.

Pursuant to the Advisory Agreement, USA BRA will be entitled to (i) a Program Management Fee of $150,000 per month commencing in May 2014 and continuing through May 2015, and $75,000 per month thereafter until the last Land Parcel is sold or assigned, (ii) an Acquisition Fee of 4% of the contract price of a Land Parcel, and (iii) an Entitlement Completion Fee of 4% of the sales price or the assignment value of each Land Parcel.

The Parent Company's operating agreement requires that their Board of Directors monitor USA BRA's performance under any Advisory Agreement with the Company and to determine at least annually that the amount of compensation the Company pays to USA BRA is reasonable, based on factors as the Managers Board of Directors deem appropriate, including:

- the success of USA BRA in selecting opportunities that meet the Company's investment objectives,
- the rates charged by other investment advisors performing comparable services supervising Companies,
- the amount of additional revenues realized by USA BRA for other services performed for a Company,
- the quality and extent of service and advice furnished to a Company by them,
- the performance of the investments for a Company, and;
- the quality of the investments for the Company in relation to any investments generated by it for its own account.

Unless the Board of Directors of our Parent Company concludes that a higher level of expenses is justified based upon unusual and nonrecurring factors which they deem sufficient, USA BRA must reimburse the Company for the amount of any excess operating expenses. It must make reimbursement within 120 days from the end of their fiscal year. USA BRA will be entitled to be repaid reimbursements in succeeding fiscal years to the extent actual operating expenses are less than the permitted levels. In determining that unusual and nonrecurring factors are present, our Parent Company's Directors will be entitled to consider

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all relevant factors pertaining to their business and operations, and will be required to explain their conclusion in written disclosure to the investors. USA BRA generally would expect to pay any required reimbursement out of compensation received by them in the current or prior years. However, there can be no assurance that they would have the financial ability to fulfill their reimbursement obligations.

Land Parcel Acquisition/Entitlement Completion Agreement

A Land Parcel Acquisition/Entitlement Completion Agreement with USA BRA will be executed with the Company, under which USA BRA will agree to act as the Company's agent in connection with purchases and sales of Land Parcels. Under the Agreement, USA BRA is entitled to an Acquisition Fee of 4% of the acquisition price of a Land Parcel for each Land Parcel arranged for purchase by USA HLC-I. Under the Agreement, USA BRA is also entitled to an Entitlement Completion Fee of 4% of the sales price or the assignment value of each Land Parcel. Under the Land Parcel Acquisition/Entitlement Completion Agreement, USA BRA is not entitled to any real estate fee upon the sale of a Land Parcel to, or purchase of a Land Parcel from, another Fund unless approved by both Funds' boards of directors. The Agreement between the Company and USA BRA will have a four year term and will be renewable for additional one year terms thereafter, if the Company has remaining business activity. This discussion is only a summary of the material terms of the Land Parcel Acquisition/Entitlement Completion Agreement between the Company and USA BRA.

Land Parcel Acquisition and Entitlement Completion Fee Compensation

Under the Advisory Agreement, we will pay USA Barcelona Realty Advisors and its Affiliates Program Management Fee compensation, and under the Land Parcel Acquisition/Entitlement Completion Agreement, we will pay USA Barcelona Realty Advisors and its Affiliates Acquisition/Entitlement Completion Fee compensation. In addition, under each such agreement, and in exchange for the services rendered under each such agreement, we would reimburse USA Barcelona Realty Advisors with Reimbursement Compensation for certain payments it makes to its Affiliates. USA Barcelona Realty Advisors will use the Reimbursement Compensation received from us under the Advisory Agreement and the Land Parcel Acquisition/Entitlement Completion Agreement to pay its Affiliates, as determined to be appropriate in the sole discretion of USA Barcelona Realty Advisors.

Reimbursements to USA Barcelona Realty Advisors and its Affiliates

USA Barcelona Realty Advisors and its Affiliates will be reimbursed for certain direct costs incurred on our behalf for acquiring and Entitling our Land Parcels and for goods and materials used for or by us and obtained from entities that are not affiliated with USA Barcelona Realty Advisors and its Affiliates, although whenever possible we and USA Barcelona Realty Advisors and its Affiliates will attempt to have costs incurred on our behalf to be charged to us, rather than charged to USA Barcelona Realty Advisors and its Affiliates and thereafter reimbursed by us. Possible reimbursable costs and expenses include, but are not limited to, interest and other costs for money borrowed on our behalf, taxes on our property or business, fees for legal counsel and independent auditors engaged for us, expenses relating to Class A Member communications, costs of appraisals, non-refundable option payments on property not acquired, title insurance. These expenses also include ongoing accounting, reporting and filing obligations of ours that are provided to us by USA Barcelona Realty Advisors and its Affiliates and payments made to third-parties that are made by USA Barcelona Realty Advisors and its Affiliates on our behalf. These expenses will not include any amounts for overhead of USA Barcelona Realty Advisors and its Affiliates. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to USA Barcelona Realty Advisors and its Affiliates are subject to the overall limitation on operating expenses discussed under "Compensation", but the amount of reimbursement is not otherwise limited.

Subject to the conditions applicable generally to transactions between USA BRA and the Company, an Affiliate may render services to us in connection with the Company's financings or refinancing's and would be entitled to compensation for those services. As of the date of this Memorandum, there are no specific agreements for any of these services.

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X. MANAGEMENT & ADVISORS se of Offering Proceeds or Revenues

Our Advisor is the only entity that has officers, directors, advisors and employees. Our Parent Company has officers, directors and outside advisors but does not have any employees. Our entire work needs are met by our Advisor under the direction of our Parent Company, USA Barcelona Realty Holding Company and our Manager, USA Barcelona Hotel Holding Company. We believe the combined experience of the executives, directors, management team and outside advisory group of USA Barcelona Realty Holding Company and our Advisor is substantial in their capabilities to conduct the business of the Company. In addition to their own capabilities, they have a large network of industry contacts, who can be enlisted as additional resources as required. These contacts represent potential contacts for forming strategic alliance relationships, Land Parcel acquisition opportunities and sourcing of financing.

We are a Manager Managed company. Our Manager, USA Barcelona Hotel Holding Company is wholly owned by our Parent Company. Richard Harkins and George T. Simmons are officers of our Manager and Parent Company and serve on our Parent Company's Board of Directors. They will be joined on the Board of Directors by a minimum of three outside directors. Mr. Harkins is President of our Company and other than Major Decisions, makes the day to day decisions for the Company. Major Decisions are made by our Manager and its Manager and are executed by our President. The other Advisors are instrumental in providing oversight and guidance to the Company. The following table sets forth the names and ages of those persons who comprise the Officers of the Company, our Manager and our Parent Company in addition to Advisors to the Company.

Person (Age)	Position	Affiliated Since
Richard C. Harkins (73)	President of the Company; President of our Manager, USA Barcelona Hotel Holding Company; President and of our Parent Company, USA Barcelona Realty Holding Company; and, President of our Advisor, USA Barcelona Realty Advisors.	May, 2009
George T. Simmons (74)	Executive Vice President of the Company; Executive Vice President of our Manager; Executive Vice President of our Parent Company; and, Executive Member and Chief Operating Officer of our Advisor.	July, 2009
Bruce Orr (60)	Executive Member of our Advisor.	April, 2010
Robert Kerrigan (76)	Executive Member of our Advisor.	October 2012
Jeffrey S. Teets (58)	Chief Financial Officer of our Parent Company, our Manager and our Advisor.	August, 2013
Patrick McDonough (62)	Vice President Retail Capital Markets of our Advisor.	November, 2013
Rodney L. Eaves (58)	Vice President Development & Construction Management of our Advisor.	February, 2013
Anthony Manos (52)	An independent advisor to our Advisor.	September, 2013
Dawn Berry (48)	An independent advisor to our Advisor.	June, 2010
Steven Gold (72)	An independent advisor to our Advisor.	August, 2009

Executive Management Team - Our Advisor's senior executives have extensive experience in investing, developing and managing various asset classes of commercial real estate. In addition, we have a number of advisors to the company, who collectively represent nearly 270 years of senior management experience, mostly in the hospitality and multifamily asset classes. (See "The Experience of our Advisor's Management Team and its outside Advisors")

Richard C. Harkins - President, Chief Executive Officer and Executive Member. Mr. Harkins has over 40 years of background in the real estate industry. His experiences include land acquisition, development, financing and executive management involving over 675 individual hospitality and multifamily properties. He has been the responsible executive for directing activities involving obtaining the debt and equity capital required for land acquisition, development and construction. He has directed the capital markets activities that resulted in arranging the equity financing for the aforementioned 675 properties. He

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also has substantial experience in residential land development and development of daily fee golf properties. His experience includes tenures with Gulf Oil Real Estate Development Corporation, Cardinal Industries and numerous private venture real estate companies. Over the period 2002 through mid-2009 Mr. Harkins was in the creation and executive management of Arizona Village Communities Operating Company, Inc. ("AVC"), a land development, luxury community developer and real estate investment company, which ceased operations in 2009. He received an extensive education in electronics and electronic warfare systems and procedures while serving over nine years of active duty in the U.S. Navy and holds a BS Degree in Accounting from the University of Alabama. Other than a ten month consulting engagement with Pierce-Eislen, a nationally recognized market research firm focused in the apartment industry, during the most recent five year period, he has been fully involved in founding, organizing and the startup of USA Barcelona Realty Holding Company and its several Affiliates.

George T. Simmons - Executive Vice President, Chief Operating Officer and Executive Member. Mr. Simmons has over 25 years of background as an investor, developer and owner of individual office, retail and manufacturing properties, and as an investor and director of several private commercial real estate holding companies. Mr. Simmons was a director of AVC with Mr. Harkins. He also has over 35 years of senior executive experience in the semiconductor industry and is a founder of a semiconductor manufacturing company operating with multiple factory sites in Greater China. He holds a BS Degree in Engineering and Economics from the University of Nebraska. During the most recent five year period, Mr. Simmons was engaged in various start-up initiatives in healthcare and commercial real estate ventures, plus being heavily involved with Mr. Harkins in preparing to launch USA Barcelona Realty Holding Company.

Bruce Orr – Executive Member. Mr. Orr focuses on property research, analysis and acquisitions. He has a background in corporate finance and commercial banking. He earned his MBA from Pepperdine University and was trained in banking and finance while with Wells Fargo Bank Commercial. He has broad experience in corporate finance, mergers and acquisitions, ESOPs and real estate financing. Mr. Orr has worked within the hotel development industry as a consultant and Chief Operating Officer, and as an independent developer, has worked on a number of hotel projects in Southern California. Over the most recent five year period, Mr. Orr has been affiliated with a partnership, Development Net Co., to develop commercial real estate in Southern California, plus assisting with the preparation to launch USA Barcelona Realty Holding Company.

Robert Kerrigan – Executive Member. Mr. Kerrigan advises on financial matters. He is currently the President and sole shareholder of Personal Wealth Management Group, Inc. He holds a designation of Certified Wealth Consultant. For the past 45 years, Mr. Kerrigan 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 holds a BS Degree in Economics from the University of Wisconsin Oshkosh. During the most recent five year period, Mr. Kerrigan has been a Registered Representative and Personal Financial Advisor with FFEC, a broker-dealer organization headquartered in Scottsdale, AZ, plus being involved with the formation of USA Barcelona Realty Holding Company.

Jeffery S. Teets - Chief Financial Officer. Mr. Teets is a financial executive with over 25 years of broad experience in the operational and development aspects of fast growing real estate investment companies Mr. Teets has been successful in partnering finance and reporting with operations to drive long-term gains in business performance, revenues, company value and bottom-line profits has substantial experience in real estate development, acquisitions/ dispositions of properties and finance with Macerich/Westcor, a major real estate developer/manager of regional malls, retail centers and resorts. Prior to the acquisition of Westcor by Macerich, as Treasurer of Westcor, Mr. Teets was responsible for structuring the successful $1.5 billion merger of various Westcor operations into a public REIT infrastructure. He has a public accounting background with Ernst & Young, holds a BS Degree in Accounting from Michigan State University and is a Certified Public Accountant. During the most recent five year period, Mr. Teets performed in the capacity of interim CFO for several commercial real estate companies and as a financial consultant involved with due diligence on acquisition targets, financial structuring and strategic tax planning.

Patrick McDonough - Vice President, Retail Capital Markets. Mr. McDonough has a senior management background in development, acquisition and management of office and healthcare properties. He was most recently the top executive in a regional services organization, Sedona Real Estate Group, advising clients on various aspects of commercial real estate development, acquisition and asset management. Patrick also has substantial senior executive tenure in the health care industry. He holds a BS Degree in Finance from the University of Scranton. During the most recent five year period, Mr. McDonough was involved with a variety of commercial real estate projects as Managing Director of Sedona Real Estate Group, LLC in Carefree, AZ.

Rodney L. Eaves - Vice President, Development & Construction Management. Mr. Eaves began his career in the architectural and design field. That experience ultimately led him into the construction industry, when in 1983 he joined the Kiewit Corporation, one of the largest construction companies in North America, as an architectural coordinator. Over a 30-year span Mr. Eaves participated in and managed numerous commercial projects that included construction developments in the transportation, education, hospitality and sports industries. In 2012, he retired as President and Area Manager for the Kiewit Western division of the Kiewit Corporation. Mr. Eaves served on the board of directors of the Precast Concrete Institute. He is a native Phoenician and graduated from the University of Arizona with a BS in Architecture. During the most recent five year period, Mr. Eaves was employed by the Kiewit Corporation and was separately involved as a principal in several personally financed real estate development projects.

Advisors to Management

Anthony Manos – Mr. Manos is Chief Investment Officer at Corton Partners. He formerly served as Senior Vice President of Development & Acquisitions at the Irvine Company and was responsible for the development/acquisition of the company's shopping center portfolio and the redevelopment of Fashion Island and Irvine Spectrum regional malls. He also was on the development and planning team for the five-star Pelican Hill Resort. Mr. Manos served as the Senior Vice President and Head of the West Coast Operations for Brookfield Properties' portfolio of 8,000,000 square feet of office and mixed use properties valued at over $3.0 billion. As Executive Vice President of Mixed Use Development and Operations for Westfield Corporation, he was responsible for the selection and entitlement of their hospitality sites throughout the U.S. Mr. Manos has worked as a consultant and is a Certified Public Accountant, starting his career at Deloitte Haskins & Sells. He holds a BS Degree in Accounting and Finance from the University of Southern California.

Dawn Berry - Ms. Berry is President and Chief Executive Officer of Pyramid Hospitality and Development Company and has over 20 years' experience in the hospitality industry. Her expertise includes executive management of hotels in focused service, full service, destination resort hotels and franchise brand management ranging from 125 to 2,200 guest rooms in urban, suburban and destination markets across the U. S. During her six year prior role as Vice President of Brand Management for Hilton Garden Inn, she earned the JD Power Award for brand experience during five of her six years, and was a contributing member in taking the brand from 58 to 310 properties. She holds a BS Degree in Business from the University of Wisconsin. Over the past five years Ms. Berry has been the President and Chief Executive Officer of Pyramid Hospitality and Development Company.

Steve 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 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. Mr. Gold has been a Director of the public REIT Commonwealth Equity Trust, served as Chairman of Center Financial and was an Adjunct Professor at UCLA Business School. He specializes in the financing of major real estate developments and originates many joint ventures for developers with institutional partners. He holds a BS Degree in Business and a MBA, both from UCLA. Over the past five years Mr. Gold has been Managing Director for Hotel Financial Strategies.

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XI. CONFLICTS OF INTEREST

General Conflicts

We may be subject to various conflicts of interest arising from our relationship with USA BRA, with future Funds managed by USA RHC and their management. USA BRA intends to provide advisory services only to Funds, their Affiliates and subsidiaries, and to other Funds sponsored by USA RHC, so that conflicts with USA RHC will be minimized. In addition, their management may have conflicts of interest in allocating time and attention among us and other Funds engaged in similar activities, which may be organized by members of their management in the future.

USA RHC and its management are restricted from engaging for their own account in business activities of the type conducted by the Company. Occasions may arise when interests conflict with those of one or more of USA RHC's management or other programs organized by them. Subject to certain limitations in our articles of incorporation and the Advisory Agreement, USA BRA and their management are accountable to the Company, other future Funds and Affiliates under advisory or other contracts.

USA BRA will assist the Company and Affiliates in acquisition, organization, servicing, management and disposition of investments.

Conflicts Related to Fees, Compensation and Economic Benefits Paid to USA RHC and USA BRA

The receipt of various fees and other economic benefits by USA RHC and USA BRA or management may result in potential conflicts of interest for persons who participate in decision making on behalf of the Company and any future Funds under contract and these other entities (or, in the case of management, on behalf of themselves individually). USA RHC and USA BRA also may be subject to conflicts of interest arising from their relationship with Affiliates and their management.

Policies to Address Conflicts

USA RHC and USA BRA will also be subject to the various conflicts of interest described in this section. They intend to implement policies and procedures to try to ameliorate the effect of potential conflicts of interest. They will endeavor to enter into contracts designed to ensure that these contracts are not less favorable to us than would be available from an unaffiliated party.

Transactions with Affiliates and Related Parties

Transactions conducted by USA BRA must be in all respects fair and reasonable to the Company's Members. If any proposed transaction involves the purchase of Land Parcels, the purchase must be on terms not less favorable than those prevailing for arm's-length transactions concerning a comparable Land Parcel, and at a price no greater than the cost of the asset to the seller unless it is determined that substantial justification for the excess exists. Examples of substantial justification might include, without limitation, an extended holding period for capital improvements by the seller, which would support a higher purchase price. USA BRA will receive compensation for providing many different services. Fees payable and expenses reimbursable will be subject to the general limitation on operation expenses.

Interlocking Board of Directors

Richard Harkins and George T. Simmons concurrently serve as Executive Members of USA BRA and will serve on the board of directors of USA HHC, the Manager of the Company. There may be future instances where our Land Parcels are in the same markets as Land Parcels owned by future Funds for which USA HHC is the manager and USA BRA is Advisor. However, we do not believe that any of USA HHC's director's service as a director in a future Fund owning Land Parcels in the same markets will present a material conflict of interest. Directors will endeavor to act in the best interests of the Company and any future Fund.

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The following chart shows the common management and board membership of the Company and any future Fund and two of the Executive Members of USA BRA:

Chart - Interlocking Management and Board of Directors

Affiliate Company	Person	Title	Person	Title
USA Barcelona Realty Holding Company	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President
USA Barcelona Hotel Holding Company	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President
USA Barcelona Hotel Land Company I	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President
USA Barcelona Realty Advisors	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President

Competition for Management Services

USA BRA's management may at times owe certain duties to entities which conflict with their advisory duties to us. Their management may in the future organize additional Funds which may compete with us and may, as a director or officer of those Funds, owe duties to those Funds, which may conflict with duties to the Company and any future Fund.

Competition between Funds That May Be Organized by USA HHC

Future competing activities of USA HHC may involve conflicts of interest. USA HHC may from time to time become aware of properties of different types available for sale that could be purchased by a future Fund. USA HHC would expect to recommend the possible acquisition of a particular Land Parcel that might be available for purchase to one Fund or another Fund based upon their respective business plans, the markets in which the companies already own properties, the type of Land Parcel involved and other relevant considerations, but there can be no assurance that these types of considerations will eliminate any potential conflict of interest presented by this situation.

Funds that may be formed by USA HHC, may in certain circumstances compete with one another in seeking to dispose of Land Parcels. This could occur when a potential purchaser of Land Parcels has an interest in Land Parcels owned by more than one of these companies. We believe that the magnitude of this potential risk will be lessened by certain factors, including that the companies will differ in certain aspects in the sectors and locations of the assets they hold and will often, at any given time, be in different stages of their business or development plans. However, there is no assurance that a prospective purchaser would not make an attractive offer to more than one of these companies. The board of directors of the Fund to whom such a potential offer might be made would have to carefully evaluate all terms of the offer in light of that particular Fund's overall business plan, including possible future alternative disposition or liquidation options.

In addition, we expect that by the time USA HHC seeks to develop or acquire Properties for a given Fund, no other future Fund organized by USA HHC will be seeking to acquire Land Parcels at the same time. Therefore, as a general proposition, we would not expect Funds to compete with other Funds sponsored by USA HHC. Thus, we do not expect there to be any direct conflict between the interests and the interests of any similar Fund organized by USA HHC during the efforts to develop Land Parcels. However, USA HHC plans as described in this Memorandum are not yet memorialized in any binding, written agreement with any future Fund.

As noted above, notwithstanding USA HHC's proposal that any given Land Parcel acquisition phase will not coincide with the offering of interests in or the Land Parcel acquisition activities of any other Fund organized by USA HHC, it is not possible to provide the same protection against potential conflicts of interest with respect to the sale or other disposition of Land Parcels. USA HHC believes that a Fund's ultimate Land Parcel portfolio will be distinguishable to a degree from the property portfolios of Funds that may in the future be organized by USA HHC. In addition to the differences in the actual assets these various companies own, they may own different mixes of types of assets (for example, the distribution of assets within the categories of hotels (such as extended-stay hotels as compared with full-service hotels) and/or the identity of the hotel franchise involved, and there may be differences in the mix of locations of the assets of the various companies. In addition, since Funds will be, or were, organized at a different time, Funds will, at any point, be in different stages of business and development plans. We believe that, as a general rule, Funds organized earlier will tend to seek to dispose of their properties earlier than Funds organized later. However, there can be no assurance that this principle would always apply, and there can be no assurance that a potential purchaser of Land Parcels might not express an interest in Land Parcels or hotels owned by more than one of the Funds that may be organized by USA HHC. As noted, the boards of directors of the Funds involved would have to carefully

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evaluate all terms of any offer in light of the companies' overall business and development plans, but potential conflicts with respect to the possible disposition of Land Parcels that may be organized by USA HHC may not be subject to complete elimination.

Although any given Funds operational phase may overlap with the operational phases of other future Funds that may be organized by USA HHC, and it is possible that any disposition and liquidation phase could coincide or partially overlap with the disposition and liquidation phase of such future Fund, certain factors will tend to ameliorate the effect of the resulting potential conflicts of interest associated with these factors.

With respect to our disposition and liquidation phase, and the disposition and liquidation phases of other related programs, insofar as such matters are within their control, we would expect USA HHC take steps and implement procedures to minimize potential conflicts between programs. Thus, for example, we would expect that they engage third-party investment advisors to recommend when and how they should seek to dispose of its Funds assets or engage in some other liquidation or "exit" strategy. We would expect USA HHC endeavor to avoid having a situation where they are simultaneously engaged in a conflicted attempted disposition or liquidation strategy where this would present a potential conflict of interest. This might mean, for example, that they would defer disposition of a Fund's assets or other "exit" strategy until after another previously organized Fund had implemented its disposition or exit strategy. However, depending upon the facts, the amelioration of potential conflicts of interest could take other forms. For example, it is possible that two Funds could simultaneously be offered for sale in a proposed single transaction. This could occur, for example, if our ultimate size is relatively small and simultaneous sale of two or more Funds to a single Purchaser could maximize benefits to the Members of all Funds involved.

USA RHC's executive team members and management are sensitive to the various potential conflicts of interest associated with the simultaneous operation of multiple Funds with similar investment objectives, policies and strategies. In analyzing potential conflicts of interest, they will consider factors of the type discussed in this section of the Memorandum, their legal obligations to their Members, and the advice of independent experts, including investment advisors, auditors and legal counsel. However, Members must assume that not every potential conflict of interest can be eliminated. For example, they do not necessarily control their disposition or "exit" phase. A third-party Member could make unsolicited offers for our Land Parcels and another program at the same time. In such event, as noted, the boards of directors of the Funds involved would have to carefully evaluate all terms of any offer in light of the respective companies' overall business and development plans, including the stage of development of the Fund, its current plans for ongoing continued operations, the likelihood of alternative exit strategies in the future, the advice of third-party advisors and other factors. USA RHC's management believes that the policies and procedures described in this section to ameliorate potential conflicts of interest are sufficient to adequately safeguard the interests of the Members.

In connection with evaluating potential conflicts of interest involving USA HHC's officers and directors, prospective investors should also note that use of the same management personnel for the Company and other Funds may result in certain cost efficiencies and advantages in management experience and expertise that might not be present if we and other Funds organized or owned by USA HHC had its own distinct set of officers and other management personnel. This is because their officers and management personnel have experience working for several different companies involved in similar businesses, and the cost of employing these persons would be spread among multiple companies.

USA HHC and USA BRA may be entitled to fees and benefits from future Funds that USA HHC may organize when those future Funds dispose of their assets. The fee structure between USA HHC and USA BRA may not be the same as the fee structure between future Funds and USA HHC and USA BRA. There is no agreement with USA HHC and USA BRA limiting its ability to form Funds in the future that may limit the type and amount of compensation payable to USA HHC and USA BRA by any companies that USA HHC may organize.

XII. PLAN OF DISTRIBUTION

The Offering

The Class A Units are being offered on a "best efforts", no minimum Offering basis. The Class A Units are being offered by officers 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 ("Selling Agents") subject to applicable laws, may receive fees or commissions of up to 8% of the sales price of Class A Units sold. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

Sales commissions on Class A Unit sales will be paid from Offering Proceeds within three business days from the time Offering Proceeds are received by the Company from escrow. We anticipate that an additional 1% (up to $100,000) 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, legal, printing, mailing, and accounting fees. After deduction of those expenses, all other Offering Proceeds will be used by the Company to pursue the business plan outlined in this Memorandum. See "Planned Use of Offering Proceeds".

The Class A Units are offered to Accredited Investors only at $1,000 per Class A Unit, with a minimum purchase of 100 Class A Units for $100,000. No prospective investor should assume that the per-unit prices reflect the intrinsic or realizable value of the Class A Units or otherwise reflect our value, earnings or other objective measures of worth.

USA Barcelona Realty Advisors, its Affiliates and assigns, may purchase Class A Units in this Offering without Commissions at the Modified Price on the same terms and conditions as other Eligible Persons. If USA Barcelona Realty Advisors, Affiliates and assigns purchase any Class A Units, they will be permitted to vote on any matters submitted to a vote of holders of the Class A Units. Any purchase of Class A Units in this Offering must be for investment, and not for resale or distribution.

We expect to terminate this Offering when all of the Units offered by this Memorandum have been sold or March 31, 2015 (whichever occurs sooner); provided, we may at our discretion extend the Offering for up to an additional 180 days in order to sell all 10,000 Units, or such lesser amount as we may elect.

This is our initial offering of Class A Units. There is no market for any of our Class A Units. The initial Offering Price for the Class A Units is arbitrary and was determined on the basis of our proposed capitalization, .market conditions and other relevant factors.

Who May Purchase – Accredited Investors Only

Each investor who desires to purchase Units must be an "Accredited Investor" within the meaning of Rule 501 of Regulation D, promulgated under the Securities Act, and will be required to complete and sign a Subscription Agreement in the form included in this Memorandum as Exhibit A. In addition to requesting basic identifying information concerning the investor, such as his or her name and address, the number of Units subscribed for, and the manner in which ownership will be held, the investor is required to make a series of representations to us set forth in the Subscription Agreement.

We ask for these representations to help us determine whether you have received the disclosure materials pertaining to the investment, qualify as an Accredited Investor, meet certain suitability requirements we have established, and understand what you are investing in. Should a dispute later arise between you and us concerning matters that are the subject of any representation, we would expect to rely upon your making of that representation in the Subscription Agreement if you later claim

"Accredited Investor" has the meaning given in Rule 501 of Regulation D, promulgated under the Securities Act.

(a) The following natural persons are "Accredited Investors":

(i) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase, exceeds $1,000,000 (excluding the value of that person's primary residence); or,

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(ii) 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.

(b) The following entities are defined as "Accredited Investors":

(i) 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 "sophisticated person" within the meaning of Rule 506(b)(2)(ii) of Regulation D;

(ii) Any entity in which all of the equity owners are "Accredited Investors"; or,

(iii) Other entities defined in Rule 501 of Regulation D.

These standards impose minimum income and net worth standards which we believe are reasonable considering our planned business activities, our method of making the Offering under Regulation D and the risks associated with a purchase of the Class A Units. These risk factors include the potential income tax implications to Investors, the lack of liquidity in the Class A Units, potential variances in cash Distributions to Investors, our use of leverage, and the risks generally inherent in the real estate industry. See the discussion of "Risk Factors" in this Memorandum.

Modified Price for Eligible Persons

The following persons ("Eligible Persons") may purchase Class A Units at a Modified Price of not less than $920 per Class A Unit: (a) our Affiliates, including management, employees, officers and directors of the Company or the Advisor, or of the Affiliates of either of the foregoing entities (and the immediate family members of any of the foregoing persons), and any plan established exclusively for the benefit of such persons or entities; (b) A registered principal or representative of a Selling Agent (and the immediate family members of any of the foregoing persons); (c) a client of an investment adviser registered under applicable securities laws; and (d) a person investing in a bank trust account for which the decision-making authority has been delegated to the bank trust department (other than any registered investment advisor that is also registered as a securities dealer, with the exception of clients who have "wrap" accounts which have asset based fees with such dually registered investment advisor/ securities dealer). For purposes of this paragraph, "immediate family members" means such person's spouse, parents, children, grandparents, grandchildren and any such person who is so related by marriage such that this includes "step" and "in law" relations as well as such persons so related by adoption. The amount of net proceeds to the Company from the sale of Class A Units with full Selling Agent Commissions will be the same as from the sale of Class A Units at a Modified Price without Commissions.

Selling Agents that have a contractual arrangement with their clients for the payment of fees on terms that are inconsistent with the acceptance of all or a portion of the Commissions may elect not to accept all or a portion of their compensation in the form of Commissions for Units that they sell. In that event, such Units shall be sold to the investor net of some or all of the 8% Commissions at a per Unit purchase price as low as not less than $920 per Class A Unit.

Escrow Account

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company. The Offering will continue until March 31, 2015 unless the Company elects to extend the Offering for up to an additional 180 days. We will not charge fees on funds returned if we determine to terminate the Offering. The escrow account will pay earnings to investors from the date the investors' funds are received until the date of the initial Closing. We will remit the aggregate interest pro rata to the Subscribers.

Closings will be held at least monthly during the Offering Period as Subscriptions are received and accepted. The final Closing will be held shortly after the termination of the Offering Period or, if earlier, upon the sale of all the Class A Units or whatever lesser amount as determined by the Company. It is expected that after the initial Closing, we will accept Subscriptions of Class A Units no later than the last day of the calendar week following the week in which their Subscriptions are received. Funds received during the Offering but after the initial disbursement of funds will be held in the escrow account until the next Closing, and then disbursed to us. After the initial Closing, investors' funds will be held in the escrow account pending each applicable Closing.

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The account will pay earnings to investors from the date the investors' funds are received until the date of the initial Closing. We will remit the aggregate interest pro rata to the subscribers. After the initial Closing, investors' funds will be held in the escrow account pending each applicable Closing.

Accepting Subscriptions

In no event are we required to accept the subscription of any prospective investor, and no Subscription shall become binding on us until a properly completed Subscription Agreement prepared and executed by the prospective investor has been accepted by us. Subscriptions will be revocable by us by written notice delivered to the Subscriber at least five days before the initial Closing and each subsequent Closing. It is expected that after the initial Closing, we will accept Subscriptions of Class A Units no later than the last day of the calendar week following the week in which their Subscriptions are received. The final Closing will be held shortly after the termination of the Offering Period or, if earlier, upon the sale of all the Class A Units or whatever lesser amount as determined by the Company. Funds received during the Offering but after the initial disbursement of funds will be held in the escrow account until the next Closing, and then disbursed to us.

We will require each Investor to review and complete a Subscription Agreement in which the Investor will represent that he or she meets the applicable suitability standards described in the Subscription Agreement. The form of the Subscription Agreement is attached as Exhibit A. We rely on the representations made by the Subscriber in the Subscription Agreement in assuring adherence to this suitability.

Any purchase of Class A Units in this Offering must be for investment, and not for resale or distribution.

This is our initial offering of Class A Units. There is no market for any of our Class A Units. The initial Offering Price for the Class A Units is arbitrary and was determined on the basis of our proposed capitalization, market conditions and other relevant factors.

The Company is offering the Class A 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 Class A Units directly by the Company. Fees up to 8% ($800,000) may be paid by the Company on Class A 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 state securities laws.

Sales commissions on Class A Unit sales will be paid from Offering Proceeds within three business days from the time Offering Proceeds are received by the Company from the escrow agent. An additional 1% ($100,000) 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, legal, printing, mailing, and accounting fees. After deduction of those expenses, all other Offering Proceeds will be used by the Company to pursue the business plan outlined in this Memorandum. The Company is offering the Class A Units on a "best efforts" basis. See "Planned Use of Offering Proceeds".

There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

The Company is Offering Accredited Investors an opportunity to purchase an aggregate amount of 10,000 Class A Units at $1,000 per Class A Unit. Purchasers must purchase a minimum of one hundred (100) Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion.

We expect to terminate the Offering on March 31, 2015 or when all of the Class A Units offered by this Memorandum have been sold (whichever occurs sooner), unless extended by us for up to an additional 180 days ("Offering Period"), in order to achieve the Maximum Offering of 10,000 Class A Units or such lesser amount as we may elect.

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XIII. PRINCIPAL AND MANAGEMENT UNIT HOLDERS

Upon completion of the Maximum Offering, beneficial ownership of our Class B Units that will be held by our Advisor and Manager are indicated in the table below. Each person named in the table has sole voting and investment powers as to the Class B Units and shares those powers with his/her spouse, if any.

Title of Class	Name of Beneficial Owner	Address of Beneficial Owner
Class B Units	USA Barcelona Realty Advisors, LLC	7025 North Scottsdale Road, Suite 160 Scottsdale, AZ 85253
	USA Barcelona Realty Holding Company, LLC	7025 North Scottsdale Road, Suite 160 Scottsdale, AZ 85253

Percentage of All Issued & Outstanding Class A Units and Class B Units	**Percentage**	**Number**
Under the Maximum Offering of Class A Units, total Units will be issued to the following:		
Total Units (including Class A Units and Class B Units)	100.00%	11,111
Class A Units (issued to Class A Members)	90.00%	10,000
Class B Units	10.00%	1,111
Class B Units will be issued, as follows:		
USA Barcelona Realty Advisors, LLC (and assigns)	4.00%	444
USA Barcelona Hotel Holding Company, LLC (and assigns)	6.00%	667

XIV. FEDERAL TAX CONSIDERATIONS

Accredited 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 Members, and the impact of owning Class A 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 Class A 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 Class A 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 Class A 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 Member in light of his personal investment circumstances or to certain types of Class A 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 Member. Accordingly, a prospective Member is urged to consult his or its own tax advisors regarding an investment in the Company and its consequences.

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

XV. 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.

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XVI. REPORTS TO CLASS A MEMBERS

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 the Company, together with a description of any new agreements. We also intend to send to our Class A Members 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 Class A Members also have the right to obtain other information about the Company.

XVII. FINANCIAL STATEMENTS

The unaudited Financial Statements for the Company at April 30, 2014, 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 commencing with the year ending December 31, 2014.

XVIII. TERMS OF THE OFFERING

The Company's Operating Agreement authorizes the Company to issue and sell up to 10,000 Class A Units. See "Exhibit B, Operating Agreement". We expect to terminate the Offering when all of the Class A Units offered by this Memorandum have been sold or March 31, 2015 (whichever occurs sooner), unless extended by us for up to an additional 180 days ("Offering Period"), in order to achieve the Maximum Offering of 10,000 Class A Units or such lesser amount as we may elect.

Offering fees and commissions of up to 8% may be paid by the Company where sales are made by securities dealers and other Selling Agents legally authorized to receive such compensation. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. The Company will not pay offering commissions or custodian fees relating to Class A Units sold at the Modified Price. Regarding purchases of Class A Units by IRAs, if applicable, the Company will pay a one-time fee to the associated IRA custodian of up to $500, which payment will be deducted from any commissions otherwise due on the sale of the associated Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period.

The Class A Units sold under the Offering will be offered directly by members of management of the Company, for which no commission or other compensation related directly or indirectly to their sales efforts, will be paid. Class A Units may also be offered through members of Financial Industry Regulatory Authority ("FINRA"), registered investment advisors and others, subject to applicable securities laws, to Accredited Investors as defined in Rule 501(a) of Regulation D. The Company's estimation of its allocation of the net Offering 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 Offering Proceeds.

Offering Expenses in an amount up to 1% of Offering Proceeds may be paid for legal, accounting, escrow printing and other related expenses. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. Offering Proceeds 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 Operating Agreement. ("Exhibit B – Operating Agreement").

XIX. RESTRICTIONS ON TRANSFERABILITY

There will be no public market for the Class A Units, and there will be significant restrictions on the transferability of the Class A Units.

The Class A 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 Class A Units and is not required to register them or to make any exemptions from registration available.

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The Questionnaire and Subscription Agreement contains substantial restrictions on the transferability of the Class A Units. No transfer of Class A 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 Class A Units will bear legends similar to the following:

THE CLASS A UNITS 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.

XX. SUBSCRIBER INFORMATION AND QUALIFICATIONS

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

- An executed copy of the Questionnaire and Subscription Agreement (Exhibit "A"), with all blanks properly completed for the purchase of a minimum of 100 Class A Units for $100,000, or in such other amount as approved by the Company;
- Payment of the applicable Purchase Price or Modified Price made payable to "USA Barcelona Hotel Land Company I, LLC".

All as set forth in the instructions located in the Subscription Instructions for Class A Units included in Exhibit A.

The Questionnaire and Subscription Agreement shall be tendered to the Escrow Agent. Upon acceptance by the Company, Subscribers for the Class A Units will be admitted to the Company as Class A Unit Members, and payment for the Class A Units shall be delivered to the Company.

Accredited Investor Confirmation

Regulation 506(c) requires issuers raising money through offerings under Regulation D where they generally solicit to verify that their investors are "Accredited Investors". Before accepting a Subscriber's application to invest in our Class A Units, we must take "reasonable steps" to establish our belief that the Subscriber is an "Accredited Investor". Subscribers have optional ways they can provide us with such information, as described in Exhibit A – Questionnaire and Subscription Agreement.

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 Operating 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 Class A 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.

Other Information Available

The following is currently available upon request:

1. Financial Forecast Statements, by month.
2. Specified Land Parcel, detailed information schedule.
3. Master Planning Schedule, sixteen land parcel forecast.
4. Land Parcel "nine-steps" Entitlement Period planner.
5. Advisory Agreement with USA BRA.
6. Additional information on Chanen Construction Company. Also see www.Chanen.com.

The following is available based on specific broker dealer request:

Third Party Due Diligence Report on (prepared based on Broker Dealer request; allow 45 days):

i. USA Barcelona Realty Holding Company.
ii. USA Barcelona Hotel Land Company I, LLC Offering.

XXI. HOW TO SUBSCRIBE

Any qualified Offeree who wishes to purchase Class A Units should proceed to **Section XXIV. INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS.**

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XXII. DEFINED TERMS

"Accredited Investor" has the meaning given that term in Rule 501 of Regulation D, promulgated under the Act.

"Acquisition Fee" means a fee payable to USA Barcelona Realty Advisors equal to 4% of the gross purchase price (including any debt assumed or incurred in connection with the purchase of the Land Parcel) of each Land Parcel purchased by the Company.

"Act" means the United States Securities Act of 1933, as amended.

"Additional 5% Distribution" means a Distribution made after the 8% Priority Distribution that shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is cumulative.

"Administration Agreement" means the agreement between USA BRA and the Company setting forth the terms by which USA BRA provides management services to the Company.

"Adjusted Capital Account" means the Initial Capital Account less Distributions received as Return Of Capital Distributions.

"ADR" means average daily rate of hotel rooms.

"Advisor(s)" means USA Barcelona Realty Advisors, LLC and USA BRA.

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

"Advisory Termination Fee" means the fee due USA BRA upon termination of the Advisory Agreement.

"Affiliate" means (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) any Person owning or controlling 10% 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" 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.

"Agreement" means the Operating Agreement, by and among the Members and the Company, as it may be amended, modified or supplemented from time to time.

"Capital Account Credit" means an amount granted to USA Barcelona Realty Advisors by the Company for organization period work contributed to the Company, including the work included the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters.

"Capital Contribution" means a contribution of money, property or services made by a Member to the Company.

"Catchup Distribution" means a Distribution made to make up any unpaid and accrued Cumulative Distributions from prior periods.

"Cause" means, with respect to any Manager, any of the following: (i) conviction of a felony or conviction of a misdemeanor which in the determination of the Members adversely affects the Company or the ability of the Manager to perform its duties hereunder; (ii) misappropriation of Company funds or other acts of dishonesty with respect to the Company; (iii) such Manager's breach of this Agreement in any material respect; (vi) the failure of such Manager to diligently, substantially and satisfactorily perform the Manager's duties under the Operating Agreement.

"Chanen" means Chanen Construction Company.

"Class A Units" means the 10,000 Class A Member Units of the Company being offered in the Offering.

"Class A Member" means a Member owning Class A Units.

"Class B Member" means a Member owning Class B Units, which initially shall be USA HHC, the Company's Manager, and USA Barcelona Realty Advisors, the Company's Advisor.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" means USA Barcelona Hotel Land Company I, LLC.

"Core Property" means a mature performing hotel property with a proven track record.

"Cumulative Distributions" means total Distributions made with respect to any Units are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and due (i) to the Class A Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be paid in full prior to the payment of any other Distributions to any Member

"Distribution" means any payment of cash or other value made to a Member with respect to a Unit.

"8% Priority Distribution" in any period means a Distribution made after any Catchup Distributions, and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% annual return on their Initial Capital Accounts; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative.

"Escrow" means a bank account at Alliance Bank of Arizona where all accepted Subscriber funds will be held until the Company accepts the Subscription, at which point the Escrow funds are released to the Company.

"Eligible Person(s)" has the meaning given that term in Section XII - Plan of Distribution.

"Entitle" and "Entitlement" means, for a Land Parcel, performing due diligence, coordinating planning and design, arranging financing, obtaining franchise approval and obtaining governmental approvals needed for the construction and operation of a hotel on a Land Parcel.

"Entitlement Completion Fee" means a payment due USA BRA from the Company based on four percent (4%) of the sales price or the assignment value of each Land Parcel.

"Entitlement Period" means the period from the date the Company contractually controls a Land Parcel to the date we declare it Shovel-Ready by obtaining the necessary building permits to construct a hotel.

"Entitlement Process" means the process through which we undertake the activities necessary to bring a Land Parcel to a point of being Shovel-Ready and ready for hotel construction. These activities include sourcing the site, performing due diligence, coordinating planning and design, arranging financing, obtaining franchise approval and achieving all necessary approvals to obtain a building permit to build a hotel.

"ERISA" means Employee Retirement Income Security Act.

"Executive Committee" means the Executive Members of the Company.

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

"Face Amount" means $1,000 per Class A Unit.

"Final Distribution" means the fourth Distribution and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

"Final Distribution Option" means at the time the Company determines to make the Final Distribution, each Class A Member will have the following choices:

1. Accept a cash payment for the full amount of the Final Distribution,

2. Forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate that will be specified by the Company; or,

3. Split the Final Distribution amount into (i) a partial cash payment and (ii) the balance in units in the specified New Build Affiliate.

"FINRA" means the Financial Industry Regulatory Authority.

"Financial Forecast" and "Forecast" means the Company's forecast of business activities under its business plan as contained in Exhibit D.

"Fund(s)" means an entity designed to obtain equity capital through securities offerings, the proceeds of which will be used to develop and acquire, on a leveraged or unleveraged basis, hotels and other qualified real estate properties.

"Hotel Land Parcel Entitlement Program" means the program that the Company undertakes to contract to acquire Land Parcels and obtain the Entitlements which includes sourcing the site, performing due diligence, coordinating planning and design, arranging financing, obtaining franchise approval and achieving all necessary approvals to obtain a building permit to build a select service hotel.

"Initial Capital Account" means the purchase price paid for Units in cash, property or any Capital Account Credit.

"IPO" means initial public offering.

"IRA" means an individual retirement account that provides tax advantages for retirement savings in the United States.

"Land Parcel" means a vacant parcel of land that the Company will consider suitable for the construction of a select service hotel.

"Land Parcel Acquisition/Entitlement Completion Agreement" means that agreement that the Company will execute that states USA BRA will act as the Company's agent in connection with the acquisition and Entitlement of Land Parcels.

"Land Parcel Purchase Contract" means a contract between the Company and an owner of a Land Parcel setting forth the terms and conditions of purchase of the parcel of land by the Company.

"Liquidity Feature" means a feature that the Company intends to create to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

"LLC" means a limited liability company.

"Majority In Interest" means a simple majority of Units of a Class of Members in the Company.

"Manager" means USA Barcelona Hotel Holding Company, LLC or any other Person elected as a manager of the Company.

"Manager Managed" means a limited liability company that is managed by its' manager and not its' members.

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"Maximum Investment Period" means the length of time starting with the Effective Date and ending with the month in which the last Land Parcel is sold.

"Members" mean all members of the Company, including the Class A Members and the Class B Members.

"Memorandum" means this Confidential Private Placement Offering Memorandum dated May 5, 2014.

"Modified Price" means a price per Class A Unit to be sold to an Eligible Person with reduced or no selling fees or commissions, where that provides net proceeds to the Company of not less than $920 per Class A Unit.

"New Build Affiliate" means a single purpose limited liability company that acquires a Land Parcel Purchase Contract from the Company with the intent of constructing, owning and operating a hotel to be built on the Land Parcel.

"New Build Program" means a Company program where, following the Entitlement Process conducted by the Company, an Affiliate (in this case a New Build Affiliate) acquires a Land Parcel owned or controlled by the Company and proceeds to develop a hotel on the Land Parcel.

"Offeree" means a person to whom an Offering is made.

"Offering" means the offering of 10,000 Class A Units made by this Memorandum.

"Offering Period" means that period during which the Class A Units may be offered for sale which is up to and including March 31, 2015 plus an additional 180 days if so determined by the Company.

"Offering Price" means the price for one Class A Unit of $1,000, as offered under the Offering.

"Offering Proceeds" means funds raised under the Offering.

"Operating Agreement" means the Operating Agreement for the Company.

"Parent Company" means USA Barcelona Realty Holding Company, LLC.

"Parent Company Plan" means the business plan of USA Barcelona Realty Holding Company, LLC., which incorporates the Company's Hotel Land Parcel Entitlement Program as Step 1 of its 4 Step plan.

"Person" means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

"PIG(s)" means passive income generator.

"Program Management Fee" means the fee USA BRA will receive from the Company to manage the Company's day-to-day operations.

"Purchaser(s)" mean subscribers who purchase Class A Units.

"Purchase Price" means $1,000 per Class A Unit, or a lesser Modified Price (if sold to an Eligible Person) of not less than $920 per Class A Unit.

"Qualified Land Parcel" means a Land Parcel under consideration for purchase by the Company that has passed the Company's initial due diligence process.

"Questionnaire And Subscription Agreement" means those documents contained in Exhibit A of the Memorandum.

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"Refundable(s)" means certain Entitlement Period costs expended by the Company on a Land Parcel that are to be repaid to the Company by a New Build Affiliate at the time the New Build Affiliate acquires the Land Parcel from the Company (the New Build Affiliate may acquire the fee interest in a Land Parcel owned by a Company controlled SLP LLC or acquire, through assignment, the contractual interest the Company has in a Land Parcel).

"REIT" means a Real Estate Investment Trust.

"Return of Capital Distribution" means this Distribution shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero.

"RevPAR" means revenue per available room for a hotel.

"Selling Agent" means any registered securities dealer or other person authorized under applicable laws to receive commissions or similar compensation relating to the offer and sale of Units.

"SLP LLC" and "Single Land Parcel LLC" means a limited liability company that is formed to contract to acquire one Land Parcel.

"Shovel-Ready" means a Land Parcel that received all required permit development and construction approvals, financing commitments and franchise commitment (as applicable) and is ready to enter the construction stage.

"Stabilization" means reaching an occupancy percentage that ceases to increase year over year.

"Subscriber" means a person who subscribes to acquire Class A Units offered under the Offering.

"Subscription(s)" and "Subscribed" means the event of a Subscriber submitting his Subscription Agreement to the Company.

"Subscription Agreement" and "Questionnaire and Subscription Agreement" means the agreement under which an investor Subscribes to acquire the Company's Class A Units.

"Unit" means a Unit of Class A Member interest or Class B Member interest in the Company, representing a stated increment of value of equity ownership of the Company.

"Unit holder" means a person who owns Class A Units or Class B Units.

"USA HLC-I" means the Company.

"USA HHC" and ""HHC" means USA Barcelona Hotel Holding Company, LLC.

"USA RHC" and "RHC" means USA Barcelona Realty Holding Company, LLC.

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XXIII. 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 or Patrick McDonough concerning the terms and conditions of the Offering, 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.

Other Information Available

The following is currently available upon request:

1. Financial Forecast Statements, by month.
2. Specified Land Parcel, detailed information schedule.
3. Master Planning Schedule, sixteen land parcel forecast.
4. Land Parcel "nine-steps" Entitlement Period planner.
5. Advisory Agreement with USA BRA.
6. Additional information on Chanen Construction Company. Also see www.Chanen.com.

The following is available based on specific broker dealer request:

Third Party Due Diligence Report on (prepared based on Broker Dealer request; allow 45 days):

i. USA Barcelona Realty Holding Company.
ii. USA Barcelona Hotel Land Company I, LLC Offering.

To request specific additional information, please contact:

Investor Relations Department

Patrick McDonough

USA Barcelona Realty Advisors, LLC

7025 North Scottsdale Road, Suite 160

Scottsdale, Arizona 85253

Phone: 480-625-3969 (for Offering information)

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EXHIBIT A –SUBSCRIPTION DOCUMENTS

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS:

USA BARCELONA HOTEL LAND COMPANY I, LLC

10,000 Class A Units
Confidential Private Placement Memorandum dated May 5, 2014.
Minimum Purchase of 100 Class A Units at $1,000 per Class A Unit ($100,000)

The following Subscription Documents are for the use of investors interested in subscribing for Class A Units of USA Barcelona Hotel Land Company I, LLC (the "Company"). Prospective investors should do all of the following:

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

____ A. CHECK all appropriate categories in Section 1 on page S-3 under which you qualify as an Accredited Investor.

____ B. COMPLETE Section 2, "Accredited Investor Verification" on page S-4, indicating the method you will use to verify your status as an Accredited Investor.

____ C. COMPLETE all information on pages S-6 and S-7, including the total amount of Class A 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.

____ D. INITIAL EACH PAGE of the Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 3.

____ E. DATE and SIGN the Questionnaire and Subscription Agreement on page S-8. If Class A Units will be registered in joint ownership, such as husband and wife, both must sign.

2. **DELIVER** all Subscription documents to:

USA Barcelona Hotel Land Company I, LLC
Attention: Investor Relations Department
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

3. **PAYMENT must be made by bank wire.** Subscription proceeds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. To avoid delays in the processing of your incoming wires, please include the following information:

Bank Name:	Alliance Bank of Arizona 2901 N. Central Avenue, Suite 100 Phoenix, AZ 85012
Bank Routing Number:	Contact Company for this Information (480) 625-4355
Account Name:	USA Barcelona Hotel Land Company I Escrow
Beneficiary Address:	7025 N. Scottsdale Road, Suite 160 Scottsdale, AZ 85253
Beneficiary Account Number:	Contact Company for this Information (480) 625-4355

4. **YOU WILL RECEIVE**: Upon acceptance of your Subscription by the Company, your escrowed funds will be distributed to the Company, and you will receive a copy of your accepted Questionnaire and Subscription Agreement which evidences your ownership of Class A Units subscribed for. We will issue certificates to you indicating your ownership of Class A Units purchased.

ACC005894
FILE #8503

USA BARCELONA HOTEL LAND COMPANY I, L.L.C.

CLASS A UNITS

USA Barcelona Hotel Land Company I, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Gentlemen:

You have informed the undersigned (the "Purchaser") that USA BARCELONA HOTEL LAND COMPANY I, L.L.C., an Arizona limited liability company (the "Company") wishes to raise up to Ten Million Dollars ($10,000,000) from various persons such as me by selling 10,000,000 of its Class A Member Units ("Units") at a price of $1,000 per Unit in an offering (the "Offering") which is designed to comply with Rule 506(c) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I understand that one purpose of this Questionnaire and Subscription Agreement is to solicit certain information regarding the Purchaser's financial and business status to determine whether the Purchaser is an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meets the suitability criteria established by the Company for the purchase of Units.

The Company will keep the answers to this Questionnaire and Subscription Agreement as confidential as possible. However, the Purchaser acknowledges that the Company will use this Questionnaire and Subscription Agreement, and other documents submitted, to verify and support a reasonable belief that the Purchaser is an Accredited Investor, and agrees that the Purchaser's answers may be shown to such persons as the Company deems appropriate to determine the Purchaser's status as an Accredited Investor, including the Securities and Exchange Commission and state securities boards and commissions.

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 Questionnaire and Subscription Agreement and the Articles of Organization and Operating Agreement for the Company (collectively, the "Company Documents"). 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.

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

_____
Initials

This Questionnaire and Subscription is one of a number of such subscriptions for Units. By signing this Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of 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 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.

___ Manager of the Issuer

Any Manager or other executive 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 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:

_____

_____

_____

_____

_____

_____
Initials

2. Accredited Investor Verification-Natural Person.

___ I am a natural person who is an Accredited Investor, and I submit the with this Questionnaire and Subscription Agreement the following information, which the Company may rely upon to verify that I am an Accredited Investor:

(a) ___ ***Income***. I qualify as an accredited investor on the basis of income, and I have attached: (a) Internal Revenue Service forms reporting that my annual income for the two most recent years was greater than $200,000 as an individual, or $300,000 when combined with my spouse; **and** (b) my written representation I reasonably expect to reach that same income level during the current year.

(b) ___ ***Net Worth***. I qualify as an accredited investor on the basis of net worth, and I have attached the following types of documentation dated within the prior three (3) months: (a) *with respect to assets*: bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments and appraisal reports issued by independent third parties; **and** (b) *with respect to liabilities*: a consumer report from at least one of the nationwide consumer reporting agencies; **and** (c) my written representation certifying that I have disclosed all liabilities necessary for the Company to make a determination that my net worth, or joint net worth with my spouse, exclusive of the value of my personal residence, is greater than $1,000,000, which qualifies me as an accredited investor.

(c) ___ ***Third Party Verification***. I have attached written confirmation from: (a) a registered broker-dealer, (b) an investment advisor registered with the Securities and Exchange Commission, (c) a licensed attorney in good standing under the laws of the jurisdictions in which such person is admitted to practice law, **or** (d) a certified public accountant who is duly registered and in good standing under the laws of such person's residence or principal office: which certifies that that third party has taken reasonable steps to verify my status as an Accredited Investor within the past three (3) months, and has determined that I am an Accredited Investor.

(d) ___ ***Investor in Prior Offering***. I certify that I purchased securities as an Accredited Investor in a Rule 506 offering conducted by the Company prior to September 23, 2013, that I continue to hold such securities, and that I currently qualify as an Accredited Investor.

3. 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 Units, (ii) can bear the economic risk of losing the entire amount of my investment in 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 ___, or 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 Company's Offering Memorandum dated May 5, 2014 (the "Offering Memorandum"). All documents, records and books pertaining to the Company and the 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 other authorized representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed, 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 number of 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.

_____
Initials

(g) I further understand that the Company's sole business will be to act to purchase, entitle, and develop Land Parcels (as defined in the Offering Memorandum) for new hotels, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering Memorandum.

(h) Other than as set forth in the Offering Memorandum, 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 Units based solely upon my own investigation and evaluation.

(i) I understand that no 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 Units are registered under the Act, I may re-offer or resell my Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The 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 Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Units by anyone but me.

(k) I am aware of the following:

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

(ii) My interest in the 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 Units for investment nor any recommendation or endorsement of the Units.

(l) Except as set forth in the Offering Memorandum, 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 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 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 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.

4. Transferability. I understand that I may sell or otherwise transfer my Units only: (a) if registered under the Securities Act; or (b) 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 Units. Any certificates or other documents representing my Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this Questionnaire and Subscription Agreement, and stop transfer instructions will apply to my Units.

_____
Initials

5. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 3 above, and I will indemnify and hold harmless the Company, its officers, managers and representatives involved in the offer or sale of the 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 Questionnaire and Subscription Agreement.

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

7. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this 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 Questionnaire and Subscription Agreement.

8. Miscellaneous.

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

(b) This 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.

9. Ownership Information. Please print here the total principal amount of Units to be purchased, and the exact name(s) in which the Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ _____

TOTAL NUMBER OF CLASS A UNITS ($1,000 PER UNIT): _____

NAME(S): 1) _____

2) _____

SOCIAL SECURITY #(S): 1) _____

2) _____

Ownership shall be taken in the 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

_____
Initials

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(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

(v) 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: (_____) _____

[Signatures on Following Page]

_____
Initials

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FILE #8503

10. 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:

USA BARCELONA HOTEL LAND COMPANY I, L.L.C.

By:_____

Its:_____

DATED: _____, 201__

OPERATING AGREEMENT
OF
USA BARCELONA HOTEL LAND COMPANY I, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made and entered into effective as of January 15, 2014 (the "Effective Date"), by and among **USA Barcelona Hotel Land Company I, LLC,** an Arizona limited liability Company (the "Company" or "USA HLC-I"), those persons ("Person(s)") listed on Schedule 1 hereto, and each other Person who becomes a Member of the Company according to the terms of this Agreement and the Arizona Limited Liability Company Act (the "Act"), as the Members of the Company, and **USA Barcelona Hotel Holding Company, LLC,** as the Manager of the Company.

ARTICLE I
FORMATION, NAME, PURPOSE

1.1 Formation. The Company was formed by filing its Articles of Organization (the "Articles") with the Arizona Corporation Commission under the Act on January 15, 2014. The Manager shall cause articles of amendment to the Articles to be filed with the Arizona Corporation Commission from time to time.

1.2 Intent. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. It is also the intent of the Members 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 the Company is USA Barcelona Hotel Land Company I, LLC.

1.4 Known Place of Business. The known place of business of the Company shall be at 7025 North Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. The known place of business may be changed to any other place within the State of Arizona at the discretion of the Manager.

1.5 Purpose.

(a) The Company is being formed to contract to acquire, through its Single Land Parcel LLC Affiliates ("SLP LLC(s)"), entitle land parcels, and sell or transfer entitled land parcels, and do all functions necessary or appropriate to carry out those activities. We intend to sell each entitled land parcel to an Affiliate entity that would construct, own and operate a hotel thereon that would be franchised by a leading brand franchise company, such as Marriott, Hilton, Hyatt or possibly others. The Company's SLP LLCs may be organized as Arizona limited liability companies or other types of entities.

(b) No Member acting in the Member's capacity as a Member or Manager, if applicable, 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 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 Members. The name and address of each Member of this Company are set forth on Schedule 1 hereto, as such schedule may be amended from time to time pursuant to this Agreement.

1.8 Agent for Service of Process. The name and business address of the agent for service of legal process on the Company in Arizona is National Registered Agents Inc., 2390 E. Camelback Road, Phoenix, AZ 85016. The Company's agent for service of legal process may be changed at the discretion of the Manager.

1.9 Definitions. Capitalized words and phrases used but not defined in this Agreement shall have the meanings set forth in Appendix A, Defined Terms.

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ARTICLE II

CAPITALIZATION OF THE COMPANY; LOANS; FEES AND OTHER PAYMENTS DUE AFFILIATES

2.1 Issued Class A Units; Authorized.

(a) The Company is authorized to issue up to ten thousand (10,000) Class A Member Units ("Class A Units"), and one thousand one hundred eleven (1,111) Class B Member Units ("Class B Units"). The Manager has approved the issuance of the Class A Units and Class B Units ("Units") to the Members and in the amounts shown on Schedule 1, and the Company is authorized to issue additional Class A Member Units and Class B Units upon the approval of the Manager.

(b) Class A Units and Class B Units shall have the rights, preferences and privileges set forth herein. Furthermore, the Manager may adopt, from time to time, a resolution or resolutions providing for the issuance of additional Class A Units, in one or more classes, with such powers, designations, preferences, and privileges, and qualifications, limitations or restrictions thereof as shall be set forth in the resolution or resolutions adopted by the Manager. Schedule 1 shall be amended from time to time to reflect the addition of new Members and any adjustments of the membership interests.

2.2 Initial Capital Contributions.

(a) Each Class A Member has made the initial Capital Contributions ("Initial Capital Contribution(s)") to the Company set forth on Schedule 1. In exchange for each Class A Member's Initial Capital Contribution to the Company, such Class A Members were issued Class A Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

(b) Each Class B Member was issued the Class B Member Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

2.3 Additional Capital Contributions.

In the event the Company is authorized by the Members to raise additional capital through the sale of any new class of Member Unit ("New Issue Unit"), existing Class A Members and Class B Members shall have the first opportunity to acquire such number of New Issue Units that will result in their economic interest in the Company remaining the same after all New Issue Units are sold as was their economic interest before the New Issue was sold.

2.4 Credits to Capital Accounts.

(a) Capital Accounts. An individual Capital Account will be established and maintained for each Member on the books of the Company.

(b) Organization Services. **USA Barcelona Realty Advisors LLC** ("USA BRA") shall have credited to its Class B Member Capital Account the amount of $500,000 for services rendered to the Company pertaining to the organization of the Company.

(c) Other Authorized Payments And Fees. The Advisor may elect to have amounts due to it under agreements between USA BRA and the Company, other than credits to its Capital Account under Section 2.4(b) above, classified as Member loans ("Member Loans").

2.5 Manager Loans. If the Manager determines that the business of the Company requires funds, in addition to the capital contributed by the Members, the Company may borrow money from the Manager, and the Manager may make one or more loans to the Company to enable the Company to meet its obligations ("Manager Loans"). The Company shall repay Manager Loans from the net cash flow ("Net Cash Flow") of the Company as otherwise allowed under this Agreement. Manager Loans shall be repaid in chronological order of their respective origination dates beginning with the earliest origination date. The Manager Loans will bear an annualized 10% rate of interest.

2.6 Withdrawal or Return of Capital Contributions. Except as otherwise expressly provided for in this Agreement: a) no part of the Capital Contributions of any Member may be withdrawn except as otherwise approved in writing by all non-defaulting Members ("Non-Defaulting Member"), b) Class A Members will have the opportunity to either take the Distributions from the Company as they occur or forego one or more Distributions in exchange for investment units in a SLP LLC, and c) otherwise, no Member shall be entitled to demand or to receive property other than cash in return for its Capital Contributions to the Company.

2.7 No 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 on funds contributed as a Capital Contribution.

2.8 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 Members 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, Net Income and Net Loss shall be allocated as follows:

(a) Net Income. Net Income for the fiscal year ("Fiscal 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 Fiscal Years equals the aggregate Net Loss allocated (in the same amounts, but in reverse order) to the Members 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 Fiscal 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 Fiscal Years equals the aggregate Net Income allocated to the Members pursuant to Section 3.1(a) in the same amounts but in the reverse order of priority.

(2) Second, to the Members according to their Capital Accounts.

3.2 Tax Allocation Provisions:

(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 §1.704-1(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 Fiscal 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 Agreement.

(3) Minimum Gain Chargeback. Notwithstanding anything herein to the contrary, if in any Fiscal Year there is a net decrease in Company Minimum Gain ("Company Minimum Gain") for such year and, if necessary, for subsequent years, each Member 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 Member

pursuant to Section 3.2(b)(2), Members Nonrecourse Debt Minimum Gain shall be charged back to such Member 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 Fiscal 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 Member has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member 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 Member 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 Member 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 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 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 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 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 Fiscal 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 President reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 3.2(b)(3) of this Agreement.

(4) The Manager shall have reasonable discretion, with respect to each Fiscal 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 Fiscal 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 §1.704-2(f)(4), to the Internal Revenue Service for a waiver of the Minimum Gain chargeback requirement under Regulations §1.704-2(f)(1).

ARTICLE IV
DISTRIBUTIONS

4.1 Distribution of Net Cash Flow. Except as otherwise provided in Article IV, commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the Fiscal Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Fiscal Year, the Company shall make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

4.2 Establishment of Initial Capital Accounts

(a) Each Class A Member's capital account ("Capital Account") is initially established in the amount of the purchase price paid for the Class A Units. We refer to that amount as the "Initial Capital Account".

(b) Each Class B Member's Capital Account is initially established in the amount of the purchase price paid for the Class B Units plus any applicable Capital Account Credits granted by the Company for amounts due for organization period work. USA BRA. Our Advisor, shall make an initial capital contribution of $1,000. Additionally, USA BRA has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters. Accordingly, on the Effective Date, USA BRA's Class B Member Capital Account will be credited in the amount of $500,000. USA BRA may receive additional Class B Member Capital Account Credits if it waives fees due it from the Company.

4.3 Capital Account Adjustments for the purpose of computing Distributions

(a) For the purpose of computing Distribution amounts due to the Class A Units (including the Class A Units and the Class B Units), each Member's capital account shall be reduced by Distributions received as Return Of Capital Distributions.

(b) In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution, the 5% Additional Distribution and the Return Of Capital Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

(c) Cumulative Distributions ("Cumulative Distributions") means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

4.4 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 Member as a result of the recognition of Company income by such Member, to the extent such Member 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 Member 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 such Member pursuant to Section 4.1.

ARTICLE V
RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Liability for Company Obligations. Except as otherwise provided in the Act, no Member shall be personally liable for the debts, obligations and liabilities of the Company whether arising in contract or tort, under a judgment, decree or order of a court or otherwise.

5.2 Authority of Members. No Member shall take part in the control of management of the Company's business except to the extent of the rights and powers of a Member provided under this Agreement. Unless a Member is a Manager, or is delegated the authority of an Proper Officer as set forth in Section 6.3, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purposes.

5.3 Meetings and Minutes.

(a) Call and Place. Meetings of the Members, or a specific class of Member, for any purpose or purposes, may be called by either a majority-in-interest ("Majority-In-Interest") of a class of Member or the Manager by giving written notice to the Members, or a specific class of Member, in the manner provided in Section 5.3(b). Meetings may be held at any place within or without the State of Arizona as determined by the Manager. The Members may participate in a meeting of the 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 Members, unless waived by attendance at the meeting or by written consent, must be given by written notice at least fourteen (14) days before the date of the meeting, or hand delivered, emailed or sent by facsimile at least ten (10) 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 Member at a meeting constitutes waiver of notice of the meeting; provided, however, that no such waiver will occur if the 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.

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(d) Quorum. The presence of a Majority-In-Interest of Members, represented in person or by proxy, will constitute a quorum at a meeting of the Members.

(e) Voting. Class A Members and Class B Members voting rights are limited to the following:

(1) 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. A vote of the Majority-In-Interest of the Class A Members is required for any such approval.

(2) 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 B Members economic rights. 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 Manager has control of the Company through its exclusive right to approve all Major Decisions (as defined in Section 6.4 below).

(f) Majority Vote Required for Action. Other than as stipulated in 5.5(e), there are no matters on which the Class A Members and Class B Members have a right to vote.

(g) Conduct. At any meeting of the Members, the Manager may adopt such rules for the conduct of the meeting as they deem appropriate.

5.6 Action Without a Meeting. Any action that may be taken at a meeting of the Members, requiring a vote of a class of Members entitled to vote thereon, may be taken without a meeting if a Majority-In-Interest so agree in writing, and a consent in writing setting forth the action so taken is signed by a Majority-In-Interest of the class of Members entitled to vote thereon. Any action that may be taken at a meeting of the Members requiring a vote of the Members may be taken without a meeting if all of the Members so agree in writing, and a consent in writing setting forth the action so taken is signed by all of the Members.

5.7 No Delay. Each Member agrees not to unreasonably delay its response to any action or decisions proposed by the other Members, requiring approval by a Majority-In-Interest, and each Member agrees to make itself available at reasonable times and on reasonable notice.

5.8 Restrictions on Withdrawal. No Member may withdraw from the Company unless such withdrawal is approved in the same manner as a permitted transfer of a membership interest in accordance with the provisions of Section 9.2(a). Any Member withdrawing in violation of this provision shall be treated in the same manner as a Defaulting Member and be immediately expelled in accordance with Section 7.7. 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 Members shall have the right to continue the Company.

ARTICLE VI
MANAGEMENT

6.1 Management of the Company. Subject to the approval requirements for Major Decisions, the right, authority and duty to manage, control and conduct the business and affairs of the Company shall be vested in the President, and in such other Proper Officers who may be named by the Manager. The President, and such other Persons to whom such authority and duties are delegated, are sometimes referred to in this Agreement as "Proper Officers". The Proper Officers, in connection with the management of the Company's business, shall have any and all rights and powers of a manager under the Act, all of the rights and powers which are necessary for or convenient or incidental to the accomplishment of the Company's purpose and the conduct of the Company's business. Unless otherwise provided in this Agreement, all actions, approvals and other authorizations of the Manager may be undertaken only by Proper Officers elected by the Manager. The Manager will have sole authority to manage, control and conduct the business and affairs of the Company, as provided in this Article VI.

6.2 Removal of the Manager. The Manager may be removed with cause ("Cause") at any time upon vote of a Majority-in-Interest of the Class A Members. Cause means with respect to any Manager any of the following: (i) conviction of a felony or conviction of a misdemeanor which in the determination of the Members adversely affects the Company or the ability of the Manager to perform its duties hereunder; (ii) misappropriation of corporate funds or other acts of dishonesty with respect to the Company; (iii) such Manager's breach of this Agreement in any material respect; (vi) the failure of such Manager to diligently, substantially and satisfactorily perform the Manager's duties under the Operating Agreement.

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6.3 Proper Officers. The Manager may, from time to time, delegate to one or more Persons (including any Proper Officer of the Company and including through the creation and establishment of committees) such authority and duties as the Manager may deem advisable. In addition, the Manager may assign titles and delegate certain authority and duties to Persons as further described below. The salaries or compensation, if any, of the Proper Officers of the Company shall be fixed from time to time by the Manager. Any delegation pursuant to this Section 6.3 may be revoked at any time by the Manager. The Manager hereby names Richard C. Harkins as the initial President. The President, and such other Proper Officers as the Manager may elect from time to time, shall have the following authority and duties as Proper Officers of the Company:

(a) The President shall oversee the day-to-day activities of the Company, make all decisions other than Major Decisions or other decisions that have been delegated to other Proper Officers, and carry out Major Decisions which are made by the Manager. The President shall devote such part of his time to the 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 neither the President nor any other Proper Officer shall be required to devote his or her entire time or attention to the business, affairs and purpose of the Company.

(b) Each Proper Officer shall in good faith, but at the sole cost and expense of the Company, use the Proper Officer'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 Agreement, including, but not limited to, the matters described below. Each Proper Officer, 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 any Proper Officer may possess, he or she 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 Agreement) the following rights and powers:

(1) Protect and preserve the titles and interest of the Company Assets;

(2) 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;

(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 Members in a Company account or accounts in a bank or banks determined by the President;

(7) Make distributions periodically to the Members in accordance with the provisions of this Agreement;

(8) Insure or cause the Company Assets and the Company to be insured in such amounts and against such risks as the President 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 Agreement;

(10) Perform other obligations provided elsewhere in this Agreement to be performed by the President;

(11) Enter into and execute agreements and related documents in connection with the Company's assets;

(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 Proper Officers, in their reasonable discretion, shall deem reasonably necessary to meet anticipated Company expenses; and

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(15) Enter into and execute such additional agreements or other documents on behalf of the Company as the Proper Officers reasonably deem necessary to effectuate the foregoing.

6.4 Major Decisions. Notwithstanding any other provision hereof, no Proper Officer acting pursuant to the authority delegated to him in Section 6.3, shall take any action or incur any obligation binding on the Company within the scope of any of the following actions (the "Major Decisions") unless such action is expressly authorized elsewhere in this Agreement or until the Major Decision has the approval of the Manager. 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 Agreement;

(c) Develop or 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;

(e) Amend in any material respect, or waive any material rights in, any agreement the entering into of which was a Major Decision;

(f) Dissolve or wind up the Company except as otherwise provided in this Agreement or authorize any act that would make it impossible to carry on the ordinary business of the Company;

(g) 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;

(h) Extend the term of the Company;

(i) Consent to, or file for any bankruptcy, custodianship, receivership or trusteeship of the Company;

(j) Make any distributions of property in kind by the Company or accept any contributions by any Company of property other than cash;

(k) Admit any other Members to the Company except as otherwise provided herein or redeem membership interests;

(l) Determine any Agreed Value;

(m) Authorize any Additional Capital Contributions;

(n) Adopt or modify each budget hereafter approved by the Members;

(o) Incur any liability or obligation not contemplated in a Budget except de minimis amounts incurred in the ordinary course of business;

(p) 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;

(q) Cause the Company to settle any lawsuit that materially affects the ability of the Company to carry on its business as contemplated by this Agreement;

(r) Enter into any transaction with a Member of the Manager or Affiliate of a Member of the Manager at a cost to the Company of $50,000 or more; and

(s) Authorize the increase of Class A Units in any class of Units or the creation of an additional class of membership interests.

At the time the President requests approval of any Major Decision, the President shall furnish to the Manager such information as is reasonably necessary for the Manager 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

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disapprove a Major Decision in writing within such five (5) day period shall constitute an irrevocable approval of such Major Decision.

6.5 Other Business Ventures. The Members agree that none of the Members of the Manager shall be in violation of the duty of loyalty to the Company if he or she engages in or possesses an interest in any other business venture of any nature and description, independently or with others, whether such ventures are competitive with the Company or otherwise. The Members further agree that neither the Company nor the Manager shall have any right by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom.

6.6 Managers' Duty of Care. The Manager shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Manager reasonably believes to be in the best interests of the Company. The Manager shall cause the Company to conduct its business, operations and affairs separately from those of the Manager or any of its respective Affiliates.

6.7 Liabilities of the Manager.

(a) No Manager shall be liable, responsible, or accountable in damages or otherwise to any other Member for any act done or omitted by such Manager, within the scope of the authority conferred on such Manager by this Agreement or by law, except for acts of active negligence, fraud, or breach of the fiduciary duty of the Manager.

(b) The Company shall indemnify, defend and hold harmless the Manager for, from and against all loss, damages, liabilities and expenses (including, without limitation, attorneys' fees and court costs and expert witness fees) incurred by the Manager, whether individually or jointly, arising out of acts or omissions committed or alleged to have been committed while acting as the Manager for or on behalf of the Company; provided that with regard to the act or omission involved, the Manager's actions, or failure or refusal to act were not fraudulent or actively negligent or in breach of the Manager's fiduciary duty to the Company. Any indemnification extended pursuant to this Section 6.7 shall be paid from, and limited to, the assets of the Company, and no Manager shall have any personal liability on account thereof.

6.8 Indemnification of Agents. The Company shall indemnify, defend and hold harmless against any liability, claim, action, damage or expense (including, attorney's fees, costs of court and expert witness fees) any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including arbitration) by reason of the fact that he is or was a Member, Proper Officer, Manager or advisor to the Manager, deemed manager, or managing agent of the Company or is now serving or has served, at the request of the Company, as Manager, director, Proper Officer, employee or other agent of the Company or another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such Persons being referred to herein after as an "agent"), such indemnity to be extended to the fullest extent permitted by applicable law; provided that no indemnity shall be extended to any Member, employee or agent of the Company who has engaged in any intentional or willful wrong doing or fraud, or breach of this Agreement. The Manager shall be authorized, on behalf of the Company, to enter into indemnity agreements from time to time with any Person entitled to be indemnified by the Company hereunder, upon such terms and conditions as the Manager adopts.

6.9 Actions of the Manager. The Manager may act through meetings, written consents, committees or any other Person or Persons to whom authority and duties have been delegated by the Manager.

6.10 Resignation. The Manager may resign 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 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 Member.

6.11 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.

6.12 Meetings. The Manager shall not be required to hold regular meetings but shall hold meetings as required to provide guidance to the Proper Officers and to make Major Decisions. Meetings may be held at the principal office of the Company or at other mutually agreed places. Any Manager may call a special meeting upon three (3) days' notice to the other Members. However, in case of emergency, reasonable notice of a special meeting shall suffice.

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(a) Quorum. There shall be a quorum of the Members if a majority of the Members are present, in person or by proxy. However, if at the date, time and place stipulated in the notice of a meeting of the Members a quorum is not present, such meeting shall be deemed to have been called for the fifth (5th) business day following such date and at the same time and place. Each notice of a meeting of the Members shall include an itemized agenda prepared by the Manager calling the meeting.

(b) Minutes. The Members shall prepare minutes of all meetings of the Members and shall distribute copies of such minutes to all Members within five (5) days after the meeting. The minutes shall be the official record of the decisions made by the Manager. The Members acknowledge that personnel employed by the Company may be required to attend a meeting of the Manager, but no such personnel shall have a vote at the meeting.

(c) Telephone. Members may participate in a meeting of the Manager by means of telephonic communication or other means whereby each Member can hear each of the other Members, and such participation in the meeting shall constitute presence in person at the meeting.

(d) Action Without a Meeting. The Manager, in lieu of deciding any matter at a meeting or by telephone conference, may act by instrument in writing signed by all of the Members.

6.13 Compensation of Proper Officers and Members. The Proper Officers and Members shall receive reasonable compensation as set forth below for the performance of their services as Proper Officers and Members (collectively, the "Guaranteed Payments"), provided that all Members approve such compensation for the Proper Officers and each Manager. All Members must approve any increase in the compensation payable to the Proper Officers and any Manager pursuant to the Agreement. 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 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 ("Non-Contributing Member"). If a Member becomes a Non-Contributing Member, the Manager shall immediately give written notice of such fact to each Member and for a period of five (5) business days after the date of such notice each other Member 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 Member, the funds required from the Non-Contributing Member (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 (a "Contributing Member") shall lend the funds to the Non-Contributing Member in proportion to their respective percentage interest ("Percentage Interest"). At the expiration of the five (5) day period, the Manager shall advise each Member indicating a desire to make a Contribution Loan of the amount such Member is to advance to the Company and the date on which the funds are due and payable to the Company. 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 President 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.

7.2 Default. If no Member 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 ("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 membership interests.

(b) The Non-Contributing Member hereby grants a security interest in its membership interests to the Contributing Member(s) who advances a Contribution Loan(s) and irrevocably appoints the Contributing Member(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 Member(s). If there is more than one Contributing Member, each Contributing Member's security interest in the Non-Contributing Member's membership interests 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 the Contribution Loans to such Non-Contributing Member. Copies of any such documents shall be mailed to the Non-Contributing Member.

7.4 Defaulting Members. If any Contribution Loan (which shall include all reasonable attorney fees, interest, and costs incurred by the Contributing Member(s)) 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 Member and the Contributing Member(s) shall have, with respect to the Non-Contributing Member and his membership 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 membership interest. A Non-Contributing Member whose membership interest is foreclosed upon and sold shall remain liable to the Company and the Contributing Member(s) 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.

7.5 Loan Repayment. Until such time as a Non-Contributing Member becomes a Defaulting Member, any Contribution Loan shall remain in place and shall bear interest and be repaid as provided above. Until any such Contribution Loan is repaid in full, any distributions which would otherwise be payable to the Non-Contributing Member shall be paid to the Contributing Member(s) 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 right to vote on any 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 Member against a Defaulting Member, the Company and/or any Non-Defaulting Member 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 performance, or for the appointment of a receiver or specific master, in the discretion of the Company and/or such Non-Defaulting Member.

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 Agreement.

8.2 Audit. The books of the Company shall not be audited unless upon a vote of a majority of 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, or the President acting pursuant to the authority delegated to him in Section 6.3, shall cause the preparation for filing of all federal, state and local Company tax returns at the Company's expense, and shall make such tax elections and determinations as appear to be appropriate. Such tax returns shall be prepared by the President or an independent public accounting firm to be designated by the Manager. The Manager, or the President acting pursuant to the authority delegated to him in Section 6.3, shall endeavor to deliver to each Member its Form K-1 and any other required tax information by March 1 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 President. Check signing and other authority to transact business with respect to the accounts shall be vested with the President.

8.6 Tax Matters Partner. The President 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 a majority 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.

ARTICLE IX
RESTRICTIONS ON TRANSFERABILITY

9.1 Restrictions on Transfer of Interests. No Member shall sell, assign, pledge, hypothecate, encumber or otherwise voluntarily transfer by any means whatsoever ("Transfer") any membership 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), except as permitted pursuant to Section 9.2.

9.2 Permitted Transfers. Members may transfer any membership interest or any portion thereof if:

(a) the Manager shall have consented to such Transfer, and the Member shall have paid to the Company a transfer fee of five hundred dollars ($500) to cover administration expenses associated with the Transfer;

(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.

9.3 Special Provision Respecting Transfers Upon Bankruptcy.

(a) Upon bankruptcy of a Member, the Company then then 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 membership interest of such Member. The total purchase price for such Member's membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

9.4 Substitute Member. No Person taking or acquiring, by whatever means, the membership interest of any Member shall be admitted as a substitute Member in the Company (a "Substitute Member") without satisfying the following conditions:

(a) The Manager shall have consented to the substitution;

(b) The Person to whom the Transfer is to be made shall execute a signature page to this Agreement, agreeing to be bound by the provisions hereof, and if such Person is married, causes his or her spouse to sign a spousal consent, both in forms acceptable to the Manager; and

(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).

9.5 Termination of the Company for Tax Purposes. Notwithstanding anything to the contrary contained in any other provision of this Agreement, the sale or exchange of all or any part of a membership interest in the capital and/or the profits of the Company may not be made (and will be null and void) if the membership interest sought to be sold or exchanged, when added to all other membership 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.

9.6 Restraining Order. If any Member shall at any time Transfer or attempt to Transfer all or any part of its membership interest in violation of the provisions of this Agreement, then the Company, or 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 Section 29-785 of the Act;

(b) a unanimous vote of the Members to dissolve;

(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 Company Assets, unless such seizure is discharged within one hundred twenty (120) days thereafter; or

(d) December 31, 2044.

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 Company Assets shall be distributed to the Members in the same manner as provided in Section 3.1. 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 Member 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 President 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 Member 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 Company 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 Member shall look solely to the Company Assets 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 Member 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 Company Assets 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 11.1 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 Member violating this provision, reasonable attorney's fees, costs and other damages those non-violating Members and the Company incur in connection therewith.

ARTICLE XII
GENERAL

12.1 Notices. All notices and other communication required or permitted to be given pursuant to this 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 Member may change 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 12.1.

12.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

12.3 Controlling Law. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Arizona.

12.4 Provisions Severable. If any provision of this 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.

12.5 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 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.

12.6 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.

12.7 Execution in Counterparts. This Agreement may be executed in any number of original or electronic counterparts, all of which taken together shall constitute one and the same instrument.

12.8 Amendment. This Agreement may be amended only by an agreement in writing executed by all Members.

12.9 Attorney's Fees. If any party institutes a suit or other proceeding against any other party in any way connected with this 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.

12.10 Number of Days. Unless the subject provision references "business days," in computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays, and holidays; provided however, that

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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 Agreement, all days shall be counted except Saturdays, Sundays, and holidays.

12.11 Captions. Captions are not intended to convey any meaning or be a part of this Agreement but are merely used for assistance in identifying paragraphs and Sections.

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

Manager:

USA Barcelona Hotel Holding Company, LLC

By: _____
Richard C. Harkins, its President

Members:

By: _____
Richard C. Harkins

By: _____
George T. Simmons III

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Appendix A

DEFINED TERMS

Whenever used in this Agreement, the following terms shall have the following meanings:

"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 initial Capital Contributions made pursuant to Section 2.1.

"Additional 5% Distribution" means this Distribution shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative.

"Adjusted Capital Account Balance" means each Member's Adjusted Capital Account Balance immediately preceding the Return of Capital.

"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" 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 Members, 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 3.2 (a) or Paragraph 3.2 (b), 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 President 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 Membership Interest greater than the Membership 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 Membership 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)

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c. If there is an adjustment made to the common income tax basis of Company Assets under Code §734 and Regulations §1.734-2(b)(1), which adjustment would cause the adjusted tax basis of such 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).

"Agreement" means this Operating Agreement, by and among the Members and the Company, and as may be 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 Members.

"Articles" means the Articles of Organization filed by the Company.

"Basic Regulatory Allocations" mean the 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 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.

"Capital Account" means as of any particular date, the individual capital account, determined and maintained for each Member in accordance with Regulations §1.704-1(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 §1.704-1(b)(2)(iv)(c), and:

a. Increased by:

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 Article II of the Operating Agreement; 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 §1.704-1(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 §1.704-1(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

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iv. If and to the extent not otherwise includable in allocations described in Paragraph (a)(iii) 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 (a)(iii) and (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 Capital Accounts, the Capital Accounts 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 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), the Capital Accounts 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 Capital Accounts, would be allocated among all the Members under the terms of this Agreement, assuming that, in the case of an adjustment pursuant to Paragraph (b)(i) or (b)(ii) , 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), 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); and

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 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 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 Membership Interest, the Capital Account of the transferor Member that is attributable to the transferred Membership Interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a Membership 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 Members (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.

"Catchup Distribution" means if at any time all accrued Cumulative Distributions from prior periods have not been made, the first distribution shall be the Catchup Distribution; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

"Cause" means with respect to any Manager any of the following: (i) conviction of a felony or conviction of a misdemeanor which in the determination of the Members adversely affects the Company or the ability of the Manager to perform its duties hereunder; (ii) misappropriation of corporate funds or other acts of dishonesty with respect to the Company; (iii) such Manager's breach of this Agreement in any material respect; (vi) the failure of such Manager to diligently, substantially and satisfactorily perform the Manager's duties under the Operating Agreement.

"Class A Units" means the 10,000 Class A Member Units authorized by the Company.

"Class B Units" means the 1,111 Class B Member Units authorized by the Company.

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

"Company" means USA Barcelona Hotel Land Company I, LLC.

"Company Asset(s)" means, at any particular time, the Land Parcels and any other assets or property, tangible or intangible, choate or inchoate, fixed or contingent, of the Company.

"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).

"Contributing Member(s)" means a Member who has made a Contributing Loan to the Company.

"Contribution Loan" has the meaning set forth in Section 7.3.

"Cumulative Distributions" means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

"Defaulting Member" means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Members are Non-Defaulting Members.

"Distribution" means the cash payments made to Members.

"Effective Date" means the effective date of the Operating Agreement which is January 15, 2014.

"8% Priority Distribution" means the Distribution shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative.

"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.

"Final Distribution" means the fourth Distribution and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

"Fiscal Year" means the accounting year of the Company ending December 31 of each year, unless the Manager establishes a different year.

"Guaranteed Payment(s)" means the payments authorized to be made to the President and Proper Officers as stipulated in the Operating Agreement, Section 6.13(a).

"Initial Capital Account" means the purchase price paid for Units plus any Capital Account Credit.

"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.

"Major Decisions" has the meaning of those decisions set forth in Section 6.4.

"Majority-In-Interest" means a simple majority of a Class of Members in the Company.

"Manager Loan(s)" means if the Manager determines that the business of the Company requires funds, in addition to the capital contributed by the Members, the Company may borrow money from the Manager, and the Manager may make one or more loans to the Company to enable the Company to meet its obligations.

"Member(s)" means each Person who becomes a Member under the terms of this Agreement and each Person who may become a Substitute Member.

"Member Loans" means any loans made to the Company by Members.

"Member(s) Nonrecourse Debt" means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

"Member(s) 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).

"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 Fiscal 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.

"New Issue Units" means additional Units authorized by the Company for the purpose to raise additional capital through the sale of any new class of Members Units.

"Non-Contributing Member" has the meaning set forth in Section 7.1.

"Non-Defaulting Member" means any Member that is not a Defaulting Member.

"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 §1.704-2(c) and in the order determined in accordance with Regulations §1.704-2(j)(2).

"Nonrecourse Regulatory Allocations" mean the 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.

"Offer" means a bono fide offer from a third party to purchase all, or a portion of, membership interests.

"Percentage Interest" means the percentage interest of each Member in this Company set forth in Schedule 1.

"Person" means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

"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.

"Proper Officer(s)" means the President, and such other Persons to whom the Members delegate authority and duties to conduct the business and affairs of the Company.

"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.

"Regulatory Allocations" consist of the "Basic Regulatory Allocations," and the "Nonrecourse Regulatory Allocations.

"Return of Capital Distribution" means that Distribution shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero

"SLP LLC" means a limited liability company intended to acquire and Entitle a single Land Parcel.

'Substitute Member" means the transfer of membership interest to a Permitted Transferee under the terms outlined in Section 9.4 of the Operating Agreement.

"Tax Matters Partner" means the President of the Company who will act as the Partner for the Company for federal income tax purposes.

"Transfer" means the sale, assignment, pledge, hypothecation, or encumbering of any membership interest in the Company.

"Unit" means a unit of measurement the Company will use for purposes of determining a Member's Percentage Interest at any point in time and for purposes of determining voting rights.

"Unit holder" means a person who owns Class A Units or Class B Units.

"USA BRA" means USA Barcelona Realty Advisors, LLC.

"USA HLC-I" means the Company or USA Barcelona Hotel Land Company I, LLC.

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Schedule 1-
LIST OF MEMBERS

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EXHIBIT C – COMPANY BALANCE SHEET

USA Barcelona Hotel Land Company I, LLC
Balance Sheet
As of April 30, 2014

	Notes	April 30, 2014
Assets		
Cash	1	$ 1,000
Capitalized Organization Costs	2	750,000
Working Capital Commitment from USA BRA	3	-
Total Assets		751,000
Liabilities and Members Equity		
Liabilities		
Payable to BRA for Organization Period Services	2	250,000
Loan from BRA		-
Total Liabilities		250,000
Members Equity		
Retained Earnings		-
Class A Members		-
Class B Member	1, 2	501,000
Total Members Equity		501,000
Total Liabilities And Members Equity		$ 751,000

Note 1 – The Class B Member made an initial capital contribution of $1,000.

Note 2 – USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment.

Note 3 – USA BRA has agreed to make working capital loans, as needed by the Company, in an amount up to $500,000. Any such loans will be repaid on a non-priority basis plus 10% interest. Currently no funds have been advanced to the Company by USA BRA under this agreement. Also, USA BRA will be credited with an additional $500,000 to its Capital Account for foregoing the first $500,000 in Entitlement Completion Fees due to it which will allow the Company to retain that cash to accommodate any payments made to Class A Members under the Liquidity Feature. Under the Forecast, this event(s) will not occur until mid-2015. Accordingly, the amount(s) is not reflected in the Balance Sheet.

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EXHIBIT D – FINANCIAL FORECAST

- For the Period 2014 through 2017 –

Contents of the Financial Forecast:

Statements of Cash Flows

Statements of Operations

Balance Sheets

Notes to the Financial Forecast Statements

The information contained in this Financial Forecast is entirely forward-looking information that is not based on historical operating results of our Company. The Forecast was created using numerous assumptions set forth below, which you should examine carefully. The Forecast is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in this Forecast will in fact transpire or prove to be accurate.

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

- Our ability to raise capital sufficient for us to conduct business according to our plans.
- Risks associated with the hotel industry, including competition, increases in employment costs, energy costs and other operating costs, or decreases in demand caused by events beyond our control including, without limitation, actual or threatened terrorist attacks, any type of flu or disease-related pandemic, or downturns in general and local economic conditions.
- The availability and terms of financing and capital and the general volatility of securities markets.
- Our ability to acquire desirable future Land Parcels on a favorable basis, and to obtain a satisfactory price when we liquidate the fully Entitled Land Parcels.
- Risks associated with the real estate industry, including environmental contamination and costs of complying with the Americans with Disabilities Act and similar laws.
- Interest rate increases.
- Our ability to maintain sufficient liquidity and our access to capital markets.
- The effect of changing economic conditions in the United States.
- Our relationships with franchisors.
- We have included a Financial Forecast incorporating Company operations for the period 2014-2017. Our Financial Forecast is based on many assumptions, as enumerated in this Exhibit. 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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN THE FINANCIAL FORECAST

Organization

USA Barcelona Hotel Land Fund I, LLC (the "Company") is an Arizona limited liability company. The Company, which has no operating history, was formed to contract to acquire land in selected metropolitan areas in the United States and Canada. Initial capitalization occurred on April 30, 2014 when USA Barcelona Realty Advisors, LLC. contributed $1,000 in paid in capital. The Company's fiscal year is the calendar year. The Balance Sheets includes the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated.

Significant Accounting Policies

Consolidation. Our consolidated financial statements include the accounts of the Company and our wholly owned subsidiaries. All inter-company transactions, balances and profits have been eliminated in consolidation. In addition, we evaluate our investments in partnerships and joint ventures for consolidation based on whether we have a controlling interest, including those in which we have been determined to be a primary beneficiary of a variable interest entity ("VIE") or meets certain criteria of a sole general partner or managing member in accordance with the consolidation guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

The application of these accounting principles requires management to make significant estimates and judgments about our rights and our venture partners' rights, obligations and economic interests in the related venture entities. For example, under this pronouncement, there are judgments and estimates involved in determining if an entity in which we have made an investment is a VIE and if so, if we are the primary beneficiary. This includes determining the expected future losses of the entity, which involves assumptions of various possibilities of the results of future operations of the entity, assigning a probability to each possibility and using a discount rate to determine the net present value of those future losses. A change in the judgments, assumptions and estimates outlined above could result in consolidating an entity that should not be consolidated or accounting for an investment on the equity method that should in fact be consolidated, the effects of which could be material to our the financial statements.

Start-Up Costs. Start-up costs are capitalized as incurred.

Use of Estimates. The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results will differ from those estimates.

Investments in Land Parcels. Land Parcels acquired by the Company will be stated at cost and will include real estate brokerage commissions paid to and other due-diligence costs reimbursed to USA Barcelona Realty Advisors.

The Company will record impairment losses on real estate used in the operations if indicators of impairment are present, and the undiscounted cash flows (cash inflows less associated cash outflows) estimated to be generated by the respective Properties are less than their carrying amount. Impairment losses are measured as the difference between the asset's fair value, and its carrying value.

The Company accounts for acquisitions utilizing the purchase method, and accordingly, the results of the acquisition of real estate are included in the Company's results of operations from the date of acquisition. All liabilities assumed in connection with an acquisition of Land Parcels are marked to market at the date of the acquisition using a market interest rate in effect at that date for similar debt agreements with similar maturities. The resulting premium or discount is amortized into interest expense over the life of the related debt agreement using the effective interest method.

Investments in Unconsolidated Entities. The equity method of accounting is applied with respect to investments in entities for which we have determined that consolidation is not appropriate and we have significant influence. We record equity in earnings of the entities under the hypothetical liquidation at book value method of accounting. Under this method, we recognize income in each period equal to the change in our share of assumed proceeds from the liquidation of the underlying unconsolidated entities at book value. Under this method, in any given period, we could be recording more or less income than actual cash distributions received and more or less than what we may receive in the event of an actual liquidation.

Mortgages and Other Notes Receivable. Mortgages and other notes receivable are recorded at the stated principal amounts net of deferred loan origination costs or fees. A loan is considered to be impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the note. An allowance for loan loss is calculated by comparing the carrying value of the note to the estimated fair value of the underlying collateral. Increases and decreases in the allowance due to changes in the measurement of the impaired loans are included in

the provision for loan loss not to exceed the original carrying amount of the loan. Interest income on performing loans is accrued as earned. Interest income on impaired loans is recognized as collected. The estimated fair market value of the underlying loan collateral is determined by management using appraisals and internally developed valuation methods. These models are based on a variety of assumptions. Changes in these assumptions could positively or negatively impact the valuation of our impaired loans.

Derivative Instruments and Hedging Activities. We may utilize derivative instruments to partially offset the effect of fluctuating interest rates on the cash flows associated with our variable-rate debt. We intend to follow established risk management policies and procedures in our use of derivatives and do not enter into or hold derivatives for trading or speculative purposes. We will record all derivative instruments on the balance sheet at fair value. On the date we enter into a derivative contract, the derivative is designated as a hedge of the exposure to variable cash flows of a forecasted transaction. The effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income (loss) and subsequently recognized in the statement of operations in the periods in which earnings are impacted by the variability of the cash flows of the hedged item. Any ineffective portion of the gain or loss is reflected in interest expense in the statement of operations. Determining fair value and testing effectiveness of these financial instruments requires management to make certain estimates and judgments. Changes in assumptions could have a positive or negative impact on the estimated fair values and measured effectiveness of such instruments could in turn impact our results of operations.

Accounting for Land Parcel Acquisitions. For each Land Parcel acquisition, we record the fair value of the land, and any assumed liabilities on contingent purchase consideration. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair values are determined based on incorporating market participant assumptions, discounted cash flow models and our estimates reflecting the facts and circumstances of each acquisition.

Acquisition Fees and Costs. We will expense, rather than capitalize, acquisition fees and costs in accordance with existing accounting requirements. The expensing to operations procedure causes a decrease in cash flows from operating activities, as compared to when acquisition fees and costs were included in cash flows from investing activities, but are now treated as cash flows from operating activities. The characterization of these acquisition fees and costs to operating activities in accordance with GAAP does not change the nature and source of how the amounts are funded and paid. We will capitalize acquisition fees and costs incurred in connection with the making of loans, simple asset purchases and other permitted investments.

Fair Value of Non-Financial Assets and Liabilities. For non-financial assets and liabilities such as real estate, intangibles, investments in unconsolidated entities and other long-lived assets, including the incorporation of market participant assumptions, Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement dated. We will generally determine fair value based on incorporating market participant assumptions, discounted cash flow models and our management's estimates reflecting the facts and circumstances of each non-financial asset or liability.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. These estimates include the allocation of costs and the assessment of the collectability of accounts receivable, use and recoverability of inventories, useful lives for amortization periods, and recoverability of goodwill, among others. Actual results could differ from those estimates.

Goodwill and Other Intangible Assets. Goodwill and identifiable intangibles which consists of leasehold advantages, recorded in connection with the Land Parcel purchase transactions, are accounted for in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets.

Leasehold Advantage. Is amortized on a straight line basis over the life of the land leases (if any), which range from 22 – 33 years. A leasehold advantage exists when the selected property pays a contracted rent that is below current market rents. The value of a leasehold advantage is calculated based on the differential between market and contracted rent, which is tax effected and discounted to present value based on an after-tax discount rate corresponding to each Land Parcel.

Capitalized Interest. We will capitalize interest expense during the period of Land Entitlement of Land Parcels.

Cash and Cash Equivalents. We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash. "Restricted cash" consists of cash held as collateral to provide credit enhancement for select Land Parcel obligations related to Land Parcel Purchase Contracts deposits made in the form of Company or Affiliate Promissory Notes.

Income Taxes. Our SLP LLCs will account for income taxes under SFAS No. 109, Accounting for Income Taxes, which prescribes an asset and liability approach. Under the asset and liability method, deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense (benefit) is the tax payable (refundable) for the period and the change during the period in deferred tax assets and liabilities. This approach will be used to determine the components of income taxes for the select Properties based on the specific identification of assets and liabilities.

2. OFFERING OF UNITS

Description of the Offering

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. Purchasers must purchase a minimum of 100 Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

Who May Invest. Only Accredited Investors may purchase Class A Units. In general, natural persons must have a minimum annual income of at least $200,000, or a net worth of $1,000,000. See "Plan of Distribution - Investor Qualifications".

Risk Factors. The Class A Units being offered involve a high degree of risk. Prospective investors, prior to making an investment, should carefully consider the risks and speculative factors inherent in and affecting the business of the Company. See "Risk Factors".

Net Offering Proceeds. Estimated net proceeds of the Offering are $9,100,000. See "Planned Use of Offering Proceeds"'

Subscription Payment. Subscribers fund their Class A Unit Purchase Price by paying 100% of the amount subscribed at Subscription.

Exempt Offering. The Class A Units are being sold in an exempt offering to Accredited Investors pursuant to exemptions from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, Regulation D 506(c) adopted thereunder, and applicable state laws.

Plan of Distribution. The Class A Units are being offered by the members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Other persons who assist in sales; including registered investment advisors, licensed securities dealers and others ("Selling Agents") subject to applicable state securities laws, may receive fees or commissions of up to 8% on sales of Class A Units. We also intent to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of than $920 per Class A Unit.

Commissions; Sales to Eligible Persons. The Company may pay fees and commissions of up to 8% of the price of Class A Units sold in this Offering where sales are made by licensed securities dealers and others ("Selling Agents") authorized to receive such amounts under applicable securities laws. The Company's estimated allocation of the net Offering 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.

Additionally, regarding purchases of Class A Units by IRAs, the Company may 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 Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period, and any unused funds apportioned to this category will be reapportioned to Company Working Capital. We also intend to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of not less than $920 per Class A Unit.

Maximum legal, accounting, printing and other expenses associated with the Offering are estimated to be $100,000 and will be paid from Offering Proceeds.

Escrow. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

Allocations. 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 his or her respective Capital Account as provided in the Operating Agreement. See Exhibit B, Operating Agreement.

Voting. The Class A Members voting rights are limited to (i) any matter that would materially alter their Distribution rights, and (ii) the removal of the Manager for Cause. A Majority In Interest of the Class A Members must approve any action on which the Class A Members are entitled to vote. See Exhibit B - Operating Agreement.

Class A Member Tax Returns. The federal income tax information sent to each Class A Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. Management will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by management in compiling the tax information to be sent to the Class A Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Class A Member for his individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

Liquidity Feature

The Company intends to create a Liquidity Feature to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

Advisor's Capital Contributions

Our Advisor, USA BRA, has made an initial capital contribution of $1,000. Additionally, USA BRA has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,001,000 for the $1,000 cash capital contribution and the two $500,000 Capital Account credits.

Distributions

Each Class A Unit holder's capital account ("Capital Account") will be initially established in the amount of the purchase price paid for the Class A Units. We refer to that amount as the "Initial Capital Account".

Each Class B Unit holder's Capital Account will be initially established in the amount of the purchase price paid for the Class B Units plus any applicable Capital Account Credits ("Capital Account Credits") granted by the Company for amounts due for organization period work. USA Barcelona Realty Advisors ("USA BRA"), our Advisor, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided

to the Company and other associated matters. Accordingly, USA BRA's Original Capital Account Balance will be credited in the amount of $500,000.

In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

Distribution of Net Cash Flow. Commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the fiscal year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each fiscal year, the Company shall make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first Distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first Distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second Distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth Distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

Cumulative Distributions means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

3. CLASS B MEMBER CAPITAL ACCOUNT CREDITS

Advisor's Capital Contributions

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000 for these Capital Contributions.

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USA Barcelona Hotel Land Company I, LLC

Statements of Cash Flows	Notes	2014	2015	2016	2017
Cash flows from operating activities:					
Income from Sale of SLP's to New Build Affiliates	7	$ -	$ 8,841,600	$ 35,501,600	$ 14,048,000
Payment from New Builds for Refundables	8	-	1,584,360	6,656,200	2,011,600
Company Administration Expense	13	(1,200,000)	(1,275,000)	(900,000)	(225,000)
Organization Costs	9	(750,000)	-	-	-
Total Cash flows from operating activities:		(1,950,000)	9,150,960	41,257,800	15,834,600
Cash flows from Investing activities					
Land Entitlement Costs:					
DD Step 1	16	(285,108)	(1,090,615)	(554,250)	-
Franchise	16	(211,358)	(1,028,315)	(849,800)	-
Financing	16	(175,525)	(855,434)	(1,458,015)	-
Civil	16	(88,025)	(440,467)	(642,682)	-
Structural	16	(65,165)	(578,645)	(477,450)	-
P&Z	16	(151,487)	(1,389,100)	(2,471,525)	-
Permit Application	16	-	-	-	-
Land Closing	16	-	(5,220,220)	(20,635,305)	(8,165,400)
Legal	10	(75,000)	-	-	-
Printing, Escrow, Accounting	10	(25,000)	-	-	-
Marketing	11	(150,000)	-	-	-
Not Used	na	-	-	-	-
Sales Commissions	10	(480,000)	(320,000)	-	-
Discontinued Land Parcel Entitlement Costs	12	(80,000)	(120,000)	(40,000)	-
Land Parcel Location and Acquisition Fee	14	(221,040)	(794,740)	(444,000)	-
Land Entitlement Completion Fee	15	-	-	(1,273,728)	(561,920)
		(2,007,709)	(11,837,537)	(28,846,754)	(8,727,320)
Cash flows from financing activities					
Class A Members' Capital	1	6,000,000	4,000,000	-	-
Loan From USA BRA - Deferred Organization Costs	2	250,000	-	-	-
Class B Members' Capital	3	501,000	353,664	146,336	-
Not Used	4	-	-	-	-
Available	na	-	-	-	-
Bank Land Loan	5	-	-	-	-
USA BRA Loan	6	500,000	-	-	-
Advances from USA BRA - Principal	17	-	-	(500,000)	-
Advances from USA BRA - Interest	17	-	-	(108,333)	-
Not Used	17	-	-	-	-
Not Used	17	-	-	-	-
Bank Land Loan - Principal	17	-	-	-	-
Bank Land Loan - Interest	17	-	-	-	-
Loan From USA BRA - Deferred Organization Costs - Principal	17	-	-	(250,000)	-
Loan From USA BRA - Deferred Organization Costs - Interest	17	-	-	(43,750)	-
Class A Members	18	-	(2,360,983)	(7,723,198)	(11,367,416)
Class B Members	18	-	(122,237)	(130,130)	(2,018,993)
Total Cash flows from financing activities		7,251,000	1,870,444	(8,609,076)	(13,386,409)
Net change in cash and cash equivalents		3,293,291	(816,132)	3,801,970	(6,279,129)
Cash and cash equivalents, beginning of period		-	3,293,291	2,477,159	6,279,129
Cash and cash equivalents, end of period		$ 3,293,291	$ 2,477,159	$ 6,279,129	$ -

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USA Barcelona Hotel Land Company I, LLC

Statements Of Operations	Notes	2014	2015	2016	2017
Income					
Income from Sale of SLP's to New Build Affiliates	7	$ -	$ 8,841,600	$ 35,501,600	$ 14,048,000
Payment from New Builds for Refundables	8	-	1,584,360	6,656,200	2,011,600
Total Income		-	10,425,960	42,157,800	16,059,600
Expenses					
Offering Costs					
Legal	10	75,000	-	-	-
Printing, Escrow, Accounting	10	25,000	-	-	-
Marketing	11	150,000	-	-	-
Expensing Of Organization Costs	na	750,000	-	-	-
Sales Commissions	10	480,000	320,000	-	-
Discontinued Land Parcel Entitlement Costs	12	80,000	120,000	40,000	-
Company Administration Expense	13	1,200,000	1,275,000	900,000	225,000
Land Parcel Location and Acquisition Fee	14	221,040	794,740	444,000	-
Land Entitlement Completion Fee	15	-	-	1,273,728	561,920
Land Entitlement Costs:	16	976,669	10,602,797	27,089,026	8,165,400
Advances from USA BRA - Interest	17	-	-	108,333	-
Organization Period Loan from USA BRA - Interest	17	-	-	43,750	-
Chargeoff of Unamortized Organization Costs	9	-	-	-	750,000
Bank Land Loan - Interest	17	-	-	-	-
Total Expenses		3,957,709	13,112,537	29,898,838	9,702,320
Net Income		$ (3,957,709)	$ (2,686,577)	$ 12,258,963	$ 6,357,280

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USA Barcelona Hotel Land Company I, LLC

Balance Sheets	Notes	2014	2015	2016	2017
Assets					
Cash		$ -	$ 2,477,159	$ 6,279,129	$ -
Other		750,000	750,000	750,000	-
		-	-	-	-
Total Assets		4,043,291	3,227,159	7,029,129	-
Liabilities And Members Equity					
Liabilities					
Bank Land Loan	17	$ -	-	-	-
Payable to BRA for Organization Period Services	2	$ 250,000	250,000	-	-
Loan from BRA	6	$ 500,000	500,000	-	-
Not Used	4	$ -	-	-	-
Total Liabilities		750,000	750,000	-	-
Members Equity					
Class A Members' Capital	1				
Beginning Capital Account Balance		-	6,000,000	7,639,017	(84,181)
Capital Contributions	1	6,000,000	4,000,000	-	-
Less: Distributions	18	-	(2,360,983)	(7,723,198)	(11,367,416)
Ending Equity		6,000,000	7,639,017	(84,181)	(11,451,597)
Class B Members' Capital					
Beginning Capital Account Balance		-	1,251,000	1,482,427	1,498,633
Capital Contributions	3	1,251,000	353,664	146,336	-
Less: Distributions	18	-	(122,237)	(130,130)	(2,018,993)
Ending Equity		1,251,000	1,482,427	1,498,633	(520,360)
Retained Earnings:					
From Prior Period			(3,957,709)	(6,644,286)	5,614,677
From Current Period		(3,957,709)	(2,686,577)	12,258,963	6,357,280
Total Retained Earnings		(3,957,709)	(6,644,286)	5,614,677	11,971,957
Total Equity		3,293,291	2,477,159	7,029,129	-
Total Liabilities & Equity		$ 4,043,291	$ 3,227,159	$ 7,029,129	$ -

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Notes to the Financial Forecast Statements

The Forecast computer model uses the following chart to correlate numbered calendar months to program months.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1	2	3	4	5	6	7	8	9	10	11	12
2015	13	14	15	16	17	18	19	20	21	22	23	24
2016	25	26	27	28	29	30	31	32	33	34	35	36
2017	37	38	39	40	41	42	43	44	45	46	47	48

Note 1 – Class A Members' Capital

The Maximum Offering of Class A Units is $10,000,000. The Forecast incorporates the maximum amount of capital that can be raised with these funds being received over the period June 2014 through May 2015. Amounts shown in thousands ($000).

Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
$ -	$ -	$ -	$ -	$ -	$ 1,500	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750

Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
$ 750	$ 750	$ 750	$ 750	$ 1,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -

In running sensitivity analysis of the minimum amount of capital required to execute the business plan, it was determined that $5,500,000 of total capital, funded over the period June 2014 through September 2014 would be sufficient to execute the Company's business plan. The Forecast incorporate $11,001,000 of capital, $1,001,000 from the Class B Members and $10,000,000 from the Class A Members. The actual amount raised will be dependent on several factors, mainly, staying on schedule with the Entitlement program and the possible need to close on Land Parcel Purchase Contracts prior to the assignment to New Build Affiliates.

Note 2 – USA BRA Loan

The Class B Members are comprised of the Manager, USA Barcelona Hotel Holding Company, LLC and our Advisor, USA Barcelona Realty Advisors, LLC ("USA BRA"). USA BRA has charged the Company $750,000 for organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the statements in the Forecast for assumed timing of repayment.

Note 3 – Class B Member Capital

As stated in Note 2, USA BRA has contributed $500,000 of the organization period reimbursements owed to it by the Company as Class B Member Capital. Additionally, in order to create a Class A Member hardship Liquidity Feature, USA BRA has agreed to waive receipt of payment of the first $500,000 of Land Parcel Entitlement Completion Fees (approximately the initial three Land Parcel transfers to New Build Affiliates) and instead accept a credit to its Class B Member Capital Account for those amounts. Total USA BRA Capital Accounts credits will be $1,000,000.

Note 4 – No loan is assumed in the Forecast.

Note 5 – Bank Land Loan

No loan is assumed to be employed in the Forecast. However, in the event the Company is required to acquire a Land Parcel, a Bank Land Loan may be employed at no more than 65% of the cash required to effect a closing on the Land Parcel.

Note 6 – USA BRA Cash Loan

In addition to the loan made to the Company as described in Note 2, USA BRA has agreed to loan to the Company $500,000 to enable the Company to commence its business operations prior to receiving any Proceeds from the Offering. In the event the Company receives Proceeds from the Offering in May 2014, the amount of the USA BRA loan would be diminished accordingly.

Note 7 – Income from sale of SLPs to New Build Affiliates

The Forecast calls for Land Parcels to be put under letters of intent on the schedule shown below. Resulting from that timing, it is assumed each Land Parcel will take 12 months to entitle and then be sold or assigned to a specific New Build Affiliate. That sequence of events leads to the timing of income from Land Parcel sales and assignments, as follows (dollars in the chart are shown in thousands):

Land Parcel	Land Parcel Contract Signing	Land Parcel Sale	Land Parcel Purchase Contract Amount	Sales Price to New Build Affiliate	Profit on Sale of Land Parcel
SLP 1 - Hampton Inn & Suites - Buena Park, CA - 128 keys	Dec 14	Nov 15	$ 2,496	$ 3,994	$ 1,498
SLP 2 - Home2 Suites by Hilton - Azusa, CA - 107 keys	Sep 14	Aug 15	1,926	3,082	1,156
SLP 3 - Hilton Garden Inn - Claremont, CA - 136 keys	Jul 15	Jun 16	2,822	4,515	1,693
SLP 4 - Hampton Inn & St. - Cathedral City, CA - 101 keys	Jun 15	May 16	1,465	2,343	879
SLP 5 - Hampton Inn - Hesperia, CA - 80 keys	May 14	Apr 15	1,104	1,766	662
SLP 6 - Hilton Garden Inn - Rialto, CA - 136 keys	Apr 15	Mar 16	1,904	3,046	1,142
SLP 7 - Homewood Suites - Madeira Beach, FL - 93 keys	Aug 15	Jul 16	1,860	2,976	1,116
SLP 8 - Hampton Inn & St. - Maderia Beach, FL - 107 keys	Sep 15	Aug 16	2,140	3,424	1,284
SLP 9 - TBD - TBD, TBD - 107 keys	Oct 15	Sep 16	1,498	2,397	899
SLP 10 - TBD - TBD, TBD - 136 keys	Feb 15	Jan 16	2,720	4,352	1,632
SLP 11 - TBD - TBD, TBD - 131 keys	Nov 15	Oct 16	2,620	4,192	1,572
SLP 12 - TBD - TBD, TBD - 142 keys	Dec 15	Nov 16	2,840	4,544	1,704
SLP 13 - TBD - TBD, TBD - 116 keys	Jan 16	Dec 16	2,320	3,712	1,392
SLP 14 - TBD - TBD, TBD - 136 keys	Feb 16	Jan 17	2,720	4,352	1,632
SLP 15 - TBD - TBD, TBD - 148 keys	Mar 16	Feb 17	2,960	4,736	1,776
SLP 16 - TBD - TBD, TBD - 155 keys	Apr 16	Mar 17	3,100	4,960	1,860
Totals			$ 36,495	$ 58,391	$ 21,897

Note 8 – Payment from New Build Affiliates for Refundables

Refundables include cash expenditures that we made to enhance the value of the Land Parcel during the Entitlement Process that typically are classified as "construction period costs".

Single Land Parcels	Month Received		Amount Received
SLP 1 - Hampton Inn & Suites - Buena Park, CA - 128 keys	23	X	$ 545,700
SLP 2 - Home2 Suites by Hilton - Azusa, CA - 107 keys	20	X	515,160
SLP 3 - Hilton Garden Inn - Claremont, CA - 136 keys	30	X	855,700
SLP 4 - Hampton Inn & St. - Cathedral City, CA - 101 keys	29	X	580,350
SLP 5 - Hampton Inn - Hesperia, CA - 80 keys	16	X	523,500
SLP 6 - Hilton Garden Inn - Rialto, CA - 136 keys	27	X	869,300
SLP 7 - Homewood Suites - Madeira Beach, FL - 93 keys	31	X	665,750
SLP 8 - Hampton Inn & St. - Maderia Beach, FL - 107 keys	32	X	662,300
SLP 9 - TBD - TBD, TBD - 107 keys	33		514,800
SLP 10 - TBD - TBD, TBD - 136 keys	25		516,400
SLP 11 - TBD - TBD, TBD - 131 keys	34		664,400
SLP 12 - TBD - TBD, TBD - 142 keys	35		668,800
SLP 13 - TBD - TBD, TBD - 116 keys	36		658,400
SLP 14 - TBD - TBD, TBD - 136 keys	37		666,400
SLP 15 - TBD - TBD, TBD - 148 keys	38		671,200
SLP 16 - TBD - TBD, TBD - 155 keys	39		674,000
Total Amount of Refundables Payments Received From New Build Affiliates			$ 10,252,160

x" - A Land Parcel specified in the Offering. The economics for all unspecified Land Parcels are based on actual prospective Land Parcels under consideration by the Company.

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Note 9 – Organization Costs

These costs are capitalized and charged to earnings in the final period in the Forecast. Also see Note 2.

Note 10 – Offering Costs

Legal - Offering Expenses in an amount up to 1% of Offering Proceeds may be paid by the Company for legal, accounting, escrow, printing and other related expenses. $75,000 has been allocated to Legal expenses associated with the Offering.

Printing, Escrow and Accounting Expenses – $25,000 has been allocated to this classification of Offering Costs

Sales Commissions - The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. Purchasers must purchase a minimum of 100 Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit. The Class A Units are being offered by members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Offering fees and commissions of up to 8% of the Subscription Purchase Price may be paid by the Company on Class A Units sold in this Offering where sales are made by securities dealers and other Selling Agents legally authorized to receive such compensation. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. The Company will not pay offering commissions or custodian fees relating to Class A Units sold at the Modified Price. Regarding purchases of Class A Units by IRAs, if applicable, the Company will pay a one-time fee to the associated IRA custodian of up to $500, which payment will be deducted from any commissions otherwise due on the sale of the associated Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period.

Note 11 – Marketing of the Offering

From Company operating revenues and proceeds from loans made to the Company, this is an allowance for costs associated with marketing the Offering through the broker dealer community and for other costs otherwise associated with promoting the Offering such as general solicitation related costs, as allowed under Section 4(a)(2) of the Act, Rule 506(c).

Note 12 – Discontinued Land Parcel Entitlement Costs

An allowance is made in the Forecast for costs associated with Land Parcels that do not make it through the Due Diligence step. This allowance is $10,000 a month for the twenty four month period Land Parcels are Forecast to be undergoing Entitlement work.

Note 13 – Company Administration Expense

Advisor will be paid a Program Management Fee of $150,000 a month commencing May, 2014 through May, 2015 and $75,000 a month thereafter through the month in which the final Land Parcel sale or assignment occurs. It is important to understand the scope of work required to execute the Company's business plan and to relate that body of work to the costs required to conduct the Company's business. (See the Memorandum, Section V. Business Plan and Section VIII. About Our Advisor – USA Barcelona Realty Advisors, LLC.)

Note 14 – Land Parcel Location And Acquisition Fee

Under the Advisory Agreement, USA BRA is also entitled to four percent (4%) of the purchase price called for in the Land Parcel Purchase Contract of each Land Parcel arranged for the Company.

Note 15 – Land Parcel Entitlement Completion Fee

Under the Advisory Agreement, USA BRA is also entitled to an Land Parcel Entitlement Completion Fee of 4% of the sales price or the assignment value of each Land Parcel to a New Build Affiliate.

Note 16 – Land Parcel Entitlement Costs

The Company's business plan takes each Land Parcel through a series of value enhancing steps which, in aggregate, we refer to as the Entitlement Process. Each Land Parcel will have an Entitlement Period budget that incorporates the following major line items, which are associated with steps in the Entitlement Process:

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- Land Parcel Contract executed between the Company or a SLP LLC and the land owner.
- Preliminary Due Diligence – The initial 60 days under contract will involve numerous internal and third party contractor studies and confirmations.
- Franchise – Hotel franchise application and franchisor approval obtained.
- Financing – Lender approval obtained for construction and mini-perm financing.
- General Contractor engaged and final construction budget and construction schedule developed.
- Civil Engineering – Civil engineering work completed and submitted to appropriate municipal authorities for review and approval.
- Structural and Design – Structural engineering and architectural work completed and submitted to appropriate municipal authorities for permit review and approval.
- Planning & Zoning approvals obtained.

The following is an example of an Entitlement Budget (this is the Azusa, California budget):

Land Deposits	$	134,820
Internal Feasibility Charge		-
Structural/MEP Engineering		-
Architectural Design		175,000
Building Permit Application		-
Civil Engineering Design		40,660
Available		-
Construction Loan Sourcing		20,000
Environmental Study & Geo Tech		17,500
Financing Study (Internal Chg)		-
Franchise Exploration		5,000
Franchise Fee		72,500
Market Feasibility Study (STR and PKF)		20,000
Legal		50,000
Bank Loan Commitment Fee		82,500
Land Closing		-
Interior Design		25,000
Other		-
Other		-
Other Engineering & Design Work		-
Planning & Zoning		10,000
Site Plan - Preliminary		5,000
Soils Study		7,500
Traffic Study		8,500
Utility Study		6,500
Total Land Parcel Entitlement Budget	$	680,480

In the Forecast's Statement of Cash Flows, "Land Closing" is shown as a sub-item cost under Land Entitlement Costs. That selection of disclosure is an accommodation to the manner in which the economic model for the Forecast is constructed. In fact, the Company does not intend to acquire any Land Parcels, rather, we plan to control them through the Land Parcel Purchase Contracts and upon completion of the Entitlement process, sell or assign each Land Parcel to a New Build Affiliate. Whether we "sell" a Land Parcel, or "assign" to a New Build Affiliate the related transaction between the Company and the New Build Affiliate will be based on:

- ✓ For a Land Parcel acquired by the Company during the Entitlement Period, we will "sell" the Land Parcel to a New Build Affiliate a price equal to the appraised value of the Land Parcel at the time of the sale, or
- ✓ For a Land Parcel which the Company has not yet acquired, but controls under terms of the Land Parcel Purchase Contract, and for which we complete Entitlement, the Company will "assign" the Land Parcel Purchase Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Land Parcel at the time of assignment, and the amount due to the seller under the Land Parcel Purchase Contract.

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Note 17 – Repayment Of Loans

Loans to the Company	Interest Rate	Principal	Interest
Advances from USA BRA	10.0%	$ 500,000	$ 108,333
Other Loans	na	na	na
Bank Land Loan	na	na	na
Loan From USA BRA – Deferred Organization Costs	10.0%	250,000	43,750

See the Forecast financial statements for timing of Loan Repayments

Note 18 – Distributions

Each Class B Unit holder's Capital Account will be initially established in the amount of the purchase price paid for the Class B Units ($1,000) plus any applicable Capital Account Credits granted by the Company to USA BRA as described below.

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Class A Member Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000.

For the purpose of computing Distribution amounts due to all Units (including the Class A Units and the Class B Units), each Unit holder's capital account shall be reduced by Distributions received as Return Of Capital Distributions, but not for Distributions received as Catch-up Distributions, 8% Priority Distributions or Additional 5% Distributions. In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

Distribution of Net Cash Flow. Commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the fiscal year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each fiscal year, the Company plans to make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first Distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first Distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second Distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth Distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

Cumulative Distributions means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

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The following table summarizes Distributions, under the Maximum Offering of $10,000,000, among the Class A Members and Class B Member, by year, as derived from the Forecast Statements:

Dist Step	Summary Of Cash Distributions	Totals	2014	2015	2016	2017
(a)	To Class A Members	$ -	$ -	$ -	$ -	$ -
	To Class B Members	-	-	-	-	-
(b)	To Class A Members	1,576,653	-	900,061	628,659	47,933
	To Class B Members	170,698	-	70,598	80,080	20,020
(c)	To Class A Members	985,408	-	562,538	392,912	29,958
	To Class B Members	110,861	-	48,299	50,050	12,513
(d)	To Class A Members	10,000,000	-	901,724	6,701,628	2,396,649
	To Class B Members	1,001,000	-	-	-	1,001,000
(e)	To Class A Members	8,890,503	-	-	-	8,890,503
	To Class B Members	987,834	-	-	-	987,834
	To Class A Members	21,452,564	-	2,364,323	7,723,198	11,365,043
	To Class B Members	2,270,393	-	118,897	130,130	2,021,366
	Totals	$ 23,722,957	$ -	$ 2,483,220	$ 7,853,328	$ 13,386,409

The Company is an operating company dealing in the land acquisition and Land Parcel Entitlement business. The Land Parcels have a lifecycle of 12 months with the Company. At the end of their Entitlement Period with the Company they are sold or assigned to a New Build Affiliates. At that time, each Land Parcel generates a substantial return on cost to the company. The Maximum Offering provides approximately $4,000,000 of surplus capital to the Company over planned requirements. This is demonstrated in the following chart which shows the results of the Company operating with $6,000,000 of Proceeds from the Offering (Case B) and with $10,000,000, the maximum amount of the Offering (Case A).

Revenues				Case B $6MM Raise	Case A Maximum Raise
USA BRA Loan				$ 500,000	$ 500,000
Class A Members' Capital				6,000,000	10,000,000
Class B Members' Capital				1,000,000	1,001,000
Not Used				-	-
Loan From USA BRA - Deferred Organization Costs				250,000	250,000
Bank Land Loan				-	-
Income from Sale of SLP's to New Build Affiliates				58,391,200	58,391,200
Payment from New Builds for Refundables				10,252,160	10,252,160
				76,393,360	80,394,360
Expenses					
Organization Costs				750,000	750,000
Offering Costs				970,000	1,290,000
Company Administration Expense				3,450,000	3,600,000
Land Parcel Location and Acquisition Fee				1,459,780	1,459,780
Land Entitlement Completion Fee				1,835,648	1,835,648
Land & Land Entitlemnt Costs				46,831,392	46,833,892
Debt Retirement (P&i)				900,000	902,083
Distributions		*Case A*	*Case B*		
Class A Members	*Return Multiple*	*296.47%*	*214.52%*	17,788,133	21,451,597
Class B Members				2,408,407	2,271,360
				$ 76,393,360	$ 80,394,360

The Company's Manager will endeavor to moderate the raise of Class A Capital under the Offering to matchup with planned uses of funds and to establish sufficient reserves for foreseeable contingencies such as the need to acquire a Land Parcel. Accordingly, the Maximum amount of Class A Units allowed under the Offering may not be sold.

USA Barcelona

HOTEL LAND COMPANY I

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FILE #8503

USA Barcelona

June 11, 2014

This Communique is directed to each note-holder in USA Barcelona Realty Advisors.

I would like to bring you current on our activities and to offer you the opportunity to assist us in meeting a critical short-term requirement for working capital.

First – current activities.

1. We are in the process of firming up an agreement with a major general contracting company that, when successfully concluded, will result in them assisting us through introductions with arranging substantial funds for both our company's operating needs and a substantial portion of our "Land Entitlement Fund" offering. Our discussions have been ongoing for some two months and we anticipate reaching a definitive agreement within the next several days.

   This arrangement will bring to them the general contracting work on our planned sixteen hotels (approximately $150,000,000 or construction work over 36 months) and assure us that a "best of class" company is working alongside of us to build our hotels. This is clearly an excellent result for both companies.

2. On a second front, we are nearing conclusion on a strategic alliance arrangement with a California based company that will result in us securing a minimum of seven hotel sites to be acquired over the next 12 to 14 months. This alliance would also result in their assistance with entitlement work on the subject sites. The subject company has developed and built several hundred real estate properties throughout California and the US. Of great value to us, they are highly regarded in several California towns in which we will be acquiring land and building hotels. The principal of this company is a long-time acquaintance of Bruce Orr of our company and is well connected with a large California based developer of large mixed use projects. Several of the hotel sites that we plan to acquire are components of these mixed use projects.

3. On a third front, we are making progress in introducing our Land Entitlement Fund and the upcoming series of New Build single property Marriott and Hilton hotel funds to a broad cross section of independent broker dealers, select large non-affiliated registered investment advisory firms and a substantial institutional investment banker. Too, we have pending placement of the last $250,000 of our 10-5-10 offering.

Short-term capital need - As stated above, there is an abundance of positive things happening with our company; and, due to a late-funding investor on whom we had planned, there is a pressing need we need to solve. Perhaps you can assist.

We currently require $150,000 to get us through the month of June. In order to meet this need, we would appreciate your participation in funding this requirement by making a short-term loan to us of **any portion** of the $150,000 we are seeking.

- ✓ We will repay you as soon as the next round of funding (see items 1 and 3 above) occurs which we anticipate to be within the next two weeks. The Note will carry a 90 day due date but may be paid sooner based on the inflow of capital to us from the above referenced sources.
- ✓ We will pay you interest on your loan at an annual rate of 10% which will be paid at the time we return your principal.
- ✓ Additionally, we will pay a bonus of 3% of your loan amount.
- ✓ Finally, we will grant you fully paid Class A Units of ownership is USA Barcelona Realty Advisors based on ½ Class A Unit per dollar of your loan amount.

Should this be of interest to you, please contact Bob Kerrigan at 480-710-3589 or myself at 480-625-4355. We do need to solve this requirement urgently.

Best regards,

Dick Harkins

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Harkins EXHIBIT 28
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

7025 North Scottsdale Road, Suite 160 • Scottsdale, AZ 85253 • Phone 480.625.4335 • Fax 480.625.4347

STATE LAND DEPARTMENT OF THE STATE OF ARIZONA
BEFORE THE STATE LAND COMMISSIONER

IN THE MATTER OF CANCELING CERTIFICATE OF PURCHASE NO. 53-110022 FOR DEFAULT FOR THE STATE TRUST LAND DESCRIBED AS: S2SW LY S OF CENTERLINE OF CAVE CREEK ROAD, SECTION 36, TOWNSHIP 6 NORTH, RANGE 4 EAST, 49.91 ACRES, MARICOPA COUNTY, ARIZONA CERTIFICATE OF PURCHASE HOLDER: AVC CAREFREE VILLAGE DEVELOPMENT CO.	ORDER NO. 036-2011/2012 ORDER FOR CANCELLATION OF CERTIFICATE OF PURCHASE FOR FAILURE TO MAKE PAYMENT

ARIZONA STATE LAND DEPARTMENT
1616 West Adams Phoenix, AZ 85007

The records of the Arizona State Land Department (the "Department") reflect:

1. On August 31, 2006 the Department sold 49.91 acres in Township 6 North, Range 4 East, Section 36 at public auction. Subsequent to the sale, Certificate of Purchase (C.P.) No. 53-110022 was issued to AVC Carefree Village Development Co. (the "Purchaser").

2. "Exhibit A2" of C.P. No. 53-110022 provided a payment schedule wherein the fourth installment payment was due on August 31, 2010 and the fifth installment was due August 31, 2011.

3. A.R.S. § 37-247(C)(1) authorizes the State Land Commissioner ("Commissioner") to extend the time for payment of the amount delinquent upon the request of the purchaser.

4. Paragraph 3 of the First Amendment to the Amended and Restated Payment Extension Agreement ("Agreement") dated December 31, 2009 provided for the extension of Installments No. 4 and No. 5 until August 31, 2012, provided the Purchaser paid the State $100,000 on December 31, 2010.

A.R.S. § 37-247(A) states in part:
When a purchaser defaults in a payment of principal or interest, as provided in the certificate of purchase...the certificate shall be declared subject to forfeiture.

5. On March 30, 2011 the Department issued a Notice of Default and Notice of Forfeiture (D-071-2010/2011) to the Purchaser of C.P. 53-110022 for failure to pay the $100,000 due January 31, 2011.

EXHIBIT
tabbies
S-61
ADMITTED
HAWKINS EXHIBIT 29
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

6. The records of the Department indicate the default of C.P. 53-110022 has not been cured.

7. The records of the Department do not reflect any sale or pending assignment, mortgage or other lien on the interest of the holder of C.P. 53-110022 pursuant to A.R.S. § 37-255.

8. A.R.S. § 37-247(B) provides that upon finalization of the order canceling a certificate of purchase, the improvements and all payments made on the purchase price shall be deemed rental for the land.

9. It is therefore determined to be in the best interest of the Trust to cancel this C.P.

ORDER

Upon review of and in consideration of the facts, the State Land Commissioner finds that Certificate of Purchase No. 53-110022 should be canceled.

IT IS HEREBY ORDERED THAT Certificate of Purchase No. 53-110022, in the name of AVC Carefree Village Development Co., be and the same is hereby canceled; and, further, all rights of the purchaser to the land and improvements thereon are also canceled.

IT IS ALSO ORDERED THAT any mineral rights reserved to the State in the subject lands shall now be open to entry and location as a mineral claim or claims, effective immediately.

IT IS FURTHER ORDERED THAT, pursuant to A.R.S. § 37-247(B), if no appeal is made within 30 days from the date a copy of this Order is mailed to the holder of Certificate of Purchase No. 53-110022, and a notice has not been filed in the Department pursuant to A.R.S. § 37-255(C), THIS ORDER SHALL BE FINAL and Certificate of Purchase No. 53-110022 shall be canceled on the records of the Department, and any improvements and all payments made on the purchase price shall be deemed rental for the land subject to C.P. No. 53-110022.

GIVEN under my hand and the official seal of the Arizona State Land Department this 29th day of July, 2011.

MARIA BAIER
State Land Commissioner

by: Janice P. Hickman

CONTACT INFORMATION: This is an official action of the State Land Commissioner, if you have any questions regarding this action, please contact the manager of the Administrative Procedures and Information Section. Questions regarding billing payments, contact the Accounting Section at (602)542-2519.

NOTICE OF APPEALABLE AGENCY ACTION: This is an appealable agency action. Pursuant to A.R.S. § 41-1092.03, if you are directly or adversely affected by this decision, the party may request a hearing within thirty (30) days of the date the notice is received. A request for a hearing must be in writing and filed with the Department, and must state the appellant's name and address, the specific action or actions of the Department which are the basis of the hearing request, and a concise statement of the reasons for this appeal. The appellant also has the right to an informal settlement conference pursuant to A.R.S. § 41-1092.06, if it is requested in writing and filed with the Department no later than twenty (20) days before the hearing.

The request must be sent to the State Land Department, Attention: Director, Land Information Title & Transfer Division. If the request for a hearing is not timely filed, the decision of the Commissioner may be final and not subject to further review.

In accordance with Title II of the Americans with Disabilities Act (ADA), the Arizona State Land Department does not discriminate on the basis of disability in the provision of its programs, services and activities. Persons with a disability may request a reasonable accommodation such as a sign language interpreter by contacting the Department's ADA Coordinator at (602) 364-0875. Request should be made as early as possible to allow time to arrange the accommodation.

Copy of the foregoing mailed/
delivered this 29th day of
July, 2011, to:

Certified No. 91 7108 2133 3932 4721 7045 — Richard C. Harkins
c/o AVC Carefree Village DevCo, LLC.
[redacted]
[redacted], AZ [redacted]

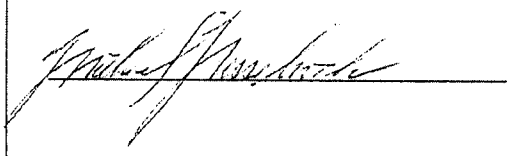
Certified No. 91 7108 2133 3932 4721 7052 — AVC Carefree Village DevCo, LLC.
[redacted]
[redacted], AZ [redacted]

Copy to: Attorney General's Office/Natural Resources Section/Attn: Helen Shapiro
Real Estate Division/Sales & Commercial Leasing Section/Attn: Sandy Kelley
Accounting Section/Attn: Sharon Gulden
Accounting Section/Cashier's Office
Maricopa County Assessor's Office
Maricopa County Treasurer's Office
File No. 53-110022

Commissioner Order No. 036-2011/2012
Order for Cancellation of Certificate of Purchase

Certified No. 91 7108 2133 3932 4721 6406
AND REGULAR MAIL

Richard C. Harkins
[redacted], AZ [redacted]
(Second Mailing October 4, 2011)



AVC Carefree Village DevCo LLC
General Ledger
As of December 31, 2006

Type	Date	Num	Name	Memo	Amount	Balance
Class A Membership						0.00
Dep...	10/4/2006	8343	Contreras, Lorenzo	2 Class A Units	-200,000.00	-200,000.00
Dep...	10/10/2006	5854	John, Paul & Mildred	Investment	-200,000.00	-400,000.00
Dep...	11/3/2006	3285	Cyr, Darwin L.	Investment	-50,000.00	-450,000.00
Dep...	11/9/2006	111	Arnold, Donald R.	Investment	-100,000.00	-550,000.00
Dep...	11/10/2006	1106	Nikolaev, Richard D.	Investment	-100,000.00	-650,000.00
Dep...	11/13/2006	5410	Carrier, George T.	Investment	-300,000.00	-950,000.00
Dep...	11/14/2006	1611	Bushman, Robert J.	Investment	-150,000.00	-1,100,000.00
Dep...	11/16/2006		Bushman, John.	Deposit	-150,000.00	-1,250,000.00
Dep...	11/16/2006		Zipse, Harry	Deposit	-50,000.00	-1,300,000.00
Dep...	11/27/2006		Vivian Hangaris	Deposit	-50,000.00	-1,350,000.00
Dep...	11/27/2006		Richard Moscrop	Deposit	-50,000.00	-1,400,000.00
Dep...	11/28/2006	1279	Robert A. Tomisak	Equity Investment	-100,000.00	-1,500,000.00
Dep...	11/28/2006	4003...	Lawson Financial Corporation	Equity Investment from Larry J. Verhulst	-100,000.00	-1,600,000.00
Dep...	12/28/2006	1458	Nash, Robert A.	Class A Share	-100,000.00	-1,700,000.00
Dep...	12/28/2006	553	Cook, S Alan	Class A Share	-30,000.00	-1,730,000.00
Dep...	12/28/2006	1006	Hatfield, Judy A.	Class A Share	-100,000.00	-1,830,000.00
Total Class A Membership					-1,830,000.00	-1,830,000.00
Desert Fox Associates						0.00
Total Desert Fox Associates						0.00
Equity Investments - Other						0.00
Total Equity Investments - Other						0.00
Total Equity Investments					-1,840,000.00	-1,840,000.00
Opening Bal Equity						0.00
Total Opening Bal Equity						0.00
Retained Earnings						0.00
Total Retained Earnings						0.00
Appraisal Fees						0.00
Total Appraisal Fees						0.00
Brokers' Escrow Fees						0.00
Total Brokers' Escrow Fees						0.00
Commission Income						0.00
Total Commission Income						0.00
Condo Income						0.00
Total Condo Income						0.00
Escrow Demand Income						0.00
Total Escrow Demand Income						0.00

ACC004599
FILE #8503

HAWKINS EXHIBIT 30
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

EXHIBIT
S-62
ADMITTED

USA Barcelona Realty Advisors, LLC
Profit & Loss Detail
January through December 2013

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
Computer Services										
Check	03/29/2013	1066		Erler Technologies			Johnson Bank 3203	1,000.00		1,000.00
Check	04/12/2013	995		Erler Technologies			Johnson Bank 3203	5,000.00		6,000.00
Check	06/07/2013	1008		Erler Technologies			Johnson Bank 3203	5,000.00		11,000.00
Check	06/28/2013	1117		Erler Technologies			Johnson Bank 3203	5,000.00		16,000.00
Check	07/31/2013	1136		Glenn Erler			Johnson Bank 3203	5,000.00		21,000.00
Check	08/28/2013	1016		WGM Associates			Johnson Bank 3203	5,600.00		26,600.00
Check	08/30/2013	1022		Glenn Erler			Johnson Bank 3203	5,000.00		31,600.00
Check	09/30/2013	1165		Glenn Erler			Johnson Bank 3203	5,000.00		36,600.00
Total Computer Services								36,600.00	0.00	36,600.00
Consulting										
Check	08/30/2013	1025		Jeff Teets			Johnson Bank 3203	7,500.00		7,500.00
Check	09/30/2013	1168		Jeff Teets			Johnson Bank 3203	10,000.00		17,500.00
Total Consulting								17,500.00	0.00	17,500.00
Dues and Subscriptions										
Check	08/01/2013	1134		Phoenix Business Journal			Johnson Bank 3203	64.98		64.98
Check	10/10/2013	1179		Jeff Teets			Johnson Bank 3203	413.40		478.38
Total Dues and Subscriptions								478.38	0.00	478.38
Gifts										
Check	09/04/2013	dm		Cactus Flowers			Johnson Bank 3203	48.25		48.25
Check	09/17/2013	dm		Jazz Bouquet			Johnson Bank 3203	60.68		108.93
Total Gifts								108.93	0.00	108.93
Insurance Expense										
Auto Insurance										
Check	03/29/2013	dm		State Auto Insurance			Johnson Bank 4775	1,664.00		1,664.00
Deposit	05/31/2013				Deposit		Johnson Bank 3203		50.00	1,614.00
Total Auto Insurance								1,664.00	50.00	1,614.00
Health Insurance										
Check	07/01/2013	1108		Conexis			Johnson Bank 3203	1,584.78		1,584.78
Check	07/09/2013	1121		Conexis			Johnson Bank 3203	885.43		2,470.21
Check	08/01/2013	1131		Conexis			Johnson Bank 3203	885.43		3,355.64
Check	09/17/2013	dm		Conexis			Johnson Bank 3203	885.43		4,241.07
Check	10/10/2013	1174		Conexis			Johnson Bank 3203	885.43		5,126.50
Total Health Insurance								5,126.50	0.00	5,126.50
Total Insurance Expense								6,790.50	50.00	6,740.50
Interest Expense										
Check	03/12/2013	1058		Harry Zipse			Johnson Bank 4775	6,500.00		6,500.00
Check	03/25/2013	1062		Jerry Austin			Johnson Bank 4775	3,200.00		9,700.00
Check	04/02/2013	1069		Bruce Orr			Johnson Bank 4775	5,591.10		15,291.10
Check	04/03/2013	991		Kelly Blair			Johnson Bank 3203	1,098.08		16,389.18
Check	04/03/2013	992		Rodney & Melissa Eaves			Johnson Bank 3203	1,890.41		18,279.59
Check	07/01/2013	1111		Rodney & Melissa Eaves			Johnson Bank 3203	7,500.00		25,779.59
Check	07/03/2013	1113		Roberta Burleson			Johnson Bank 3203	500.00		26,279.59
Check	07/11/2013	1112		Kelly Blair			Johnson Bank 3203	580.00		26,859.59
Check	09/30/2013	1154		Kelly Blair			Johnson Bank 3203	600.00		27,459.59
Check	09/30/2013	1155		Rodney & Melissa Eaves			Johnson Bank 3203	7,500.00		34,959.59
Check	09/30/2013	1156		Rodney & Melissa Eaves			Johnson Bank 3203	6,164.00		41,123.59
Check	09/30/2013	1157		Roberta Burleson			Johnson Bank 3203	1,500.00		42,623.59
Check	09/30/2013	1158		Roberta Burleson			Johnson Bank 3203	2,026.00		44,649.59

ACC005478
FILE #8503

Harkins EXHIBIT 31
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

EXHIBIT
S-63
ADMITTED

cial, 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 develop-

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

Airport 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.

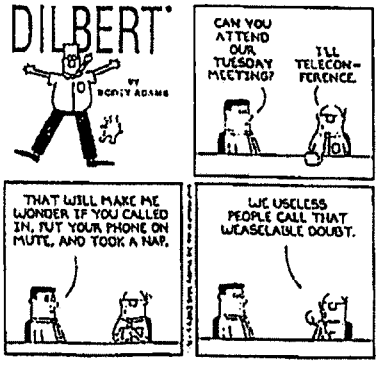
Apply by filling out forms on the incubator's website, seedspot.org.

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

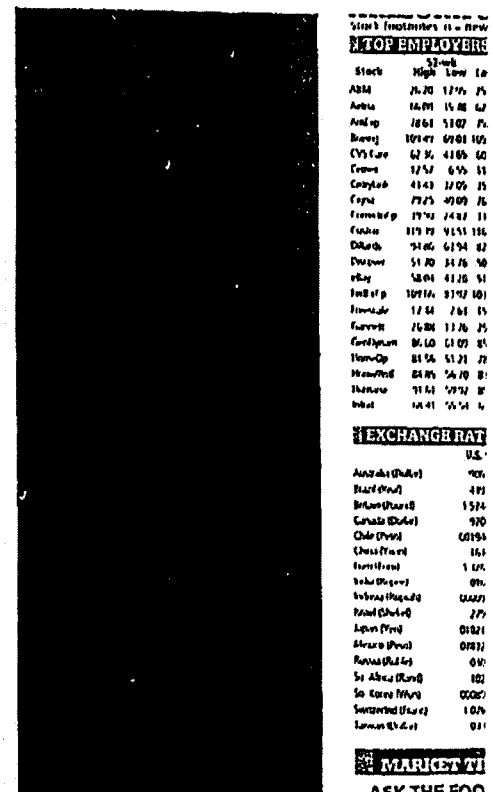
WHO: Advisor to a Private Non-Traded REIT
WHAT: Returns from Performing Apartments & Hotels
WHERE: Scottsdale Based; National Investment Strategy
WHEN: Offering Available through August 31, 2013

- 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 Senior A Notes
$50,000 Minimum Investment
Offered and Sold to Arizona Residents / Accredited Investors Only

Contact Connie Cook at (480) 625-4348
7025 N. Scottsdale Road, Suite 160, Scottsdale, AZ 85253
Visit us at "www.USABarcelonaRealtyAdvisors.Com"

THIS NOTE OR OTHER SECURITIES IN WHICH THE PROCEEDS ARE INVESTED IS NOT REGISTERED OR QUALIFIED FOR SALE IN ARIZONA. THE NOTES MAY BE OFFERED AND SOLD IN THE STATE ONLY TO ACCREDITED INVESTORS AS DEFINED IN ARIZONA ADMINISTRATIVE CODE R14-4-126. THE SECURITIES MAY BE TRANSFERRED OR DISPOSED OF IN THE STATE ONLY AS PERMITTED BY ARIZONA ADMINISTRATIVE CODE R14-4-139. THE SECURITIES MAY BE TRANSFERRED OR DISPOSED OF ONLY AS PERMITTED BY THE SECURITIES ACT OF ARIZONA, THE RULES AND REGULATIONS PROMULGATED THEREUNDER, AND THE ARIZONA CORPORATION COMMISSION, AND THAT THEY MAY NOT BE SOLD OR OTHERWISE DISPOSED OF WITHOUT REGISTRATION OR QUALIFICATION UNDER SUCH ACT OR REGULATIONS OR AN OPINION OF COUNSEL SATISFACTORY TO THE ARIZONA CORPORATION COMMISSION, WHICH MAY REQUIRE THAT THE SELLER OR OWNER APPEARS BEFORE THE COMMISSION. AN OFFERING IS MADE ONLY BY DELIVERY TO A QUALIFIED INVESTOR OF A COPY OF THE OFFERING DOCUMENTS



July 31, 2013

EXHIBIT S-64 ADMITTED

HACKING EXHIBIT 32
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

ACC006221
FILE #8503

USA Barcelona
REALTY ADVISORS

December 31, 2013

Mr. William T. Jordan
% Cheyenne Kassie, LLC
[redacted] AZ [redacted]

Dear Mr. Jordan:

On behalf of our company, I want to thank you for becoming an investor in USA Barcelona Realty Advisors, LLC. The year 2013 has been a very good year for us as we have accomplished our major objectives, including building our core team of employees and advisors, structuring the entity relationships, evaluating potential locations and properties, plus preparing to raise capital needed for developing and acquiring hotel assets. We are positioned to execute on several new development projects in Q1'14 and acquire several performing properties by mid-year 2014.

One area where we had been on target up until early November was in raising enough working capital to meet our budgeted spending. As you know, we have the need to continue funding our working capital requirements until our investments in hotel assets begin to generate fee income necessary to meet our ongoing cash flow needs in USABRA. This process of continuing to raise working capital ahead of our budgeted requirements began to slow in November, when we met with several investors delaying the funding of previous commitments; this was unexpected and has created a cash pinch for us at year-end.

While we are told these delays are merely that and that we should expect this funding in early January, we are uneasy about the exact timing. We continue to solicit other investors to complete the 12/6/12 $1MM offering, such that we will bring investors in on a first come, first served basis to take out the remaining $380,000 in that offering.

Meanwhile, we have released two new offerings to fund on-going working capital requirements. The first is a $1MM offering featuring 10% annual interest for 2 years, with a 5% premium paid 12/31/2014 and a 10% premium paid 12/31/2015. The second is a preferred unit offering, which, in addition to preferred dividend distributions, includes incentivized conversion rights to our "Common" equity and warrants to acquire additional "Common" equity. This is a $4MM offering, of which the proceeds will be used as capital to initiate new development projects and additional working capital.

EXHIBIT
S-65
ADMITTED

ACC005493
FILE #8503

HARKINS EXHIBIT 33
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

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

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

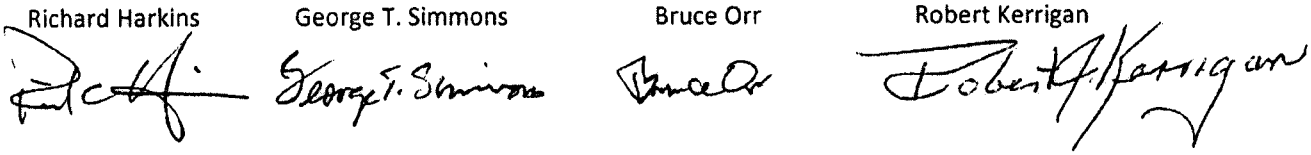
Our first offering to fund approximately six (6) hotel development projects will be released late in Q1'14. This fund will be raised in two phases. Phase 1 will fund pre-development, which includes all spending necessary to begin construction; Phase 2 will take out the Phase 1 investors, complete construction and hold the asset until it is liquidated.

Finally, regretfully we must inform you that, because of the short-term issue of having raised insufficient working capital, the interest payments due to you as of December 31, 2013 may be delayed into mid-January. Rest assured these interest payments will be made as soon as the funds are available to do so. We sincerely apologize for this delay in payment and hope you will not be inconvenienced by the delay.

Sincerely,

Executive Members:

Richard Harkins George T. Simmons Bruce Orr Robert Kerrigan



USA Barcelona
REALTY ADVISORS

December 31, 2013

Ms. Kathleen A. Carolin
[redacted]
[redacted] AZ [redacted]

Dear Ms. Carolin:

On behalf of our company, I want to thank you for becoming an investor in USA Barcelona Realty Advisors, LLC. The year 2013 has been a very good year for us as we have accomplished our major objectives, including building our core team of employees and advisors, structuring the entity relationships, evaluating potential locations and properties, plus preparing to raise capital needed for developing and acquiring hotel assets. We are positioned to execute on several new development projects in Q1'14 and acquire several performing properties by mid-year 2014.

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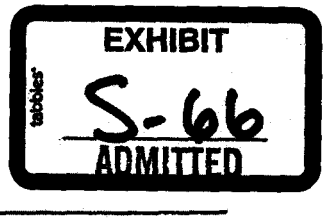

7025 N. Scottsdale Road, Suite 160
Scottsdale, AZ 85253

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

ACC005317
FILE #8503

HARKINS EXHIBIT 34
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

Our first offering to fund approximately six (6) hotel development projects will be released late in Q1'14. This fund will be raised in two phases. Phase 1 will fund pre-development, which includes all spending necessary to begin construction; Phase 2 will take out the Phase 1 investors, complete construction and hold the asset until it is liquidated.

Finally, regretfully we must inform you that, because of the short-term issue of having raised insufficient working capital, the interest payments due to you as of December 31, 2013 may be delayed into mid-January. Rest assured these interest payments will be made as soon as the funds are available to do so. We sincerely apologize for this delay in payment and hope you will not be inconvenienced by the delay.

Sincerely,

Executive Members:

Richard Harkins George T. Simmons Bruce Orr Robert Kerrigan

April 21, 2015

To: USA Barcelona Realty Advisors' Noteholders
From: Richard Harkins, Manager, USA Barcelona Realty Advisors, LLC (the "Company")
RE: Update

Today's communication will cover the following topics:

1. **The six month debt service deferment period**
2. **Why the Company went into recess / what's next**
3. **Next Step business plan**
4. **State Of Arizona Inquiry**

1. **The six month debt service deferment period** - Last September 15th, I mailed a letter asking for your consent to a 6 month deferment from any interest or principal payments due under any Advisors notes outstanding. All noteholders granted my request. I apologize for taking a little bit longer to figure things out but now I'm close.

2. **Why the Company went into recess / what's next** – We simply exhausted our access to the highest risk level of capital, "working capital". As you know, going back to the time most of you made your loans to the Company, the general business plan called for acquiring stabilized hotels and apartments. The execution of that plan depended on a successful raise of the $50,000,000 offering that was effective in early 2013. The person who had committed to handle that raise, despite continuing assurances that he was getting the job done, was a non-performer. We came to a conclusive realization in the 3rd quarter of 2013 that the plan for the $50MM raise was done.

   In September 2013, with the $50MM offering shelved, we took inventory of our work produce and evaluated what it was we could use in a Plan B mode. What we had to work with was some interest in our Company from some real estate investment companies and knowledge of a number of solid new hotel development opportunities. We put those two pieces together to create a hotel land fund, which we called USA Barcelona Hotel Land Company I, LLC ("HLC I").

   To get to the point of raising capital for HLC I, we had to identify solid land opportunities and at minimums reach agreement with each respective land owner as to the value of their land. In this regard we successfully aligned seven hotel sites with the pricing/valuation model for HLC I. The "however" was, we needed to continue to raise working capital sufficient to cover Advisors' overhead and the early due diligence and contact costs of the seven properties. This was a struggle through the period 2013-Q4 to 2014-Q3 as we strained to meet the business needs of the Company and HLC I. In September 2014, with essentially no capital in hand and new funding commitments unmet, the Executive Members determined we had to cease active operations, which we did.

   As for USA Barcelona Realty Advisors, LLC, which it is encumbered by an office lease default and resulting judgment, several creditor defaults and $1.7MM in notes, from a practical viewpoint, we have no basis on which to restart. Accordingly, I plan to file a final 2015 tax return for Advisors.

EXHIBIT
tabbies
S-67
ADMITTED

ACC005499
FILE #8503

Harkins EXHIBIT 35
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

3. **Next Step business plan** – To continue, I am willing and desirous of crafting a business plan that accomplishes the following:

   - Rewards new investment capital (which is the prime ingredient of a restart),
   - Provides working capital at reasonable and appropriate levels,
   - Exchanges Advisor's outstanding note(s) for interest in a new enterprise; and,
   - Represents an achievable and sustainable business undertaking.

   I have identified what I believe to be a business opportunity that can successfully achieve the above four requirements. The opportunity will be pursued by a new Company, which I will refer to as "NewCo". NewCo has not yet been formed but is coming to life, step by step.

   NewCo will be a limited liability Company (possibly a limited partnership) and will have two classes on member units that invest capital (Class A and Class B) and one class that represents the carried interest of the manager (Class C). As currently contemplated, NewCo will operate more like a Fund than a real estate company. In fact, it may be a diversified fund that acquires interest in other funds and in both real estate companies and single purpose entities. The objective is to achieve diversification across a spectrum of investment opportunities. Investment decisions will be recommended by an investment committee and approved by an executive committee.

   NewCo will have an equity structure comprised of three classes of ownership, or **Units**.

   Class A Units – Investment capital - comprised of an initial tranche of up to $10,000,000 with follow-on tranches to a maximum of $50,000,000 incorporated in the plan. It is likely that newly revised Regulation A will be the offering format for the Class A Units. More on that later.

   Class B Units - Startup operating capital – To raise this capital, I will **first** offer it to Advisor's noteholders. Of the $500,000 (as currently planned) of Class B Units, what is not funded by Advisor noteholders on a pro rata basis, it will then be offered, first to those Advisor noteholders who do acquire Class B Units and are desirous of taking an additional amount, and second, any remaining Class B Units will be offered to other qualified persons.

   Capital raise plan for the Class B Units - As currently planned, $500,000 is needed to operate NewCo to the point it is has sufficient asset management fees to cover its Manager overhead.

   Each of Advisor's noteholders will be offered the opportunity to put into NewCo (cash investment) 10% of the principal amount of their Advisor loan(s) for which they will receive Class B Units. This allocated $170,000 to noteholders and the remainder $330,000 will be offered to others.

   Deferred Payments on Class B Subscriptions - Each Class B Unit subscription will call for 3 equal payments made 1/3 at subscription, 1/3 within 90 days of the subscription date and 1/3 within 180 days of the subscription date. The two deferred payments are subscriber commitments and are not optional payments.

   By way of an example, consider:

o Say you currently have a $100,000 issued by Advisor and you put up 10% of that amount ($10,000) in the Class B Units of NewCo. Your capital account in Class B Units in NewCo will be $10,000.

- The Class B position in NewCo will accrue a simple annual rate of 8.0% and be entitled to up to 5% (based on $500,000 of Class B Units being acquired or a pro rata lesser amount) of the profits of NewCo after all Class A Units and Class B Units receive a return of their initial capital and cumulative preferred returns.

  Class C Units – Participating Advisor noteholders (those Advisor noteholders who acquire Class B Units) will also be granted Class C Units. As a class, the Class C Units will be entitled to 5% of Fund profits (based on the purchase of $170,000 of Class B Units) or such lesser percentage as determined by the total dollar amount of Class B Units acquired by Advisor noteholders divided by $170,000. Only Advisor's noteholders who acquire Class B Units will be granted Class C Units.

4. **State Of Arizona inquiry** – A complaint has been filed with the Arizona Corporate Commission, Securities Division (the "State") regarding USA Barcelona Hotel Land Company I and/or USA Barcelona Realty Advisors. I became aware of this in February when I received a subpoena directed to the Custodian Of Records for these two entities. The subpoena called for specified information that was then "under the Custodian's control" to be provided to the State. As the remaining member of the Company, and the ad hoc Custodian, I answered the State's inquiry. My answer was delivered to the State on March 30th. I did so at my personal expense. The respondents (HLC I and Advisors) are not represented by counsel as there are no Company funds with which to retain counsel. That may or may not turn out to impose a burden on the situation.

   As to what to expect from this State inquiry: once the State reviews the information I provided, there will likely be one or more resultant hearings at which I will appear. What the State is not required to reveal is (i) what is the complaint, and, (ii) who made it? I will keep you posted on this. In the meanwhile, in that you are an Advisor noteholder and that is revealed in answer to one of the State's questions, you may expect to receive some form of inquiry from the State.

I am happy to discuss with you any of the matters contained herein. Feel free to contact me by phone or email. I am readily available most days from 8:00 to 5:00, Monday through Thursday, Friday's till 3:00PM and Saturday, well, that's "pot-luck", but feel free to give it a try if that best fits your schedule. For those who are clients of Bob Kerrigan, I encourage you to contact him prior to contacting me. Bob and I have reviewed this letter and the specific Plan laid out herein to which he has stated his general endorsement.

Within the next 30 days, I intend to present the Plan in its entirety to you. I will give you the right of first opportunity to acquire Class B Units. Doing so will give you Class C Units which are designed to be a step toward recovery of you note(s) investment in Advisor.

As for the opaque glass seen on each page, it's either half-full ("b") or half-empty ("a"). To me, "b" represents the **plan and the opportunity** and "a" represents **people and capital**. Accordingly, I see it as currently half full. Execution of a good plan fills it. I am pushing forward and I encourage you to join with me. There is no recovery or gain to be had from inaction.

Sincerely,

Richard C. Harkins

Email dharkins@usabarcelonara.com Cell 602-694-3589

[redacted]

From: Dick Harkins [mailto:dharkins@usabarcelonara.com]
Sent: Tuesday, May 05, 2015 9:44 AM
To: Rich
Cc: Robert Kerrigan; Dick Harkins
Subject: Reply to Rich's inquiry as to the Plan

Morning Rich:

Nice to hear from you.

As my recent communication included, I am working on a Plan that is designed to incorporate the opportunity for USA Barcelona Realty Advisors' noteholders to be a part. I stated therein that I'd come forward with the Plan within 30 days of that communication date. All that remains valid.

Interestingly, you are the only noteholder I have heard from so far. That makes sense to the extent that all others came into their note positions via the same financial adviser (Bob Kerrigan) and my letter suggested they contact Bob before contacting me. Don't know how that has played out but will see Bob Wednesday at our single's group's functions and will inquire.

A sneak preview of the Plan will reveal that it is designed to be an Investment Fund (thinking of a name .. "The Hour Glass Fund") that invests in established real estate investment companies. The idea is to spread Hour Glass Fund investments across 8 to 10 Funds each of which are invested in multiple real estate based investments. I am consulting with my securities attorney on the best format to use for a new securities offering. The newly revised Regulation A is my first choice if it fits the form of the Hour Glass Fund program.

As is always the case, the viability of this Plan falls on startup capital. This time around, I have none to start it with so it all have to come from outsiders. I believe the Plan will be deemed by those who see it to be a solid Plan with instant returns based on a conservation investment philosophy, managed by a proven real estate investment management team.

So, we're close to putting the Plan out there. First to the Barcelona Advisors noteholders. If that has enough "launch" traction, I'll keep going.

Richard C. Harkins, Fund Manager
The HourGlass Fund
A proposed Fund Of Funds investing in a diversified portfolio of established private Real Estate Funds
[redacted] cell phone

web site under development May 5, 2015

EXHIBIT
tabbies
S-68
ADMITTED

ACC005402
FILE #8503

1

HARKINS EXHIBIT 36
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

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ACC005403
FILE #8503

PX # A

April 23rd, 2013 USA Barcelona Realty Advisors Meeting - Agenda

1. USA Barcelona Realty Advisors, LLC. ("USA Advisors") matters (11:00 to 12:05)

- ✓ Overview of the role of an "Advisory Company" in the REIT world
- ✓ Our Operating Agreement – key point review
- ✓ Our Operating Budget - Overview
- ✓ $1MM Offering - Status
- ✓ Concept - Employee Options for Ownership & Vesting
- ✓ Overview of Standard Business Practices
- ✓ Status of Company computer based systems and software
- ✓ Executive Members – Overview of Responsibilities & Functions
- ✓ Advisors to the USA Advisors – who they are and what they do
- ✓ Staffing Plan – Positions and timing for filling the slots
    - Communication – NAREIT, BOD, Advisors to BOD, RIA, BD and Investor Relations -
    - Property Acquisition – Three Regions, three persons
    - Financial Management – Accounting, Capital Markets, Treasury
    - Records and Information Systems –
        - Internal Systems
            - Acquisition Candidate Property Data Base
            - Acquired Properties data base
            - Investment Properties data base
            - Investor, RIA and BD data base
        - External Access Systems
            - Investor, BD and RIA portal
            - "Insider" portal
    - Capital Markets
        - Debt
        - Equity
    - SAM Relations –
    - Glue in the Seams –

2. Lunch (12:15 to 1:00)

- ✓ Presentation of the overall business environment as relates to what we are undertaking in the (i) hotel and apartment sectors, and (ii) related capital markets.
- ✓ Looking at our business plan – what are the key pieces and how well are we prepared to execute each piece.
    - Business Planning
    - Management
    - Finance Plan
    - Acquisition Plan
    - Records
    - Communication
    - Reporting
        - Internal
        - External
- ✓ Are we a one-cycle or two-cycle company?

EXHIBIT
S-69
ADMITTED

Harkins EXHIBIT 37
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

3. USA Barcelona Realty, Inc. ("USA BR") matters (1:00 to 2:00)

- ✓ Status Of completion of the Confidential Private Placement Memorandum.. Handout 1
- ✓ $70,000,000 Offering – Projected Schedule of "Raise"
- ✓ Planned Weekly Webinars - for marketing to RIAs and BDs
- ✓ Status of engagement with company auditor firm
- ✓ Status of Marketing Materials for use by Allen Weintraub .. Handout 2 & 3
- ✓ Discussion of how officers, directors and advisors to the BOD's of USA REIT may participate in introducing prospective investors to the USA BR Offering.
  - o Matter of Compensation
  - o Matter of Materials that may be used with prospective investor
- ✓ Review of the USA BR Offering – what's in the Offering Memorandum and the roadmap through the key investment issues.
- ✓ Property Acquisition Plan
  - o Property Type – planned mix
  - o Targeted SAMs – Hotels, Apartments, other real estate types
  - o Planned property contracting and closing schedule
- ✓ Types of real estate transactions USA BR may pursue
  - o Acquisition
  - o Joint Venture & Partnership
  - o Mezzanine
  - o Syndication
  - o Contract for Delivery
- ✓ Capital Plans for beyond the Initial $70MM Offering
  - o Secondary Equity Offering
  - o Corporate Debt Offering
  - o Syndication of corporate owned properties
  - o Next Fund
- ✓ Selection of Officers, Directors and Advisors for USA BR
  - o Officers
  - o Directors
  - o Advisors
- ✓ Status of Personal Confidentiality Statement to be provided to Charlie by each officer, director and advisor to the BODs. (IMPORTANT - each person who is required to complete this form should have it done and submitted via mail or email to Charlie by the date of this meeting or bring their completed form for hand delivery to Charlie at the meeting.)

3. Insurance Matters (2:00 – 2:15)

USA Advisors

- ✓ Employee Health Insurance
- ✓ Directors and Officers Insurance
- ✓ Errors & Omissions Insurance

USA REIT

- ✓ Directors and Officers Insurance
- ✓ Errors & Omissions Insurance

4. Other Matters - 2:15 to 2:30

USA Barcelona Realty Advisors

Projects underway

	Begin Date	Status Report					Target Completion	Project Mgr
		5/21/2013						
Company Business Plan	5/1/2013	ok					6/15/2013	Paul
Private Offering Management System	5/10/2013	ok					7/15/2013	Dick
Company Brochure	5/10/2013	ok					6/15/2013	Connie
Company Power Point "Story Book"	5/1/2013	behind					6/1/2013	Dick
Company Communique / news letter	6/1/2013	not started					7/1/2013	Connie
Separate USA Barcelona Realty PPM RIA sales subscription package	5/1/2013	complete					5/20/2013	Paul
Shipping Boxes for PPM's and related documents	4/15/2013	ck with Paul					6/1/2013	Paul
Corporate Employee Handbook	5/5/2013	ok					6/20/2013	Connie
Web Site	4/1/2013	questionable					6/15/2013	Glenn
Stock Option Plan	5/1/2013	ck with Simmons					7/1/2013	Tom
Communications and Reporting Plan	5/15/2013	not started					7/15/2013	Glenn
Accounting Systems	6/1/2013	not started					9/1/2013	Dick
Advisor's Private Offering	3/1/2013	behind					7/1/2013	Bob
Realty's Private Offering	7/15/2013	ok					7/1/2014	Allen

Support							Outside
Connie	Glenn	Bruce	Tom	Dick	Paul	Bob	Consultant
x	x						
	x			x	x		
x							
	x						
				x			
	x	x	x	x	x	x	
				x			
	x	x		x			
x							
							x
				x			
				x			

9.14.15

EXH E

1) Chrono, general
2) Budgets etc in back

Barcelona
ADMINISTRATION COMPANY

Barcelona Update

Monday - October 15, 2012

As to the $20,000 "insider Loan", $15,000 is committed and there is some "noodling" on the other $5,000 piece. Looking at the needs for immediate cash, $15,000 may be all I put out depending on when the first two BAC $20K Units (see below) look like they will translate to "good funds".

As to the $1,000,000 BAC Offering, I will likely recommend that we offer release only $500,000 as there is no forecasted need for more. We can always put out more as and if needed.

Of the $500,000, $290,000 is committed. $250,000 of that will not fund till apprx November 10th. Of the balance of $40,000 in commitments, there are two $20K units. Each is coming from retirement accts; Those will take a week or so to fund from subscription date(s). They will be subscribed over course of the next day or so. There are a number of others who will arrange for the placement of some BAC Units.

The funds derived from the $20,000 "Insider" offering are evidenced by 90 day notes and will be paid from BAC offering proceeds. There is no minimum for the BAC offering so those funds are good for our use as they are subscribed and clear the bank. *I will likely recommend that we repay the insider loans earlier than 90 days based on how the schedule of placement of the BAC Units unfolds.*

But we simply need some capital now which is why I made the $20,000 Insider Offer a week ago. I will get our Loan Documents to you late today or first thing tomorrow as Charlie will first review the doc set I have crafted.

In general, resulting from the meeting held a week ago Saturday, we are making good progress. There are meetings being set up several of us (which is what I have asked people to do rather than trying to explain our company themselves) for me to made presentations.

By the way, I have a working lunch with Dawn at her office tomorrow. Would you like me to schedule you for a telephone chat with her during that time? We'll meet from 12:00 to 1:30 or so.

Also. I'd appreciate it if you'd give some thought to how much time you could allocate to Barcelona matters on a monthly basis. I'd like to discuss you taking on one of the Executive Member slots in Barcelona Administration Company. That brings some benefits with it and would require some meaningful time on an ongoing basis. The three (we may have 4) Exec Mgrs call the shots for BAC which makes recommendations to the REIT's BOD's as to each and all matters BAC undertakes for the REIT.

See the BAC PPM which you received a copy of at the October 6th meeting

pages 57 – Article VI – Rights and Duties of Manager; Executive Committee Management; page 58 – Major Decisions; page 63 – Executive Committee –

1. This section gets into how things work between the Manager and the Executive Committee.
2. Section 9.18(h)(i) gets into Executive Committee comp.
3. Additionally, the Executive Committee members will receive stock options to the REIT's Common Stock allocation to BAC (BAC will own up to 30% of the Common Stock of BRI 2013).

Best .. Dick

Harkins EXHIBIT 38
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 5082I

EXHIBIT
tabbies S-70
ADMITTED

Barcelona
ADMINISTRATION COMPANY

Barcelona Update

Monday - October 15, 2012

Major Events In The Works

Securities matters – I am finishing the rewrite of the Barcelona Realty Investors 2013 REIT Private Offering Memorandum. Another two days and it will be shipped to Charlie for his work.

Posting of the Barcelona Realty Investors 2013 REIT Private Offering Memorandum on the Fidelity Investments site. This is one of the things Allen will be doing once Charlie's firm has completed the BRI 2013 offering documents. We are shooting to have this done by mid-December.

Property Acquisition and JV Candidates – There are several ways in which our REIT can invest in a property.

Apartment acquisition candidates ($65,000,000 allocated) – I will be focusing on this mission in concert with Lincoln Properties. Too, Bruce Orr may play a role in this asset sector. We are targeting four (possibly five) properties.

Hotel acquisition candidates ($55,000,000 allocated) –

Marriott Hotels - Concord Hospitality will be visited by me shortly for purpose of discussing potential Marriott Hotels we can acquire from their portfolio. That trip to Raleigh NC will be held by the end of this month. We'd like to acquire one or two Marriott select service hotels.

Hilton Garden Inns - Dawn Berry and I are meeting tomorrow and we will review our portfolio mix of apartments and hotels. Within the hotel component we will revisit several Hilton Garden Inn properties that are high on our list and ARE OWNED BY Dawn's partners and others for whom she manages properties. We'd like to acquire two to four Hilton Garden Inns.

Development Property Candidates – I will be meeting with Bruce Orr to develop the method we will employ for JV'g the hotel component (i) mixed use and (ii) our approach to (a) land JV's or (b) forward commitments on stand-alone new construction hotels.

Golf Properties – There is an interest on our part in having a top-drawer golf property in the portfolio. Maybe more than one. To date, nothing has surfaced that deserves a look.

Property Debt –

Credit Facility - I am in discussions with an investment banker regarding employing a syndicate or credit facility comprised of commercial banks to provide leverage on our Properties. Such a facility is common practice for large property portfolios. Generally, the facility expands as each property is acquired for "all cash" and added to the portfolio of assets. The credit facility is used by us to acquire properties which are added to the financed property portfolio. When we near the point of exhausting the credit facility, we conduct a secondary or follow-on offering of our Equity

Harkins EXHIBIT 39
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821
EXHIBIT
S-71
ADMITTED

Units and use the proceeds to pay down the credit facility, thereby recharging the credit availability in the facility. And that revolution of events continues as the Fund grows.

CMBS Loans – Our affiliate, Steve Gold will be arranging any CMBS financing needs we have for individual or portfolio property purchases.

In-place assumable debt financing – Some properties we acquire may have suitable debt already in place. Some of the Hilton Garden Inns on our due diligence list fall into that category.

Barcelona Administration Company Offering - There are meetings being set up for BAC Unit presentations. I am hosting one tomorrow at 9AM that was arranged by Jerry Austin.

I will likely recommend that we release only $500,000 as there is no forecasted need for more. We can always put out more as and if needed.

Of the $500,000, $290,000 is committed. $250,000 of that will not fund till apprx November 10th. Of the balance of $40,000 in commitments, there are two $20K units. Each is coming from retirement accts; Those will take a week or so to fund from subscription date(s). They will be subscribed over course of the next day or so. There are a number of others who will arrange for the placement of some BAC Units.

$20,000 "Insider Loan" - $15,000 is committed and there is some "noodling" on the other $5,000 piece. Those committed pieces need to fund up ASAP.

The funds derived from the $20,000 "Insider" offering are evidenced by 90 day notes and will be paid from BAC offering proceeds. There is no minimum for the BAC offering so those funds are good for our use as they are subscribed and clear the bank. I will recommend to the Executive Committee that we repay the insider loans earlier than 90 days based on how the schedule of placement of the BAC Units unfolds.

Nine Days After the October 6th Meeting - In general, in the time frame from the meeting we held a week ago Saturday to now, we are making good progress.

Road Map - From "Now" through First Quarter 2014. "Busy" will be a gross understatement.

Major Events	'12-Q4	'13-Q1	'13-Q2	'13-Q3	'13-Q4	'14-Q1
Internal Organization						
Selection Directors & Officers						
Securities Offering – BAC						
Securities Offering - BRI 2013						
Property Selections						
Property Acquisition						
Property Closings						

Best

Dick

February 1, 2014

Patrick, Tom, Bruce, Jeff, Connie, Glenn, Paul, Rod, Bob, Rich, Jim:

A Talking Paper for your review and use in conversation with BDs, investors, RIAs, and others. Review this and then let's go over it and the many points that spring from it.

Talking Paper – HC-I Program and beyond

We are developing a plan to incorporate a number of undeveloped land parcels that we have studied and preliminarily find suitable for the development of a Marriott, Hilton or Hyatt (select service in most if not all cases). Before we go to Land Purchase Letter Of Intent, a franchise company (Marriott, Hilton or Hyatt) would have reviewed the site and opined it suitable for one of their flags

The initial program (which we refer to as "HC-I") will incorporate up to 16 land parcels, each added to the program on a sequential basis over 12 to 18 months, each taking 12 to 18 months to entitle and each being sold to a single purpose New Build syndication LLC that will construct, own and operate a hotel.

The end game is to liquidate each hotel, when fully stabilized, into a C corp that will acquire, own and operate, and declare REIT status.

So the plan has three steps.

1. Contract to acquire sites, entitle them and sell them to Single Property New Build entities. At this step HC-I is the managing member of 16 SP LLCs. An investor group is involved in HC-I and they will be incrementally liquidated out as each Land Parcel is assigned to a New Build entity. The incremental value creation is the business objective of HC-I.
2. New Build LLCs close on the Land Parcel they obtain from HC-I and pay HC-I the spread between Appraised Value and the Land Contract amount owed to the initial seller. That "value step-up" needs to be between 50% and 60% for the program to work for the HC-I investors and us as the sponsor.
3. After New Build LLC constructs, ramps up and stabilizes its hotel, it liquidates it to our C corp "catcher" company, which will operate as a REIT. When the REIT reaches sufficient asset size, it will look to conduct an IPO. The HC program will continue as will the New Build program, both as the foundation of the growth of the asset base of the REIT.

That is the first part of the Master Plan. HC-I's 16 sites turn into about $350MM of hotels at stabilized values.

HC-I begins and ends over a 24 to 30 month period. Given each hotel takes 12 months to build, the last one is finished in month 42. Given a 12 month ramp-up period and three years of operation to the point of liquidation, the last New Build LLC sales to the REIT in month 90.

But along that path, HC-2, HC-3 etc are feeding hotels through the system and eventually to the REIT. Plus, somewhere along the way, acquisition of "other" hotels should occur. We simply don't think now is ideal to be in the acquisition of "other's" hotels.

Harkins EXHIBIT 41
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

EXHIBIT
S-73
ADMITTED

Dick Harkins

From: Dick Harkins
Sent: Wednesday, July 09, 2014 11:41 AM
To: 'G. Tom Simmons'; Rod Eaves; Bruce Orr; Robert Kerrigan
Cc: Jeff Teets; Connie Cook; Paul Meka; Glenn Erler; Dick Harkins
Subject: State Of The Company

Been a little rough lately. Not out of the woods yet. But, we are going to be fine.

- As you all know, the University Of Wisconsin Madison (its endowment fund) is considering a sizable ($1,000,000) purchase of Units in the Hotel Land Fund. Their advisor has reviewed our Offering which led to a lengthy call with them yesterday. The advisor will be making its comments/recommendations to the University's Foundation Board shortly and the decision to invest will be on the Board's agenda on their July 22 meeting. Bob Kerrigan is on that Board and will be attending the meeting.

- The advisor is a RIA firm in Wisconsin that manages over $3.5BB of funds for numerous parties. They indicated an interest in our New Build single property offerings and possibly other clients that may be suitable for the Land Fund.

- We may be amending the makeup of the Executive Committee in the near future. That's not a teaser statement but simply a fact.

- As things stand today, everyone that works for the company has an important contributory role. We are down to those who "can" and those who "get it". While Jeff is vastly underutilized currently, that will change shortly as we pursue bank financing for three properties and commence work of the initial new build syndication.

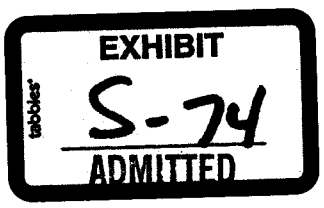
- We told Kevin Coleman that we were not going to pursue the Azusa project but certainly had in interest in others that involved the Lewis Companies.

- We have a keen interest in working with the owner of the McCormick Ranch Golf Course to see if it is feasible to construct a hotel on that property that would incorporate the golf clubhouse operations. That will take some three to four months to determine if such an undertaking makes sense. The City Of Scottsdale and other parties will come into play on this one.

- Sky Song remains on our front burner as a possible "initial project" for us. There remain some unknowns on this project but those matters should wash through over the next 60 days. Having the knowledge and some vision to see what that end of town looks like two years from now is "key" as is availability of a franchise that we would want.

- Some of us will be out this Friday as we have a meeting in Prescott with a developer who wants a hotel on his property. There are some interesting twists and turns with this opportunity so we'll keep you posted. It clearly is not our Number 1 but could make the top 10.

- We await an introduction by Chanen to an interested prospective JV partner. Our best guess is we'll know more about that next week.



HARKINS EXHIBIT 42
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

- Bob continues to pursue capital for us and we look to that as the short-term solution to getting our feet back under us.

Essential today is to keep our wits about us. While some of us are in this as a Venture., I know others of us are not positioned to be able to handle such a voyage. Getting paid on a predictable and timely basis is essential. I know that. All of the X-Members know that. Our needs in fact are not dissimilar to those of the rest of our Team.

What's important now is we keep a clear vision of the opportunities we have and select the one(s) we can handle .. of utmost importance .. we need to move off the dime and get some projects (one at a time but not too far apart) moving.

Connie, Paul , Jeff and Glen .. you're all essential to what we're doing here. Rod, Bob, Tom, Bruce and I are developing a tight schedule of events that have a strong focus. We will not do this in a fashion that doesn't include everyone.

Here is an invitation:

If I'm not involving you, or am and you don't like something about the project, or you simply think I "just don't get it" .. SPEAK UP LOUD AND CLEAR. You know me. I believe in what I believe. If you disagree, disagree. But don't talk to other s about it and don't come back to me months later and say .. "I disagreed with that way back when".. That one simply doesn't work. Not for me and not for anybody.

Think of this as a new start. Take that invitation and us it.

We're at the right size now with the right people. We can do whatever we choose with who we have. And, we'll go about things a little differently with our new start. We'll be better. In fact, we already are.

Thanks for being on the Team.

Dick

Richard C. Harkins
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Dick Harkins

From: Dick Harkins
Sent: Tuesday, August 05, 2014 1:13 PM
To: 'G. Tom Simmons'; Rod Eaves
Subject: Essential activities

Projects:

As for Sky Song and McCormick, the economic viability determination falls in my camp, to be reviewed with you guys. We obviously are a ways away from determining that for either project. Studies and design work have to be undertaken soon. I'd budget that with some careful thought. Rod and I can develop the timing schedules and budgets for initial study period.

Logistics and beach clearing can be on your (you and Rod) side of the ledger. The Planning and scheduling of capital expenditures for both projects will have to come through me, working in concert with the Stage 1 development needs of each project.

We will need to bring into play some conceptual layouts of the McCormick site. Story boards will be essential in a show and tell with any outside group. That brings into question the interviewing of architects and engineers. Vern Swayback's firm is suggested by Steve Chanen (for conceptual drawings and architectural design .. but they are expensive .. Steve said that the City of Scottsdale likes them a lot; so, that should be a strong consideration, along with civil engineers and attorney).

Capital:

I'm thinking that Chanen hay entertain a JV on either project; possibly both. Suggest we all discuss this later today. If it seems like a good idea, possibly bring Betts into a discussion on the topic. Stewart may be willing to JV to the extent of providing some of the front-end capital. Nothing ventured in a discussion with him on that topic. I think a full project development period budget should be developed first.

Such a budget will fall out of the scheduling event plan for the project.

"Diminished Role Impact":

With Tom and Rod next week, especially come the 15th of next week, that being when Kerrigan needs to have $62,500 in on the 15th, we need to reinforce with him that need absolutely must be met.

Yes, with the two of you out next week, there will be a challenging environment here, given the several projects we have going (sites and internal matters). However, I can handle the matters that I am focused on. The two of you need to position what you are doing and those on the outside with whom you are dealing so as there is a clear understanding as to "skipping the week", so to speak. I'd prefer not to be put into a situation of dealing with the Sky Song project as I have not benn ion the forefront of that one. Whatever may come up on McCormick is ok.

Our 6 Month Plan and what we Offer an Investor

This week, we must develop in presentable form what it is we need for a 6 month period for both operations and deal capital; and, what we will offer to an investor that will provide that capital.

Harkins EXHIBIT 43
DATE 9-15-2015
Karen L. Kessler, RPR, CR No. 50821

This will involve restructuring our debt. I am working on that currently and plan to have in ready for discussion late today.

Meeting Friday with Steve Jurich/IQ Wealth

Charlie will be in Friday after 3PM to join in the talks with Steve, as relates to developing a structure that gives him some access to allocations and distributions from anything of ours that he sells into.

Patrick and Bruce:

The Bruce and Patrick issues should be resolved to conclusion prior to Tom's departure (hence, done by the end of this week to all parties satisfaction).

Sky Song should also be positioned so Plaza and ASU Foundation both know that next week is off the table for discussions.

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

From: G. Tom Simmons [mailto:gtomsimmons@[redacted]
Sent: Monday, August 04, 2014 4:56 PM
To: Dick Harkins; Robert Kerrigan; Rod Eaves
Cc: Paul Meka; Connie Cook; Glenn Erler
Subject: Re: Our little raft and its mission

I'll handle the first draft of a letter to existing investors. Rod and I can handle the McCormick Ranch GC efforts for now (Dick later same as with Sky Song). Even though I will be traveling from 8/12 through 8/22, I will be available by phone and email, so other than attending meetings in person, there should be no "diminished role" impact. I remind everyone that Rod will also be away 8/11 through 8/15. Finally, even though $300K is a good target need for **operating capital** over the next 60 days, Bob needs to have $62K of it in before 8/15 and another $85K in before 9/1; these are firm requirements.

Tom

-----Original Message-----
From: Dick Harkins <dharkins@usabarcelonara.com>
To: Robert Kerrigan <RKerrigan@[redacted]; G. Tom Simmons <gtomsimmons@[redacted]; Rod Eaves <reaves@[redacted]
Cc: Paul Meka <pmeka@[redacted]>; Connie Cook <ccook@[redacted]>; Glenn Erler <gerler@[redacted]>; Dick Harkins <dharkins@[redacted]
Sent: Mon, Aug 4, 2014 3:38 pm
Subject: Our little raft and its mission

I want to clear the air and move forward so we can operate the business.

- Our Team - Rod, myself, Paul, Connie and Tom (in a diminished role for a short while starting mid-next week). Interestingly, we have a sufficient team for accomplishing what I see coming up.

- What's right at hand that needs 100% accomplishment?

- Bob is charged with raising enough capital to meet company needs for the next 60 days. Minimum of $300K as some interest on notes has to be paid.

- I have taken the responsibility for the deal capital requirements and post 60 day company operating needs.

- For Bob:

    1. You and I should immediately pick up the ball with Sam Murty. What's happening with the Chicago billionaires. You and I should get our buns up to Wisconsin and meet with Sam Murty (ASAP). Of course that will take some capital too.

    2. What is happening with:

        - Mike – 100,000/150,000
        - Clair – 100,000/150,000
        - Hair Dresser lady – 40,000/50,000
        - Shopping Center lady – 100,000
        - Doc – 50,000/100,000
        - And, what's happening with the Chicago billionaires?
        - Latest with Sam Murty?

- Where does our **"Outside" capital raising potential lie**:

    - IQ Capital (Steve Jurich) - Dick
    - Sam Murty – RIA – Wisconsin - Bob
    - Steve Coville – Tom/Rod
    - Rod has a possibility or maybe two - Rod
    - Bob has several named investor candidates - Bob
    - Other Steve Betts introductions (TBD) - Dick
    - Bank Of Montreal (just unfolding)/ Jerry Clark/Arden Capital - Dick
    - Sky Song spinoffs from Plaza Companies/ASU Foundation/Steve Betts – Tom/Rod (for now.. Dick later)
    - Continued marketing to RIAs and small BDs – Dick/Connie
    - What did I leave out? EVERYONE CHIME IN.

- We will shortly need to start **feeding capital to Sky Song** and soon **thereafter to McCormick Ranch.** I have and will take the responsibility for the Deal capital requirements. Bob's side is to keep the company functioning (at least for the next $300,000 over the next 60 days).

- Over the next two days, we must send out a **letter to our note-holders** laying out where we are, what's next and how we're going to get this little blip fixed. Who to do? Tom for this project?

- Connie, Paul and I are working on a **short presentation for Bank Of Montreal / Jerry Clark**. Out the door Wednesday.

- The **McCormick Ranch project** seems to have only a couple of hills to climb and neither is currently known to be especially. Working this project will soon entail some capital outlays too. Probably 30 days and then some (i) legal, (ii) demand/feasibility studies and (iii) site planning/conceptual elevation drawings. **This project requires a very preliminary PERT plan to be crafted**. Rod and I will work that for starters and then it's his. Target Friday for a block diagram and two weeks for a "hard look" plan.

- **September Communique** – Connie's baby.

- **Web Site** – clean it up as to people and positions. New content coming.

- **Feedback** – EVERYBODY????

Dick

Richard C. Harkins
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BEFORE THE ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION

IN THE MATTER OF:	)	
USA BARCELONA REALTY ADVISORS, LLC, USA BARCELONA HOTEL LAND COMPANY I, LLC, RICHARD C. HARKINS, ROBERT J. KERRIGAN, GEORGE T. SIMMONS, and BRUCE ORR.	)	FILE NO. 8503

EXAMINATION UNDER OATH OF GEORGE THOMAS SIMMONS III

Phoenix, Arizona
October 2, 2015

COASH & COASH, INC.
Court Reporting, Video & Videoconferencing
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Prepared By:
JODY L. LENSCHOW, RMR, CRR
Certified Reporter
Certificate No. 50192

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EXAMINATION UNDER OATH OF GEORGE THOMAS SIMMONS III was taken on October 2, 2015, commencing at 8:51 a.m. at the offices of the Arizona Corporation Commission, Securities Division, 1300 West Washington Street, Third Floor, Phoenix, Arizona, before Jody L. Lenschow, RMR, CRR, Certified Reporter No. 50192 for the State of Arizona.

* * *

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ALSO PRESENT: Dee Morin, Special Investigator
Ricardo Gonzales, Chief Accountant

(EUO Exhibit 1, EUO Exhibit 2, EUO Exhibit 3, EUO Exhibit 4, EUO Exhibit 5, EUO Exhibit 6, EUO Exhibit 7, EUO Exhibit 8, EUO Exhibit 9, EUO Exhibit 10, and EUO Exhibit 11 were marked for identification.)

GEORGE THOMAS SIMMONS III,

called as a witness herein, having been first duly sworn by the Certified Court Reporter to speak the truth and nothing but the truth, was examined and testified as follows:

EXAMINATION

BY MR. KITCHIN:

Q. Good morning. This is part of an inquiry by the Securities Division of the Arizona Corporation Commission in the matter of USA Barcelona Realty Advisors, LLC, USA Barcelona Hotel Land Company I, LLC, Richard C. Harkins, Robert J. Kerrigan, George T. Simmons and Bruce Orr, to determine if there has been full compliance with the Securities Act of the State of Arizona. The information obtained today may reveal violations of statutes outside the Securities Act.

Mr. Simmons, you have the right to refuse to answer any questions if you think the answer may tend

to incriminate you. You have the right to refuse to produce any private papers which you feel may tend to incriminate you. You do not have the right to refuse to produce corporate papers based upon any claim of self-incrimination.

The reporter will go off the record at my direction. If you or your attorney would like to go off the record, tell me, and I will try to accommodate you. The reporter will note for the record each time you consult with your attorney before answering. This is done to ensure an accurate record.

Since your testimony is being recorded by a reporter, please respond verbally as opposed to nodding or shaking your head. Also, please let me finish asking the question before you answer so there will not be two people speaking at once. If you don't hear a question or don't understand a question, say so, and the reporter will repeat it or I will explain the question further. And you are under oath, so any false statements you make may be criminally prosecuted as perjury.

Do you understand what I have explained to you so far?

A. I do.

Q. What is your full name?

A. George Thomas Simmons III.

Q. Have you ever used any other name?

A. No.

Q. Are you taking any medication or do you have a physical problem that would prevent you from hearing or understanding my questions?

A. I have some hearing loss and I'm wearing hearing aids, but I doubt, seriously, that will impact my ability to hear you.

Q. All right. If it does or if I'm not enunciating correctly for you, can you let me know?

A. Sure.

Q. What is your home address?

A. [redacted]

Q. And how long have you lived there?

A. Since 1999.

Q. And do you rent or own your home?

A. I'm sorry?

Q. Do you rent or own your home?

A. We own the home.

Q. Where did you live before there?

A. We lived on Karen Street in [redacted].

Q. And how long did you live there?

A. We lived there for 13 years.

Q. And what is your home telephone number?

A. [redacted]

Q. Next, I'm going to ask for your social security number. However, under the Federal Right to Privacy Act, you are not obligated to answer. If you do answer, the information will only be used for identification purposes.

What is your social security number?

A. [redacted]

Q. What is your occupation?

A. I'm retired, and I involve myself in several business interests that I have been involved in for some time and take care of my wife, who is a stroke victim.

Q. What was your occupation before you retired?

MR. BERRY: Tom was involved in a number of businesses.

THE WITNESS: I was going to say, I -- how many -- at which retirement, I should say?

Actually, I guess I officially retired from corporate involvement in 2002. And so I've been involved in a number of business activities since then in a variety of ways, most of them on a personal level, some family.

BY MR. KITCHIN:

Q. And what other occupations have you had?

A. Well, I was -- prior to my retirement my career was a semiconductor industry career, and I was with a number of firms in that industry.

Q. Are you currently employed?

A. No.

Q. What was the employer you had before 2002?

A. From 1998 to 2002 I was cofounder of a company by the name of GEM Services, Incorporated, which is a contract manufacturer based in Asia.

Q. What's the most recent employer that you had?

A. I was with USA Barcelona Realty Advisors.

Q. And before then, employer before then?

A. Employer before then. None. None between my retirement and that was I really an employee, no.

Q. What is your educational background?

A. I have a Bachelor of Science degree in -- it's actually in business, but it's -- I won't go into the details. It's a little bit more complicated than that. And then I have graduate work both -- after that at the University of Nebraska, where that degree is from, and ASU.

Q. What is your employment history since high school?

A. Since high school. Well, I worked at -- during college I had a number of jobs. Some of them were temporary. Some of them were summer employment. I worked for a year as an accountant at a Chicago Heights, Illinois stamping plant of Ford Motor Company. After that I really was not employed until I joined Motorola Semiconductor in 1964 out of college, when I first arrived in the valley.

Q. And after that?

A. After that, just a series of semiconductor companies; Fairchild Camera and Instrument, OKI Electric, Siliconix, part of the division of TEMIC and Daimler Benz. And then from that I cofounded my own company that I mentioned before, Gem Services.

Q. Have you taken any courses in investing?

A. No.

Q. Have you taken any courses in accounting?

A. Yes.

Q. Can you describe those courses?

A. Basically, general accounting courses. No advanced courses at all.

Q. Are you an officer or director of any company?

A. Today? No.

Q. What companies have you been an officer or

director of since 2005?

A. I was a -- for a short time I was a director of Arizona Village Communities. I think that directorship period lasted about a year. I joined them after they had organized and begun to do work. I don't even know how much work. But for about a year I think I was a director of that company.

Q. And any others since 2005?

A. Companies?

Q. Right.

A. No.

Q. What other entities other than companies?

A. Well, I was on the board of the Franciscan Renewal Center for seven years and chaired that board for three years, which was not quite a full-time job, but substantial.

Q. Any other company entities since 2005 that you have been an officer or director of?

A. Not that I recall.

Q. Now, how about the various USA Barcelona entities?

A. Well, yes, I was named as a director for a directorship in formation, which was never completed, for the holding company, Arizona Village -- or not Arizona. USA Barcelona Holding Company.

But that directorship, which had Mr. Harkins and myself, still required a minimum of three more independent directors, which we were in the process of interviewing and working to seat, but we had not completed that.

Q. Were you ever an officer or director of USA Barcelona Realty Advisors?

A. Was I an officer, yes, but not a director. We didn't have directors.

Q. What was your position there?

A. Well, I had the title of chief operating officer, and I can explain what that role was; but the title did not fit the, quote/unquote, normal definition of that role.

Q. How so?

A. Well, when I originally discussed coming aboard with Mr. Harkins, I told him two things. Number one, I had no interest, nor would be involved, in any capital formation for the company. Number two, I would help where he had asked me to help, which was in organizing the company to do business, internal organization, and I would also assist or even take the lead in working on arrangements and relationships with external third parties that were required for us to do business. That was basically my role.

Q. And how did your role differ -- how did your actual role differ from what would typically be expected of a chief operating officer?

A. Well, I had no financial management responsibility. The CFO did not work for me. He worked for Mr. Harkins. I had absolutely no involvement in raising capital, as I said before. And I also had no -- I had no role or responsibility or authority, for that matter, in keeping any records of the company.

So most chief operating officers would have most, if not all, of those roles.

Q. Were any of the powers or responsibilities of the chief operating officer or chief financial officer positions documented anywhere or formalized anywhere?

A. The chief financial officer role I think was. The chief operating role I'm not aware was. That was just my understanding with Mr. Harkins.

Q. And were you ever an officer or director of USA Barcelona Hotel Land Company I?

A. I was to be -- I was to be an officer in that company, and it was stated that I would be an officer in that company; but because the company never began operations, that role never materialized.

Q. What was the role going to be?

A. It was undefined.

Q. And did you have any other positions at that company?

A. No.

Q. Were you ever an officer or director of USA Barcelona Realty, Incorporated?

A. Yes. That was the holding company that I referred to earlier, one and the same, as far as I know.

Q. And you said you were going to be the director, I think. Did you say whether or not you were an officer of that company?

A. No, I was not an officer of that company, to my knowledge.

Q. Were you ever an officer or director of USA Barcelona Realty Holding Company, LLC?

A. Excuse me. Could we go back a minute to your previous question?

Q. Sure.

A. I think it was stated that I was an officer in one of the offering memorandums; but, again, that won't ever materialize because the holding company never had any activities.

Q. And you're referring to a reference to being an officer of --

A. Of the real estate holding company, USA Barcelona Realty Holding Company, your previous question. I'm sorry, I wanted to clarify that.

Q. That's fine. No, thank you.

Were you ever a director or an officer of USA Barcelona Realty Holding Company, LLC?

A. Realty Holding Company, LLC. Not to my knowledge. I don't recall that entity being in existence.

Q. Were you ever an officer or director of USA Barcelona Hotel Holding Company, LLC?

A. Hotel Holding Company. No, not to my -- again, I don't recall that entity -- I remember the name, but I don't remember that entity existing.

Q. Were you ever an officer or director of USA Barcelona Administration Company?

A. No.

Q. Do you know what the entity is?

A. The entity was a predecessor to the Realty Advisors organization, and I was aware of it, but I had nothing to do with it.

Q. Was it the same entity under a different name, or was it a separate entity from Realty Advisors?

A. I think it was a separate entity, my understanding. Yes, that was my understanding.

Q. Were you ever an officer or director of Barcelona REIT I, Incorporated?

A. No.

Q. Have you ever been convicted of a crime other than a minor traffic offense?

A. No.

Q. Have you ever been arrested?

A. No.

Q. Have you ever been indicted?

A. No.

Q. Have you ever been the defendant in a civil lawsuit?

A. No.

Q. Have you ever filed bankruptcy?

A. No.

Q. Have you ever been the subject of an investigation by any governmental agency?

A. Perhaps, depending on what you mean. Does the IRS qualify? Yes, I have had audits, IRS audits, but no convictions, no ramifications. Everything was dismissed.

Q. When you say that everything was dismissed, does that mean any kind of complaint or notice was filed by the IRS?

A. No. It means they made an investigation and

they withdrew any further activities.

Q. Have you ever given any prior testimony in connection with any of the USA Barcelona entities?

A. Prior testimony? No.

Q. Have you ever given any prior testimony in connection with any of the Arizona Village Communities entities?

A. No.

Q. Are you a registered broker-dealer?

A. No.

Q. Are you a registered securities salesman?

A. No.

Q. Are you a licensed investment advisor?

A. No.

Q. Have you ever been a registered broker-dealer, registered securities salesman or licensed investment advisor?

A. No.

Q. Do you have any state licenses other than a driver's license?

A. Yes.

Q. And what is that?

A. I have a real estate license.

Q. And when were you first granted that license?

A. I'm sorry?

Q. When were you first granted that license?
A. Oh, I'm not sure of the exact date. My guess would be 2012.
Q. Do you know your license number?
A. No. I could get it, but I don't have it.
Q. What is your date of birth?
A. [redacted].
Q. What is your place of birth?
A. [redacted], Missouri.
Q. What is your marital status?
A. Married.
Q. And what is your spouse's name?
A. Janet B. Simmons.
Q. And what's the middle initial stand for?
A. Bernice.
Q. And when were you married?
A. We were married in August of 1963; 52 years ago plus.
Q. Do you have any children?
A. Yes, we have two.
Q. What are their full names?
A. Samantha Ann Simmons and George Thomas Simmons IV.
Q. And what are their ages?
A. My daughter's age is 50 and my son's age is

44.

Q. And what are their addresses?

A. My daughter's address is -- she has a Post Office Box that she uses today, not a street address. So is that okay?

Q. Yeah. What is the Post Office Box?

A. It's [redacted].

My son's address is [redacted], [redacted] Nebraska, [redacted]

MR. BERRY: I'm impressed.

THE WITNESS: Don't ask me what I had for breakfast.

BY MR. KITCHIN:

Q. Where do you hold your personal bank accounts?

A. I have two banks, Wells Fargo in Scottsdale and National Bank of Arizona in Scottsdale.

Q. Where did USA Barcelona Realty Advisors hold its business bank accounts?

A. I don't know.

Q. Do you know who the signers on its business bank accounts were?

A. I think I'm a signer on one account, but I absolutely don't know what the bank is, because it was

asked of me in a moment when I was in a hurry to do something else, and Jeff Teets, our CFO at the time, asked me to be a signer on the account, so I signed my name, but I don't even know the bank. If I had to make a guess, it might be the Alliance Bank, because he was affiliated with the Alliance Bank at one time.

Q. Did you have access to the company's bank accounts, debit cards or electronic transfers?

A. Only if I wrote a check. Otherwise I -- well, that may not be true. The paperwork I signed may have given me access to all of those things. I only knew it as a check signing thing, but it could have easily given me access to that. I don't know that.

Q. Did you ever use access to the company's bank accounts, debit cards or electronic transfers?

A. Not to my knowledge, no.

Q. Who else had access to the company's bank accounts, debit cards and electronic transfers?

A. I don't know for sure, but I'm assuming it would have been Mr. Harkins and Mr. Teets.

Q. Where did USA Barcelona Hotel Land Company I, LLC hold its bank accounts?

A. I don't know that.

Q. Do you know who the signers on the company's accounts would have been?

A. No.

Q. Who has done any formal or informal accounting work for USA Barcelona Realty Advisors, LLC?

A. Mr. Teets.

Q. Anyone else?

A. Anyone else?

Q. (Nodded.)

A. Probably Mr. Harkins prior to Mr. Teets. Other than that, I don't know.

Q. Who has done any formal or informal accounting work for USA Barcelona Hotel Land Company I, LLC?

A. I would say the -- answer the same way; probably Mr. Harkins and Mr. Teets somehow together.

Q. How was USA Barcelona Realty Advisors, LLC started?

A. How was it started.

My understanding from Mr. Harkins was that he formed the company and found office space for the company and hired some administrative assistants and was in the process of -- when he came to me, all of this had been done, and he was in the process of -- well, no, they had already begun to raise capital, he and Mr. Kerrigan, and so he came to me and said that he needed my help.

If I was going to join and give him the help that he needed in the areas that I delineated earlier, he would like to have me join as soon as possible, and we can talk about that date later. So most of that organization activity had already taken place.

Q. When did he first approach you about the company?

A. About joining the company?

Well, let me go back. Over the years from 2009 to 2013, when I finally did join, there had been intermittent conversations about his desire to organize this type of company, and so I had listened to that. I made no commitments, but I had listened to that.

So it was sometime in the late spring, I guess, I'm going to say April time frame of 2013 when he had this conversation with me, and I told him I would give it serious thought and come back to him, which I did.

Q. And when did you join the company?

A. Actually, officially, July 1st of 2013. However, because I had already booked a vacation trip with my entire family, children, grandchildren, wife, et cetera, I was going to be gone until, I believe, about the 10th or 12th of July and would not be available until then. So that was -- official start

date I guess was July 1st, but I didn't really show up for work until closer to the middle of the month.

Q. Who was involved with the start of USA Barcelona Realty Advisors, LLC?

A. I believe it was just Mr. Harkins and perhaps Mr. Kerrigan, and shortly thereafter, at some point in time I don't know, but before I arrived, Mr. Orr, and then I came aboard.

Q. How was the company funded?

A. It was my understanding it was funded from the sale --

MR. BERRY: Tom, by the way, if you don't mind, you know, on things like this, if you don't know, say you don't know.

THE WITNESS: Okay.

MR. BERRY: But if you do know -- I mean don't speculate. If you have a good idea of something, you can tell him.

THE WITNESS: Okay.

I really -- I know the type of investment that was made was a note. I don't know anything about how it was sold or organized or any of that, because I had no involvement in it.

BY MR. KITCHIN:

Q. Did the company have any employees or

independent contractors?

A. Yes, it had both.

Q. And who were the employees and independent contractors?

A. My understanding was -- and, again, I didn't structure this, but it was my understanding that -- and I do know this for a fact. The employees, per se, in terms of withholding tax and all of that, so qualifying as a true employee with workmen's comp, et cetera, were Mr. Meka and Ms. Cook. Everyone else, to my knowledge, was an independent contractor.

Q. And who had contracts?

A. Who had contracts?

Q. Which employees or independent contractors had contracts with the company?

A. To my knowledge, everyone did.

Q. Did you have a contract to work for the company?

A. Yes.

Q. Did the company ever have any revenue?

A. Have any revenue.

No.

Q. What investment offerings did the company make?

A. I don't want to speculate, because I don't

know that I know everything, so I would rather not answer that, because I just don't know for sure.

Q. Are there any -- if you don't know them all, are there any particular ones that you do know about?

A. I know that there were two different note offerings that were, as a matter of fact, prior to my joining the company. And I know that there were some other offerings in process to fund not the Advisor, but the affiliated companies that would be investing in properties; but to my knowledge, none of those were ever executed.

Q. Did you ever invest money in USA Barcelona Realty Advisors, LLC?

A. No.

Q. How was USA Barcelona Hotel Land Company I, LLC started?

A. How was it started.

It was designed to -- it was organized or started by Mr. Harkins to fund the acquisition of land parcels.

Q. And who was involved with the start of the company?

A. Who was involved with the start of the company.

I'm not sure. I know Mr. Harkins was. I

don't know anyone else that was.

Q. How was that company funded?

A. It was not funded.

Q. Did it have any employees or independent contractors?

A. No.

Q. Did it have any revenue?

A. No.

Q. What investment offerings did that company make?

A. I'm not sure I know, other than the one offering document that we spoke of earlier.

Q. For USA Barcelona Realty Advisors' Series A notes, how did the company search for investors for the offering?

A. I have no idea.

Q. Besides Robert Kerrigan, did the company work with anyone else from First Financial Equity Corporation to find investors?

A. I don't know.

Q. Did the company provide investors any offering documents for the Series A notes?

A. Did the -- say again, please.

Q. Did USA Barcelona Realty Advisors provide investors with any offering documents for the Series A

notes?

A. I don't know.

Q. Do you know what type of documents of any kind the company provided to investors of the Series A notes?

MR. BERRY: Excuse me. What time frame are we talking about on the Series A notes? Can you kind of narrow that down a little bit?

BY MR. KITCHIN:

Q. I think the Series A notes were from approximately October 2012 to late 2013, although, you know, we don't necessarily know for sure. So I'm curious in, you know, any time frame that you know about them, which might not be the full time frame that they were offered.

A. Yeah, I really don't know anything about Series A notes and the offering of those notes.

Q. Do you know who drafted the offering documents for the Series A notes?

A. No.

Q. Do you know what the funds from the Series A notes were to be used for?

A. No.

MR. BERRY: When you say "were to be used," are you talking about what the offering document

said or how they were actually used?

MR. KITCHIN: What they were said to be used for --

MR. BERRY: Okay.

MR. KITCHIN: -- as opposed to --

THE WITNESS: What the intention was.

BY MR. KITCHIN:

Q. Exactly.

A. Okay. I don't know. I don't know for sure, so I'm not going to say I know, because I really don't know for sure.

Q. Did anyone ever tell you what they were supposed to be used for?

A. Yes.

Q. What were you told?

A. I was told that they were to fund working capital, operating needs of the Advisor, and to provide some deposit funds for acquiring properties, that would then be paid back to the Advisor by the entity acquiring those properties once funds had been raised for those entities. That was what I was told.

Q. Were investors for the Series A notes told when they could expect a return on their investment?

A. I don't know that.

Q. What was USA Barcelona Realty Advisors'

business model when you joined?

A. The business model was to, again, begin to work on -- to begin to work on organizing these affiliate companies, that would then invest in properties ultimately to be put into a holding company portfolio that would seek REIT status at some point in time and go public. So the purpose was to get all of that started.

Q. Did any investors on the Series A notes ever receive a return on their investment?

A. I was told they did, but I don't have any direct knowledge that they did.

Q. Who told you that they did?

A. Mr. Harkins and Mr. Teets.

Q. What were the funds from the Series A notes, in fact, used for?

A. I don't know in total, but as far as I knew, they were used, as I said, for working capital to organize the Advisor to do this work.

Q. Were any commissions offered to be paid for sales of the Series A notes?

A. Not to my knowledge.

Q. How many Series A note investors were there in total?

A. I don't know.

Q. How much in total was raised from investors in the Series A notes?

A. I don't know.

Q. Who would know?

A. Mr. Harkins and Mr Teets.

Q. How did the company search for investors for its Series B note offering?

A. I don't know.

Q. Did the company provide any investors in the Series B notes with any offering documents?

A. I don't know.

Q. Who would know?

A. I would say Mr. Harkins, perhaps Mr. Kerrigan.

Q. Who drafted the offering documents for the Series B notes?

A. I don't know. I don't know for sure. I would guess -- I believe Mr. Harkins did, but I don't know.

Q. What gave you the impression that he had written them?

A. He wrote all of the offering documents, to my knowledge. Therefore, I would assume he wrote that one.

Q. What were the funds from the Series B notes

intended to be used for?

A. Specifically, I don't know; but I was told they were to be used for the same purpose as the Series A proceeds, to be used for working capital for the Advisor.

Q. Did any investors in the Series B notes receive any return on their investment?

A. I don't know.

Q. What were the funds from the Series B notes, in fact, used for?

A. I don't know.

Q. Were any commissions offered for the sale of the Series B notes?

A. Not to my knowledge.

Q. How many investors were there in the Series B notes?

A. I don't know.

Q. How much total was raised from investors in the Series B notes?

A. I don't know.

Q. Over what period of time were the Series B notes offered?

A. I don't know.

Q. Are you familiar with the 10/5/10 notes?

A. I heard about that offering. Yes, I heard

about it.

Q. Do you know if that is the same as or distinct from the Series B notes?

A. I don't know.

Q. How did the company search for investors for the 10/5/10 notes?

A. I don't know.

Q. Who would know?

A. I would say -- I would guess Mr. Harkins and Mr. Kerrigan.

Q. Did the company provide any investors in the 10/5/10 notes with any offering documents?

A. I don't know.

Q. What were the funds from the 10/5/10 notes intended to be used for?

A. I think I answered that before. My understanding was they were to be used for the same purposes as the Series A notes, the working capital for the Advisor company.

Q. What type of return were investors in the 10/5/10 notes told they could receive?

A. I don't know.

Q. Were any commissions offered for the sale of the 10/5/10 notes?

A. I don't know.

Q. How much was raised from investors from the 10/5/10 notes?

A. I don't know.

Q. Did 10/5/10 investors receive any type of documents from the company?

A. I don't know.

Q. How did any of the USA Barcelona entities search for investors for the membered units for USA Barcelona Hotel Land Company I?

A. I don't know for sure, but I was told they were to be -- that the investment for that fund was to be raised by third-party professional fundraisers, capital raisers, including institutional funds like -- I recall Oppenheimer being one.

Q. How did the company search for investors for any notes that it offered in June 2014?

MR. BERRY: Paul, "the company" in this case is what?

MR. KITCHIN: Right.

BY MR. KITCHIN:

Q. The company in this case is USA Barcelona Realty Advisors, LLC.

A. And could you repeat the question, please?

Q. How did USA Barcelona Realty Advisors search for investors for its June 2014 notes?

A. I don't know.

Q. Did Realty Advisors offer investors in its June 2014 notes any offering documents?

A. I don't know.

Q. Do you know if it offered them documents about the company of any kind?

A. I don't know.

Q. What type of documents were provided to Rodney Eaves before any of his note investments?

A. I don't know.

Q. Were any investments or notes to Rodney Eaves ever discussed by the executive committee?

A. No.

And, by the way, you say executive committee. You mean the executive members?

Q. Yes.

A. No.

Q. Was there a terminology used for the body that the executive members consisted of?

A. No, not to my knowledge. That term had been discussed at one time, but we had never -- to my knowledge, never used the term internal to the Advisor company.

Q. And just to clarify my last question, did the executive members ever discuss the notes that Rodney

Eaves purchased?

A. No.

Q. How was USA Barcelona Realty Advisors managed?

A. It was managed by Mr. Harkins.

Q. And by anyone else?

A. No.

Q. What role did the executive members have in the company's management?

A. We had what was stated to be and defined as a role to vote on major decisions. Major decisions, as I was led to understand, because of the categories of information that would be voted on, would be those things that would have a material impact on the success or future of the company, but they were defined in these various categories. And that was it. There was no management role.

Q. Did any of the executive members ever express disapproval with Harkins' management of Realty Advisors ever?

A. That's a general question. I would say -- I don't know for sure. Perhaps. I'll just say perhaps. Because I'm not sure what management -- it's a broad category, so I'm not sure what that means. But did they express displeasure? Not to my knowledge.

Q. Did the executive members ever take any steps to control any of Harkins' business decisions for the company?

A. No, because it was outside -- no, because it was outside the scope of what our role was.

Q. Did any investors in USA Barcelona Realty Advisors ever have any responsibilities to the company after paying their investment?

A. After paying their investment. Not to my knowledge, other than perhaps Mr. Eaves.

Q. And what responsibilities did he have with the company?

A. He joined the company as an officer and an executive member.

Q. And when was that?

A. He joined the -- he joined as an officer in late May of 2014. I don't remember the exact date, but that was when he committed to join. And he -- I think it was around the first part of -- late June or early July he joined as an executive member.

Q. Did he have any responsibilities to the company before he joined?

A. Responsibilities to the company.

MR. BERRY: Are you talking about before he joined as an executive member or before --

MR. KITCHIN: Correct.

MR. BERRY: -- joined as an officer?

BY MR. KITCHIN:

Q. I'm sorry. Before he joined as either an executive member or an officer.

A. Did he have any responsibility.

No, I don't believe he had responsibility. But he did have involvement. That may be different.

Q. What kind of involvement did he have?

A. He attended a number of meetings with potential contractors that we were -- or not potential; contractors that would be potential construction partners for the land company.

And he attended a number of other internal meetings, including a couple of times where -- Mr. Harkins referred to them as team meetings, but they would be kind of an all-hands meeting. He was involved in those meetings a number of times beginning in January of '14.

Q. What was Richard Harkins' role at USA Barcelona Realty Advisors?

A. He was the president, CEO and manager of the company.

Q. What role did he have at USA Barcelona Hotel Holding Company I?

A. The proposed role that he would have, which never materialized because the company never began operations per se because it was never funded, his role was to be president of that entity as well and manager.

Q. What was Robert Kerrigan's role at USA Barcelona Realty Advisors?

A. My understanding was that he was an executive member and advisor to Mr. Harkins for potential investors. I don't know exactly what role he had other than that, what I just said. What his activities were, I don't know.

Q. What was Bruce Orr's role at USA Barcelona Realty Advisors?

A. Mr. Orr's role was working with me, primarily to develop relationships with a variety of third-party operators that would be potentially involved with USA Realty Advisors as we began to develop the activities of these various entities.

As an example, finding land parcels that were appropriate for development of a hotel property or meeting with major flags like Marriott and Hilton to understand what their requirements were and if they had suggestions about where we might locate a hotel, and to meet with existing hotel operators, management companies that actually ran hotels for owners, so that

we could at some point in the future work with them on a relationship that would maybe have one large company already in the business of managing hotels manage hotels that we had. So he was involved with me, and that's what he and I both primarily did.

Q. What was Jeff Teets' role at USA Barcelona Realty Advisors?

A. He was the chief financial officer and he had responsibility for all of the accounting functions and financial management.

Q. Did he have any involvement in any of the investment offerings?

A. I don't know.

Q. What was Paul Meka's role at USA Barcelona Realty Advisors?

A. He was a -- he had a clerical/administrative function.

Q. Did he have any involvement beyond clerical and administrative duties?

A. Not to my knowledge.

Q. Do you know if he worked with Harkins at all on any of the offering documents?

A. Not to my knowledge.

Q. Who had a say in the content of the company's investment offerings, Realty Advisors?

A. Mr. Harkins.

Q. Anyone else?

A. Not to my knowledge.

Q. How was USA Barcelona Hotel Land Company I managed?

A. It really was never managed, because it didn't exist as an operating entity. It was to exist, and had it been funded, it would have existed; but it was to be managed primarily by contract with the Advisor.

The advisory company was to do the work, basically, under contract for the land company and any of the other affiliates. That's the way it was set up. So that entity, nor any other entity, would ever have any employees.

Q. Did USA Barcelona Realty Advisors' business plans or business model change after you joined in 2013?

A. No, the plan did not change. What did change were some strategies to implement the plan.

Q. And what changes in strategies were those?

A. Well, if you go back to the -- and I'm talking about what I read, because I wasn't there when some of this was originally done, okay. But if you go back and read the original plan, it was to acquire

properties and put them into a portfolio that would then ultimately go public.

That expanded strategically to develop properties, not just acquire them, and that development activity was a new strategy, but the plan and the ultimate objective was the same.

Q. When did that change in strategy occur?

A. I don't know.

Q. What was the reason for the change in strategy?

A. Basically, the economics of the market.

Q. Can you explain further?

A. Yes. The acquiring properties -- and I only know this because I studied some of the economics that were presented, so I'm going by what I learned in retrospect; but I saw it as accurate.

What happened was that the market -- the pricing level, price per square foot, whatever you want, price per room -- there are all kinds of metrics. -- became so high because there were a lot of large funds going after these properties because they were undervalued, that the price got so high that an operation like ours could not justify doing it that way.

So we didn't abandon that. We just said it's

not the right time to do that. We'll do it later, or the company said that. I didn't say that. But in the meantime, there were opportunities, because demand was coming back for hotel occupancy, so there was good opportunity for developing new properties, and that was the reason.

Q. Did the change in priority to developing new properties occur before you joined?

A. My understanding was yes. When I joined, that was already under way. That shift was already underway.

Q. At what time did you find out that that shift had previously occurred?

A. Well, when Mr. Harkins and -- I guess it was Mr. Harkins explained to me that that shift was occurring and why. I learned it from him. But then, as I said, I reviewed the materials so that I could understand it, because I was going to be involved in either one of those, either going finding existing properties to acquire or developing new.

Q. And when were you first told that that shift in strategy had happened?

A. I don't recall.

Q. What was Allen Weintraub's role at USA Barcelona Realty Advisors?

A. My understanding was that -- and I'm going by what I was told. -- that he was to raise funds for acquiring existing properties.

Q. How successful was he at raising those funds?

A. My understanding was he was not successful at all, did not raise any funds.

Q. Was his inability to raise funds one of the causes of the change in strategy from acquiring to building?

A. Yes, in the context that because he was unable to raise funds in a timely manner, that opportunity period had passed.

Q. Do you know anything about any business plans that Harkins has been working on in 2015?

A. No.

Q. What were USA Barcelona Realty Advisors' interactions with Chanen Construction Company?

A. They were one of about a dozen construction companies that we were interested in attracting as possible candidates to be the construction company for our development of hotel properties. And so we interviewed a number of companies, and they were selected as the one that we would like to go with, and so we spent a fair amount of time dealing with them on that subject.

Q. Did any of the USA Barcelona entities ever reach an agreement with Chanen Construction Company about land entitlement or construction site preparation?

A. Yes.

Q. What agreement was that?

A. What agreement? Well, it was the last meeting that we had with them, face-to-face meeting, including their senior management and ownership, was to go forward and do that. We had gone through a series of term sheets to understanding how this might play out, including the possibility of a joint venture, which they decided they did not want to do and we actually decided would not be a good structure as well. We thought it needed to be a closer-knit relationship than that, working directly together.

So the answer is we left the last meeting with them and the last exchange of information with an agreement in principle as to how we would go forward, and they would indeed be our contracting partner.

Q. What were the terms of the agreement in principle?

A. Basically, that we would identify the land parcel. We would put down a deposit, "we" being USA Barcelona. In this case it would be the land -- in

this case it would be Advisor until the land company was funded, and then the land company would take over and do that, but the Advisor would still be doing the work for the land company, but the funds would come from the land company.

But the idea and the understanding with them was that the minute that that land parcel was -- the contract terms were agreed to and a deposit was made and we had control of the land company -- or the land parcel, then Chanen would get involved and begin the entitlement work with us. There was some entitlement work that we were going to do and some that they were going to do.

Q. Was that agreement documented in any way?

A. It had been documented in a variety of different iterations of those terms. Was there a final copy that was agreed to with a signature? I don't think so. But there was an agreement in principle on that arrangement, and they had approved the materials that would be in the offering memorandum, I do know that; not because I know it from the operating memorandum, but because I know it from the discussions we had with Chanen.

Q. Was there a final iteration of the term sheet that both sides agreed to, but didn't sign?

A. I believe there was, but I don't have it.
Q. What was Bruce Orr's role with respect to communications with Chanen Construction Company?
A. I think he attended one meeting, and he didn't have a role.
Q. What was your role in the Arizona Village Communities Venture?
A. As I said, I agreed to be a director. I agreed to join as a director, I think for approximately one year, probably about 2006, and then -- or maybe it was half of 2006, half of 2007. I don't recall the exact dates. And then the recession hit and the company ran into great difficulty raising capital and had to terminate operations. And I was an investor in that company.
Q. How much was your investment?
A. $100,000.
Q. I'm going to hand you what's been marked as Exhibit 1, Instructions for Completing Subscription Documents, Bates No. ACC980. Do you know what that is?
A. No. I've never seen it.
Q. Turning to the last page, which is ACC986.
A. Okay. Yes, okay. Yes, I do recall signing that. And would you like me to explain the circumstances?

Q. Please.

A. Okay. Richard Andrade is the only investor in the company that I knew before they became an investor. And the reason I knew Richard Andrade is because he and I were employed at Intel Corporation back in the '80s, so I knew him from that point.

I got a call one day from Jim Wilkerson, who was a short-term employee of the company -- not employee; independent contractor, excuse me. -- to sell the security documents that we had. So, anyway, he was hired by Mr. Harkins to come in and do that work.

Mr. Andrade happened to be a client of his, and so he, without my knowledge and without Mr. Andrade's knowledge, he basically sold Mr. Andrade this particular note. And when Mr. Andrade saw my name involved in the company, wanted to meet with me. And so he came in with Mr. Wilkerson, and we chatted in my office. And Mr. Wilkerson said, "Oh, and by the way, Mr. Andrade wants to close on this investment today and Mr. Harkins is not available. Would you sign for the company?"

And I said, "Well, I will if Mr. Harkins agrees that I should, but I won't otherwise."

So I got on the phone with Mr. Harkins, and he said, "Yes, you go ahead and sign, because I

authorize you to do that in my absence." That's how it happened.

Q. And what was discussed at that meeting with Mr. Andrade that you just described?

A. Nothing other than our backgrounds and what we had done since Intel and, gosh, it's nice to see each other again. It was a social meeting.

Q. At the meeting, was there any discussion about USA Barcelona Realty Advisors?

A. No.

Q. Did you ever give Mr. Andrade any company documents, USA Barcelona Realty Advisors documents?

A. No. Mr. Wilkerson did. I did not.

Q. I'm going to hand you what's been marked as Exhibit 2, ACC6221. Do you know what that is?

A. ACC622 -- oh, I see.

So you're talking about this ad.

Q. Yes.

A. No, never seen that.

Q. Do you know if USA Barcelona Realty Advisors ever ran any newspaper advertisements for its notes?

A. Not to my knowledge.

Q. Next I'm going to hand you what's been marked Exhibit 3, which is ACC5493. Do you know what that is? Also, it's double-sided.

A. Oh. Okay, this is -- yeah, this is the letter that was sent out.

Yes, I do recall seeing this letter, and I recall that we were -- Mr. Harkins asked that we all sign this letter because it was representative of what the company executive members understood and wanted to convey to the noteholders. So, yes, I do recall this.

Q. Did you understand the substance of the letter when you signed it?

A. I have to say not entirely, probably. But I'm reading it now to make sure that I recall. I haven't seen it since it was signed and, I guess, sent out.

Q. Why would you have signed it at the time if you didn't understand all of the substance of the letter?

A. Because the primary reason that we sent the letter was to notify them of the difficulty in raising working capital and that there would be a delay, I guess, in paying their interest rate payment. So it was a communication to them about the status of working capital. And it says the process of continuing to raise working capital ahead of our budgeted requirements began to slow in November, which is true. I mean it's a true statement.

So I signed it for that reason, not because of any solicitation or any other reason to invite these investors to put more money into the company. I see where that's here, but that was not the purpose of signing. The purpose of signing the letter and getting it out was to give them notice that there would be difficulty in making the interest payments on time.

Q. And the sentence that you just quoted from in the second paragraph, the second half says, "We met with several investors delaying the funding of previous commitments."

Do you know who that refers to?

A. I do not, because, again, I had no involvement with any investor or offering to an investor. I was never in such a meeting. So I don't know what that means.

Q. And the last paragraph on the first page that starts, "Meanwhile, we have released two new offerings," why did the letter describe the terms of these two new offerings in the level of detail that's here?

A. Why did it involve the level of detail, is that what your question is?

Q. Right. Why were these new offerings described as much as they were?

A. I have no idea. I have no idea.

Q. On the second page, in the second paragraph, the second to last sentence says, "Rest assured these interest payments will be made as soon as the funds are available to do so."

And then it refers to the interest payments that the company couldn't make on December 31st, 2013, correct?

A. That's my understanding.

Q. Where would funds to pay those interest payments have come from?

A. I assume from additional investment capital coming into the company.

Q. Next I'm going to hand you what's been marked as Exhibit 4, which is numbered ACC5499. Do you know what that is?

A. No.

I guess it was -- I mean I can read what it's intended to be and --

Q. Have you never -- you never received this yourself?

A. Not to my knowledge. Never seen it.

Q. So it purports to be a letter from Richard Harkins. In the first page, third paragraph, below No. 2, it starts, "In September of 2013, with the

$50 million offering shelved, we took inventory of our work product and evaluated what it was we could use in a Plan B mode."

Do you know what that refers to in the context of USA Barcelona Realty Advisors?

A. No.

Q. So the second page, the paragraph at the top that follows the bullet points refers to a company that's called, in quotes, NewCo. Have you ever heard Richard Harkins describe a business plan involving something called NewCo?

A. No.

Q. Have you ever heard him refer to a business plan involving something called the Hourglass Fund?

A. No.

MR. BERRY: Excuse me. Does the Hourglass Fund refer to anything in here?

MR. KITCHIN: I think the Hourglass Fund actually isn't mentioned in there. I was thinking something different.

MR. BERRY: Oh. I thought I was missing something.

MR. KITCHIN: No.

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked

as Exhibit 5, which doesn't have a Bates number, but has a previous exhibit number of 37 and is called April 23rd, 2013 USA Barcelona Realty Advisors Meeting-Agenda.

So this date is before when I think you mentioned you might have joined the company, but do you nevertheless recognize the agenda or do you know if you've ever seen this before?

A. Not to my call -- or, not to my knowledge. I don't recall ever seeing this.

Q. Next I'm going to going to hand you what's been marked as Exhibit 6, which has no Bates number, but a previous exhibit number of 38, which is a Barcelona Update dated Monday, October 15, 2012.

Again, that's dated before the time frame you mentioned joining the company, but do you ever recall having seen this update document before?

A. No.

Let's see. I see a couple of things mentioned here. Hmm.

MR. KITCHIN: Is now a good time to take a break for about ten minutes?

MR. BERRY: Sure.

MR. KITCHIN: Let's go off the record.

(A recess was taken from 10:01 a.m. to

10:13 a.m.)

MR. KITCHIN: Let's go back on the record.

MR. BERRY: Paul?

MR. KITCHIN: Yeah.

MR. BERRY: One thing that occurred to me is that I don't think we introduced ourselves on the record --

MR. KITCHIN: That's a good point.

MR. BERRY: -- as being here, and we probably should do that.

MR. KITCHIN: Who is all here?

MR. BERRY: You've got Mr. Simmons. I'm Charles Berry. This is Stanley Foreman. We're both with Clark Hill, and we're here representing Mr. Simmons.

MR. KITCHIN: Paul Kitchin for the Commission.

MR. MORIN: Special Investigator Dee Morin for the Commission.

MR. GONZALES: Chief Accountant Ricardo Gonzales.

BY MR. KITCHIN:

Q. At USA Barcelona Realty Advisors, did the executive members' powers over major decisions

including decisions whether or not the company would make note offerings?

A. No.

Q. Did you ever check whether or not the major decisions powers included oversight of note offerings?

A. Yes.

Q. And where did you check?

A. In the description of them in the materials that were handed to me when I joined the company.

Q. Would that be the operating agreement?

A. It may have been. I don't recall. I don't recall the operating agreement. I don't recall a final operating agreement or even signing an operating agreement. So it may have been that one was shown to me, but I seem to remember it was just a two-page listing of those categories that would be subject of -- subject matter for the voting of the executive members.

Q. Did you ever review any of the company's offering documents?

A. No.

Q. Why is that?

A. It wasn't my job to do that. Mr. Harkins -- I explained to Mr. Harkins when I came on board, as I reiterated earlier, I was not -- I would not be involved in any capital formation activities, including

preparation of materials. And I was also assured that any offering document would be approved by legal counsel. And, therefore, it was not necessary for me to review it.

Q. Did you ever confirm whether each of the offering documents' final version was approved by legal counsel?

A. No.

Q. Why would you entrust the writing of the offering documents entirely to others?

A. Because that was their job and not mine. Similarly, I was involved in discussions about relationships with organizations, third-party organizations, that would have a material impact on the success or failure of the company, and no one else, other than from time to time Bruce Orr, was involved.

I would just like to make one statement. This was a small business activity. I've been involved in a lot of small business activities, where you have to apportion out responsibilities, and there's not a lot of time or effort involved in redundancy, because if you do that, then you're not getting the work done. And so apportioning out responsibilities and making sure that people are competent to do that work is part of what makes a small business successful, and that was

the case here.

Q. Did any of the companies you worked for in the past ever make investment offerings while you worked there?

A. Any company?

Q. Yeah.

A. Oh, absolutely.

Q. I should say any of the small businesses that you've worked for.

A. The one I cofounded, GEM Services, as an example, absolutely. We made investment offerings to mostly institutional investors. There were a couple of individuals in Taiwan that invested in the company. We raised about $125 million.

Q. And what was your position at that company, again?

A. I was executive vice president.

Q. Did you review the --

A. And chief marketing officer, actually.

Q. Did you review that company's offering documents?

A. No, I didn't.

Q. Next I'm going to hand you what's been marked as Exhibit 7, which has no Bates number, but has a previous exhibit number of 39, the Barcelona Update

dated October 15, 2012, titled Major Events In The Works.

This is, again, dated before you joined, but do you recall ever seeing that document after the fact?

A. No, I don't recall ever seeing that.

Q. Next I'm going to hand what's been marked as Exhibit 8, which has no Bates number, but a previous exhibit number of 41. It's dated February 1st, 2014 and addressed to Patrick, Tom, Bruce, Jeff, Connie, Glenn, Paul, Rod, Bob, Rich, Jim, and has no title.

Do you know what that is?

A. I don't recall seeing it, but since I'm addressed on it, there's a very good chance I did see it. Should have.

By reading what's here, my interpretation is it was Mr. Harkins wishing to make sure that everyone was on the same page when discussing the land program and how it would work and what the mechanism was to make it successful. That's the only reason I can see for having it. And the fact that he included some of these people who were on the fringe of the activity just suggests to me that he wanted to educate people. But other than that, I don't know what reason there would have been to send it out. I mean this was -- this is obviously tutorial for people to understand how

the program would work. So that's all I can say. But I don't recall seeing it.

Q. The second sentence mentions -- says, "Review this and then let's go over it."

Do you know if any discussion of a talking paper like this ever resulted?

A. Not to my knowledge. I don't recall any group meeting where this was discussed at all. I can't imagine that there wouldn't have been some individuals here that would have asked questions of Mr. Harkins. I don't recall ever having a conversation about this.

Q. Do you recall any other documents within the company that discussed how part of the business plan would be discussed with investors?

A. Say that once more.

MR. KITCHIN: Can you read that back.

(The record was read by the court reporter as follows:

QUESTION: Do you recall any other documents within the company that discussed how part of the business plan would be discussed with investors?)

THE WITNESS: No, I don't.

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked

as Exhibit 9, which has no Bates number, but a previous Exhibit number of 42, e-mail from Richard Harkins July 9, 2014, 11:41 a.m. Do you know what that is?

A. Yeah, I vaguely remember seeing this. And, again, it was him updating everyone on the status of the fundraising for the Advisor, based on what's stated here on some of the activities. Like the third one from the bottom, "Sky Song remains on our front burner as a possible initial project," that's true.

We were working on solidifying an arrangement with the master developer of the Skysong ASU area to put a hotel there. They had wanted a hotel for some time, and we were in negotiations with them. So that's an example of one of the number of things.

We were in Prescott. We were in West Phoenix. We were in Scottsdale. We had a lot of activities about where to lock up a land parcel to do development. So we were concentrating in this area and Southern California. So this was an update of a lot of things, I guess I would say.

Q. The first bullet point starts "As you all know, the University of Wisconsin Madison (its endowment fund) is considering a sizable ($1,000,000) purchase of Units in the Hotel Land Fund."

Do you know what that refers to?

A. Yes. I just know what I was told about it at the time; that Mr. Kerrigan had a relationship with the University of Wisconsin. I think he was on some type of an advisory board and had introduced that fund to Mr. Harkins, and there was discussion going on, which I was not party to and knew nothing about, other than the fact that it was happening.

Q. In the fourth bullet point, the second sentence begins "While Jeff is vastly underutilized currently, that will change shortly as we pursue bank financing..."

Do you know what Jeff being underutilized would refer to?

A. Yes. He was the CFO and had been the CFO at Westcor and had a very large job and a very large staff, and here he was at a small start-up company, basically without enough to do, but he was -- he had the capacity to do a lot more, and that's what this referred to.

Q. What would he have been doing that wasn't available for him to do at the time?

A. Well, basically, acting as a CFO in capacities that would require negotiating bank financing and a variety of other things, I assume. You know, that was my understanding.

Q. Next I'm going to hand you what's been marked as Exhibit 10, which has no Bates number, but has a previous exhibit number of 43, an e-mail from Richard Harkins August 5, 2014 at 1:13 p.m. Do you know what that is?

A. I don't recall this particular memorandum, but there's a lot here about the status of what was going on. And Rod Eaves and I were involved together, especially with some of the projects that could be locked down quickly. But one of them was Skysong and another one was the McCormick Ranch project, which had to do with the McCormick Ranch Golf Club. So that's what this refers to.

Q. On the third page, the fifth bullet point arrow, it says "For Bob," and then Note 2 under that says "What is happening with: Mike, Clair, Hair Dresser lady, Shopping Center lady, Doc," with some numbers written next to each name.

A. Uh-huh.

Q. Do you know what those names or descriptions refer to?

A. It must refer to potential investors. That would be my guess. But, no, I don't know any of those. Don't know anything about any of those.

Q. And on the same page, the fourth from the

last arrow bullet point says "Connie, Paul and I are working on a short presentation for Bank of Montreal/Jerry Clark."

Do you know what that refers to?

A. No, absolutely not.

Hmm.

No.

Q. Next I'm going to hand you what's been marked as Exhibit 11, which has no Bates number, an e-mail from Richard Harkins dated July 17, 2014 at 12:26 p.m.

Do you know what that --

MR. BERRY: Excuse me. This doesn't have a prior number on it, so it's just 11 for this?

MR. KITCHIN: Correct. This has no prior exhibit number or Bates number.

MR. BERRY: Okay.

THE WITNESS: Okay.

Another status message. So what -- okay, I've read it.

BY MR. KITCHIN:

Q. So the first line says "I remind all that this company was started in 2009 when only Tom and I were involved."

A. Uh-huh.

Q. What does that refer to?

A. Well, we first -- the company was started. What happened in 2009 -- I'm not going to take issue with his choice of terms, but that was the first time I had ever met with Mr. Harkins about his concept of developing this kind of a business, and that's what I recall as the company was started. So there was no company started in 2009, that I know of, but we did begin to have conversations. I probably had a couple meetings with him in 2009, maybe three. I don't know. Just talking about what it would take and how we would go about it, that type of thing.

Then he talks about it being reconstituted in 2012, at his suggestion, and he talks about the executive committee. Again, to my knowledge, we never discussed a committee, executive committee. The executive members would meet as required. It was a different concept; not a committee. To me, a committee has more permanency. The executive members meeting from time to time based upon need is an ad hoc arrangement, but has nothing to do with forming a committee.

Q. The fifth paragraph, the second sentence says "As for Bruce's contention that I drew $2,000 of his capital input, that could be seen that way."

Do you know what that refers to?

A. No. I just know that Bruce had some issue with something about this time with respect to capital that he had put in the company, but I don't know anything about it. I don't know the details of it. So I guess I would say I really don't know it. I don't understand it. Must have been something between Bruce and Mr. Harkins or Mr. Orr and Mr. Harkins.

Q. Did USA Barcelona Realty Advisors monitor what Kerrigan told potential investors about the company?

A. Do I know what Mr. Harkins told Mr. Kerrigan?

Q. Did the company monitor what --

A. Oh.

Q. -- Mr. Kerrigan told investors about the company?

A. Absolutely not.

Q. Did the company create any guidelines about what people selling the notes to investors were required to tell the investors?

A. Not to my knowledge.

Q. Did the company hold a meeting in Sedona in 2013?

A. Yes.

Q. What was involved in that meeting?

A. What or who?

Q. What was involved; what was the nature of the meeting?

A. My understanding was it was Mr. Harkins' idea to have an all-hands meeting, inviting investors and company employees and contractors to meet and hear the status of the company and the plans for the company. So it was a general meeting to get everyone together and hear the same story and a chance to have it in an atmosphere that would be conducive to that.

Q. About how many attendees were there total?

A. This is a guess. I don't know exactly, because I don't recall who attended; but just thinking about the room arrangement, probably something between 12 and 20 people.

Q. Who were the attendees apart from the company employees and independent contractors?

A. Well, a name you had mentioned earlier was there, Mr. Weintraub. Mr. Eaves was there. There were a couple of other people that were possible -- possibilities to be involved with the company and had a third-party role. One was -- I can't remember her last name, but her first name was Dawn, Dawn somebody, who was involved in managing hotel properties. So she was there to consider being a company that would do management for USA Barcelona.

There was an insurance broker there. There was a commercial land development person there. I can't remember his name. There were probably a couple of other investors other than Mr. Eaves that attended. But for the most part, it was the company personnel and the few outsiders that I mentioned.

Q. Were there any attendees who were potential investors, but hadn't invested yet?

A. Not to my knowledge. That definitely was not the purpose of that meeting.

Q. Did USA Barcelona Realty Advisors have any data backup system?

A. Other than -- when you say data backup, other than what was on site at the office?

Q. Correct. Any off-site backup?

A. Not to my knowledge.

Q. What was the company's e-mail system?

A. What was it?

Q. Right.

A. An e-mail system. I don't know what you -- what else you would like me to say about it.

Q. Do you know if it was hosted locally or if it was a cloud service?

A. Oh, I see. No, I think it was hosted locally, as far as I knew. I really didn't know much

about the e-mail system, other than that I was using it.

Q. Do you have access to your old company e-mails?

A. No. When I -- well, I don't know. Maybe you're going to ask me this later, so I'll wait.

Q. Oh, no, go ahead.

A. I was just going to say when I left the company, I left all my files there, and everything about my e-mail account or messages that had been retained in the system were left there. I took none of that with me.

Q. Before any of the investors invested, were any of them told about the previous failure of the Arizona Villages Communities Venture?

A. Not to my knowledge. I don't know. I should say I don't know.

Q. Before they invested, were any investors told about any previous bank judgment against Robert Kerrigan?

A. I don't know.

Q. Before they invested, were any investors told about Paul Meka's involvement in the company?

A. I don't know.

Q. Were any investors after October 1st, 2013

told that any of their investment proceeds would be used to repay Robert Kerrigan?

A. I don't know.

Q. Were any investors after October 1st, 2013 told that the company had changed its business strategy, as you described before?

A. I know of -- I know that Rod Eaves had been informed of that. Whether it had been discussed with other investors, I don't know.

Q. Before they invested, were any investors in the 10/5/10 notes told whether the proceeds of their notes would be used to pay the interest for previous note purchasers?

A. I don't know.

Q. Were any investors told that the company had been unable to raise the money that Allen Weintraub was trying to raise?

A. Had they been told that he was unsuccessful, is that what --

Q. Were any investors told that there had been an attempt to raise money that had been unsuccessful?

A. I guess I have to say I don't know, other than Mr. Eaves. I know Mr. Eaves was informed of that.

And, by the way, the reason I answer the way I do about Mr. Eaves versus other people is because he

was heavily involved with different activities of the company. I saw him fairly routinely, and we had -- you know, we had individual conversations about all of this. So I know he was informed about it. As a matter of fact, he was involved in implementing the new strategy. So he knew what the old was. He knew what the new was.

Q. How frequently was he at the office in 2013, approximately?

A. I don't recall 2013. He really -- as a matter of fact, again, as I said before, the only individual investor that I ever met before they became an investor was Mr. Andrade, and that was because of my background with him at Intel. I had never met any of the investors, including Mr. Eaves, until after they had invested in the company.

Q. After you joined, do you recall how frequently Mr. Eaves was at the company office from then forwarding 2013?

A. I don't recall in 2013 that he was in the office at all, because I'm not sure exactly when his first -- I know that he wasn't before he first made an investment. I'm not sure what that date was, so I don't recall that. But soon thereafter, certainly in early 2014, he was a frequent visitor to the office and

had a number of conversations with us about -- on an internal basis, which led to his joining in late spring of '14.

Q. Would knowing about the previous failure of the Arizona Village Communities Venture, would that have likely been significant to an investor's decision whether or not to invest?

A. I don't know.

Q. Would knowing about any bank judgment against Kerrigan have been significant to any investor's decision about whether or not to invest?

A. I don't know.

Q. Would Paul Meka's involvement in the company have been significant to an average investor in deciding whether or not to invest?

A. I don't know.

Q. Would knowing whether the investment proceeds would be used to pay back a loan to Kerrigan, would that have been significant to an average investor deciding whether to invest?

A. I don't know.

Q. Would knowing that the company had changed its business strategy from acquiring to building have been significant to an average investor's decision about whether or not to invest?

A. I don't know.

MR. BERRY: Paul, I'm not objecting, but these obviously call for a lot of speculation.

THE WITNESS: Yeah. I could give you what I think, but that's not -- I really don't know what an average investor would think about any of those things.

BY MR. KITCHIN:

Q. If you were going to invest in the company, would knowing about the previous failure of the Arizona Village Communities Venture have been significant to your decision-making?

A. If I understood exactly what the situation was and what caused the failure, no. If I was uninformed, perhaps.

Q. If you had known that they failed, but didn't know the circumstances, would that be significant to a decision by you whether or not you would want to invest?

A. No, because I would have probed more deeply and found out the reason, and then I would have made the decision.

Q. Would probing more deeply have been significant to your decision-making?

A. Absolutely.

Q. And if you were going to invest, would knowing about any bank judgment against Robert Kerrigan have been -- would that be significant to your decision whether to invest?

A. Perhaps, but not necessarily, for the same reason. I would have investigated why that was and what the circumstances were. And once I understood that, I would have made a decision.

Q. And are you familiar with Paul Meka's criminal conviction?

A. I am now.

Q. When did you learn about it?

A. I don't recall exactly when, but it was after I joined the company.

Q. If you knew what you know now about Paul Meka and you were deciding whether or not to invest in the company, would Meka's role in the company be significant to your decision whether or not to invest?

A. Again, I would have probed the circumstances of his situation, and if I determined that that was problematic in my being part of the company, I would have declined; but, otherwise, it probably would not have.

Q. Based on the level of knowledge you think you have now about Paul Meka, what would a hypothetical

decision be, based on what you do know now?

A. I would join.

MR. KITCHIN: Do you have anything?

MR. MORIN: I just have one question.

EXAMINATION

BY MR. MORIN:

Q. Previously you mentioned that you left all your documents at the office when you left?

A. (Nodded.)

Q. How were you able to produce the documents that you gave us today?

A. I'm sorry?

Q. How were you able to produce the documents that you gave us today?

A. Just from my recall.

Q. Okay. These documents here?

A. No, I did have some file documents, but I'm just saying I didn't walk away. They were already at my home. I'm trying to say that when I left the office, I took nothing with me. I did have some copies of material at home, just random things that I had taken home with me, took out of my briefcase and put it in a file; but it was nothing -- there was no systematic way of knowing that what I had.

As a matter of fact, when this finally came about, I went to my file to see what was there, and that's what I found.

MR. MORIN: Okay.

MR. BERRY: And if I can help you a little bit on this, Dee, there's one document in there where I didn't produce the whole document because what we had was a perfect-bound offering document that Tom had a copy of, and it's not exactly in the time frame you're talking about here, but it was a proposed offering memorandum that was going to be used by Weintraub to sell the REIT offering. I just gave you the cover page of that. If I can come up with another full one, I'll do it, but it would have taken forever for somebody to take it apart and copy it and do that, because it is a bound document.

MR. MORIN: I gotcha.

MR. BERRY: If you need it, I'll try and dig one up, but I don't think it pertains to anything that's really in here.

THE WITNESS: And that's a good example of what I meant. That was a random thing that was in the file that I actually didn't know it was in the file until I looked.

MR. MORIN: Do you have anything?

EXAMINATION

BY MR. GONZALES:

Q. Mr. Simmons, you had mentioned previously that you were a signer on one of the companies' accounts; is that correct?

A. Uh-huh. Yeah.

Q. Did you sign any checks with regard to that account?

A. Not to my knowledge.

Q. Did you request any checks or any funds within that account to be paid to any individuals or entities, businesses, et cetera?

A. Not that I recall. I may have signed a couple of checks. It's possible. I really don't even remember doing that, but it is possible, if I was asked to when no one else was there to sign. I made it clear that I was the last one to sign any check, even if I could sign a check, because I wasn't aware of all of what was going on.

I'm not saying that there wasn't a situation where somebody came in and said we need this check signed and nobody's here to sign it but you. It's very possible. But that would have been at one time, maybe two or three checks, and no more.

Q. And did you request information as to why the

the check couldn't be -- they couldn't wait to write the check --

A. Yes.

Q. -- with somebody else?

A. Yes, I always did that. I queried that and used my own judgment that indeed this needed to be signed so it could either be mailed or handed to somebody that was leaving or whatever. So absolutely. I would not have signed a check if -- first of all, I made sure that it was correct that the check be written, issued; and, secondly, that I needed to sign it. Otherwise I would not have signed it.

Q. In your capacity with the company, did you request expenditures for business activities?

A. Yes.

Q. Could you estimate as to the amount of these expenses that you would have requested?

A. That I -- where I requested repayment or refunds from the company, is that what you're talking about? My expenses that I --

Q. Not your expenses.

A. Oh, not my expenses.

Q. Separate and apart from what your expenses are --

A. Yes.

Q. -- in your function within the company --
A. Yes.
Q. -- if you were contacting other businesses, other consultants, so on and so forth, and those expenses had to be covered --
A. Yes.
Q. -- would you go -- did you know of or were there occasions that you would have to go to the company and say --
A. I see.
Q. -- there's this expense that the company needs to cover --
A. Okay.
Q. -- please write a check?
A. Let me think about that for just a second.
I don't really recall any activity that I initiated or I was responsible for where that was the case. I'm not saying it wasn't, but I don't recall any.
Q. Okay. So now let's go back to where you started off. When you generated your own -- you were, as you phrased it, an independent contractor with the company?
A. Correct.
Q. How was the pay -- how were you to be paid as

the independent contractor?

A. I was to be paid on a scheduled basis that Mr. Harkins and I had agreed to, just like he had agreed with everyone else. He had an agreement with each individual in the company, including the clerical personnel, as to what their pay would be. It was not approved by anyone but him.

And so I, like the rest of the people, had a schedule on which I was to be paid. And sometimes those amounts were far less than was to be paid because, you know, there were problems with being able to have enough funds to pay people, and there was a lot of deferring of payment; but, also, some of it would then -- there might be a larger check issued because it was making up for deferred payments.

But that was the basis. I was to get a check, no withholdings. As an independent contractor, I was responsible for all of the taxing and what have you, as I do -- by the way, that's the way I operate. I have K-1's from -- I don't know. I probably have 20 K-1s that I get just because of that kind of activity.

Q. So you wouldn't -- it was based on -- it was a preset schedule of amount and --

A. Supposed to be. Yeah, I mean it was a preset schedule that, actually, probably only got met

correctly for two or three months during my 15-month stay there.

Q. You never invoiced the company with regard to your activities?

A. For payment? No.

MR. GONZALES: Paul, do you want to give him that schedule?

MR. KITCHIN: Sure.

Can we mark this?

(EUO Exhibit 12 was marked for identification.)

MR. KITCHIN: Next I'm going to hand you what's been marked as Exhibit 12, a one-page document that says "George Simmons, Payments from USA Barcelona" and then has a table of dates, check numbers, and money amounts.

THE WITNESS: Uh-huh. What do you want me to say about this? There are some expense checks in here, obviously, the small ones.

BY MR. GONZALES:

Q. Let's just go take a look at the bottom number first that says $99,593.19.

A. Uh-huh.

Q. Does that amount seem familiar to you?

A. No. No, because the number that I had is a

little bit less, but it's not significant. The number I have in my records is, I think, like 93,000. Actually, it's 92,000. So there's a discrepancy here of about $7,000.

Q. Anything within the individual items on this list that you can recall that you didn't receive or that --

A. I don't recall the last two items. I don't recall seeing the -- or I don't recall the last two being paid, and I question the third to the last. So that last -- although, that would make my numbers off. So perhaps it's the last two plus -- well, if it's just the last two -- I don't recall the last two. I guess that would be close enough to the number.

MR. BERRY: Tom, I think -- excuse me. But if you take that, which I believe is -- that $1,000 payment, which is an expense reimbursement --

THE WITNESS: Correct.

MR. BERRY: -- and add that to the bottom two, you're about at the 7,000 that you thought was the difference between your records and these.

THE WITNESS: Yeah, so...

Yes, that's correct.

BY MR. GONZALES:

Q. Okay. You had mentioned that there was a set

schedule of payments that you were to receive.

A. Uh-huh.

Q. Which one of these would have been that met the set schedule?

A. I would say the first four. I don't have the schedule, a copy of the schedule, so I don't know. It could have been the first five. And after that, so from January 1st on -- and, by the way, I don't know the date of the $19,000 payment, but I think that was in 2013. At least I paid taxes on it in 2013 and not in 2014. But, you know, that's a matter of a couple days, probably, discrepancy, so I'm not going to be concerned about that, other than it would not line up with the K-1s.

But after that it probably -- you know, I don't recall the exact number, but my compensation was to be, as I recall, $20,000 a month in the year 2014. And so that would be, you know, seven months.

So there's a deferred compensation to me of around $100,000 I didn't receive.

Q. That you didn't receive?

A. Did not receive.

Q. To your knowledge, what funds were you being paid your reimbursement of employment?

A. I don't know for sure, but I assumed and

still do assume it was out of the working capital being raised.

MR. GONZALES: Could you give him that check, please?

MR. KITCHIN: Yeah, can we mark that, please?

(EUO Exhibit No. 13 was marked for identification.)

MR. KITCHIN: Next I'm going to hand what's been marked as Exhibit 13, Bates No. ACC6101, a copy of a front and back of a check.

THE WITNESS: Uh-huh.

Oh, I do recall this. I do recall this now. I don't know why I didn't, but I didn't.

Yes, this is -- I had -- there was a requirement for the company to pay something that $300 would cover, and the funds weren't there, so I paid the company $300, and this is a return of that $300. I probably could go find my personal check that I wrote to the company for $300.

BY MR. GONZALES:

Q. That would be the only time that you would have given the company money?

A. To my knowledge, that was the only time I gave the company any money.

Q. Okay. And then, as you just stated, the $300 was reimbursed?

A. Yeah, this is a repayment. I remember that now. I don't know why I didn't remember it before, but I didn't.

MR. GONZALES: I don't have anything else, Paul.

RE-EXAMINATION

BY MR. KITCHIN:

Q. Going back to, actually, Exhibit 12 for a moment, apart from the second to last item of April 11, 2014, does the rest of the table appear to reflect approximately the correct dates and times of payments you received from USA Barcelona?

A. I believe so, uh-huh. Yes.

MR. KITCHIN: That was all?

BY MR. KITCHIN:

Q. Before he invested, did you ever tell Richard Andrade that you had invested in USA Barcelona?

A. Absolutely not.

Q. A few minutes ago, you mentioned you would be -- that if you were a potential investor in the company and you learned about Paul Meka's involvement and learned the amount of information about it that you

do now, that you would be comfortable investing in spite of that.

Why is it that you would be comfortable in that situation?

A. Well, really, two reasons. One, from what I understand, what I've learned about his problem/situation, was that he was -- it was substantiated that he was not -- he was not personally in control of what he did, nor did he understand how he was being manipulated. That's my understanding, okay.

So on the basis of that and nothing else, except for one other thing, and that is, understanding that and the exposure that that could present for the company USA Barcelona, Mr. Harkins assured everyone, when they were finally informed about Mr. Meka, that he was never to be used in a capacity that would be at issue with the securities law of the state of Arizona, would not be involved in any way that would be -- that would create any jeopardy for the company or for any investor. So on that basis I was accepting of it.

Q. Would it be significant to that decision-making if Meka had understood how he was being manipulated?

A. Absolutely. Absolutely. If I could -- yes. The answer is yes.

Q. And if the facts of his conviction were that he was convicted for his role in an investment fraud scheme in which he was paid to rubber-stamp documents that his superiors used to defraud investors, is that consistent with your understanding of the facts of his conviction, or is that inconsistent?

A. Could you repeat it again, please?

Q. His role in an investment fraud scheme in which Meka was paid to rubber-stamp documents that his superiors used to defraud investors.

A. If that were true and that --

Q. Right. Is that characterization consistent with your understanding?

A. No. No, that's not consistent.

Q. How is your understanding different from that characterization?

A. That he was -- that he was involved as a participant in that company, but not rubber-stamping. I never heard the term rubber-stamping what his superiors said was acceptable. So if that's the case then, yeah, I would -- I might have had a concern about it.

But, again, even if I had that concern, I would have made sure that I understood what his -- how complicit he was in that and was that a true

representation of what he did or not. And maybe it was. But that's not my understanding.

Q. Just to clarify slightly, if your understanding was that he was paid to rubber-stamp documents that his superiors used to defraud investors, that understanding would be significant to your decision whether or not to invest?

A. It would -- it perhaps could be. It would depend on what I found when I probed further to make sure that that indeed was the situation.

Q. But if that was your understanding, you would want to probe further to confirm that or to disprove it?

A. Correct.

MR. KITCHIN: Let's take another break for a minute.

MR. BERRY: Okay.

MR. KITCHIN: And can we go off the record?

(A recess was taken from 11:07 a.m. to 11:31 a.m.)

MR. KITCHIN: Let's go back on the record.

BY MR. KITCHIN:

Q. What was your understanding of the salary

amount that was supposed to be paid to the other employees and independent contractors of the company?

A. You know, I really can't recall what they were. I really can't recall what they were. They differed, I know that. There was not any set pattern, and I just don't recall.

Q. Do you know if the salaries of the other executive members were approximately the same as whatever yours was?

A. I know Mr. Harkins was. I really don't know about the others.

Q. Did anyone ever represent to you whether Kerrigan was authorized by his employer to sell the notes to his clients?

A. I really don't know anything about that.

MR. KITCHIN: Can we mark this?

(EUO Exhibit 14 marked for identification.)

BY MR. KITCHIN:

Q. So I'm going to hand you what's been marked as Exhibit 14, the cover page, it looks like, of the Confidential Private Placement Memorandum, dated April 12, 2013.

Can you describe what your understanding of that is?

A. That, I believe, was the original offering that Allen Weintraub was to work with in getting funding for the parent company that would -- this would be to invest in existing properties.

MR. KITCHIN: And, Mr. Berry --

MR. BERRY: Yes.

MR. KITCHIN: -- is this the document you mentioned where this is the cover page of the larger?

MR. BERRY: That's correct, yes.

The reason I did that, in addition to the problem, is it does kind of predate the period that Tom's involved.

MR. KITCHIN: Right.

MR. BERRY: If you need it, I'll try to get a whole one.

MR. KITCHIN: I understand.

MR. BERRY: Yeah.

MR. KITCHIN: We'll let you know if we think we do.

Maybe here would be a good place.

(EUO Exhibit 15 was marked for identification.)

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked

as Exhibit 15, a bound document of maybe, approximately, 80 pages called Confidential Private Placement Offering Memorandum of USA Barcelona Hotel Land Company I, LLC, dated May 5, 2014. Do you know what that is?

A. Yes. I just know what it is based on what's here, and I had made a note up here that this was intended to be a draft copy and that there were edits in process, but I don't know when that was, when I made that note. But, yes, that's what this is.

Q. What was your job in terms of what to do with it when they handed this to you?

A. Nothing, other than to know it existed and there were still edits in process. But from time to time I would be handed something like this just as an indication of where an offering memorandum stood; but, again, I wasn't involved in inputting to it or editing it.

And, again, these were materials that I had randomly put in my file at home, so I probably took them out of a briefcase some night and threw them in this file.

MR. KITCHIN: Can we mark that, please?

(EUO Exhibit 16 was marked of identification.)

MR. KITCHIN: Actually, Ricardo, I think this is going to be for you.

So next I'm going to hand you what's been marked as Exhibit 16, a May 19, 2014 document to Patrick McDonough from Richard Harkins. Well, yeah.

MR. GONZALES: Let him look at it first.

THE WITNESS: Uh-huh.

RE-EXAMINATION

By MR. GONZALES:

Q. Okay, Mr. Simmons, on the second page of Exhibit 16 there is made mention of Class A member capital of $10 million. To your knowledge, was that ever reached fruition as the $10 million? Were you ever mentioned as to where they were at with regard to the $10 million offering?

A. In terms of raising money against that $10 million goal, is that what you're saying?

Q. Right.

A. My understanding was none of it was ever raised.

Q. None of it was ever raised?

A. Uh-huh.

Q. Did you know -- oh, okay, none of it was raised.

MR. KITCHIN: Can we mark these two, please?

(EUO Exhibit 17 and EUO Exhibit 18 were marked for identification.)

MR. KITCHIN: Next I'm going to hand you what's been marked as Exhibit 17, a memorandum dated May 7, 2014; and Exhibit 18, titled USA Barcelona Realty Advisors, LLC Balance Sheets.

THE WITNESS: Uh-huh.

BY MR. GONZALES:

Q. For Exhibit 17, could you please describe Exhibit 17, to your knowledge, of what it is?

A. It's just a cover memorandum to explain some of the activities that had generated results that were on the balance sheet.

Q. Who generated this?

A. Mr. Teets.

Q. Did he receive any kind of assistance from anybody else with regard to the generating of Exhibit 17?

A. Not to my knowledge, but -- I just don't know, but not to my knowledge. I assume it was all his work.

Q. If you look at Exhibit 18. Let's look at Page 2 of Exhibit 18. To your knowledge, where within

this document would they have recorded any payments to you for your services?

A. I would assume -- I don't know, but I would assume it would be under payroll.

Q. Under payroll?

A. Yeah.

Q. If you look on the line underneath Payroll, it says --

A. "Guaranteed Payments to Partners"?

It could be there. It could be in that category. I really don't know. It could be in that category. It's very possible, because when they said guaranteed payment -- when he says guaranteed payments to partners, I think that's a label for payments to independent contractors, would be my guess, yeah. I didn't notice that, but you're right.

FURTHER EXAMINATION

BY MR. KITCHIN:

Q. Is Exhibit 17 the cover document for Exhibit 18?

A. I believe so, my understanding.

MR. KITCHIN: Can we mark this, please.

(EUO Exhibit 19 was marked for identification.)

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked as Exhibit 19, a letter or a memo dated October 16, 2012. What is that?

A. I don't recall exactly what this might have been, the purpose of what this might have been; but my guess is it's just a status report on activities and the situation with capital formation as of that date.

Q. Why would you have a memo from October 2012?

A. Oh, I saw a lot of memorandums like this that were -- that dated back to that date. I mean, they would be in the office, and maybe it was given to me after I arrived, just to show the status of things at that time.

Q. And the third paragraph says, "Hence, I will be sending loan docs to those of you that have committed to take part of the $20,000 insider loan. Unless someone objects, I will make the due date 60 days from the note execution date (rather than 90 days)."

Do you know what the $20,000 insider loan refers to?

A. I have no idea. I have no idea. I was given a number of these kinds of documents just to educate me on what had been going on. So I don't know when I got

this, but it would have been after July 1st of '13, along with a lot of other materials.

MR. KITCHIN: Can we mark that, please.

(EUO Exhibit 20 was marked for identification.)

MR. KITCHIN: Next I'm going to hand you what's been marked as Exhibit 20, a one-page document titled USA Barcelona Land Parcel Pipeline.

And here is your note from it.

RE-EXAMINATION

By MR. MORIN:

Q. I guess what I wanted to know about those, were these established sites; did they have hotels on them, and were they owned by the names of the companies that are listed here?

A. No, these would have been -- these were all raw land opportunities to develop. These were the hotel flags indicated to be on those various properties.

And so the process would be we would look for a site. We would get with -- we would find one we liked. We would get with Hilton or Marriott -- those were the two chosen super flags, if you will. -- and work with them to see what they thought should go on

that property and how excited were they to do it. In other words, we didn't want to work on something that neither one of those flags had any interest in. So it was kind of a process that we would go through.

But, no, these are opportunities in these locations, raw land to develop into these types of hotels.

Q. And who was doing the negotiating?

A. On what?

Q. Well, right here it says negotiating with. Negotiating with Hilton.

A. Yeah, I had a personal hand in that, and so did Mr. Orr.

MR. MORIN: Okay.

MR. KITCHIN: Can we mark this, please.

(EUO Exhibit 21 was marked for identification.)

FURTHER EXAMINATION

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked as Exhibit 21, which is a document of about 30 pages titled Amended and Restated Operating Agreement of USA Barcelona Realty Advisors, LLC, with some handwritten notes.

What is that?

A. Yeah, this is a copy of a document that I found in my file that had my notes about revisions or edits that I would like to have made to this document.

Q. The document prior to your edits, does that reflect what the operating agreement was at the time?

A. I don't know that. I don't recall, because I was given this to review and these were my edits coming back. I don't recall ever seeing a -- I don't ever recall receiving this or seeing this document, and I have a question mark about it. So this was to be a revision to that less than a month later, and I don't ever recall seeing that.

Q. Do you know if the operating agreement was ever amended since the time you made these notes?

A. No. I don't know what happened after I made these notes. I was busy doing other things, and this was -- Mr. Harkins was handling this.

Q. Did you review the operating agreement entirely, the whole thing?

A. Did I? Did I read it all?

Q. Right.

A. I suppose I did. It was my intention. I mean I have notes. I haven't read it for a while, but I have notes throughout this, as I recall. Yeah, there

are notes throughout this, so I assume I did.

Q. Okay. And then turning to Page 10, looking at Article, I guess, 6.4 called Major Decisions and then Subsection (a).

A. Uh-huh. Uh-huh.

Uh-huh.

MR. BERRY: Say yes or no.

THE WITNESS: What about it?

MR. BERRY: Just don't say uh-huh.

THE WITNESS: Well, no, no, but I don't know -- what's the question?

BY MR. KITCHIN:

Q. I haven't asked one. I was just giving you time to read it.

A. Okay, I read it. Okay.

Q. So Article 6.4 describes the list of major decisions that can only be made with the approval of the executive members, correct?

A. Correct. That's the -- yeah, that's the intention.

Q. And then what's written here on Subsection (a) includes -- so among the list of transactions that require approval includes issuing any bonds, debentures, notes or other evidence of indebtedness in any transaction or series of

transactions. Am I characterizing that correctly?

A. Well, that's what it says, yeah.

Q. That would suggest that according to this, issuance of any notes has to be approved by the executive members, correct?

A. That's not the way I would read it.

Q. What's your reading?

A. My reading is this does not have to do with investing capital. It has to do with creating obligations with lending institutions.

Q. Do you know what kind of document the investors were given to reflect their investment?

A. I'm sorry, say again.

Q. What kind of document were investors given to reflect their investment?

A. I was told it was a note, okay, but I don't know the contents of the note. I didn't -- I never reviewed the contents of the note.

Q. So when Subsection (a) refers to issuing any bonds, debentures, notes or other evidence of indebtedness, you didn't think that notes in this context included promissory notes to investors?

A. No. No, and none were ever reviewed by the executive members, nor approved by executive members.

Q. Did you ever ask anybody whether or not the

notes should be approved, based on this operating agreement, to confirm your understanding?

A. No.

MR. KITCHIN: That's all the questions I have. Anything else?

MR. MORIN: No.

MR. GONZALES: No.

MR. KITCHIN: Anything you want to add or ask?

MR. BERRY: I don't think so. I mean I presume you're going to give the kind of normal wrapup on this.

Tom, did you want to --

THE WITNESS: Yeah, I wanted to go back. Can we go back to a couple of questions you had about Mr. Meka?

BY MR. KITCHIN:

Q. Yes.

A. I would like to elaborate a little bit, which I should have done when you were asking me before, and that had to do with -- I guess with my acceptance of him as a potential investor or whatever or how I would have dealt with it.

I knew Mr. Meka from the time that he worked at Arizona Village Communities. I didn't know him

well, but I knew him. So I didn't just meet him when I came aboard with USA Barcelona. None of this was apparent at that time, his problems, and so I observed him in a normal atmosphere, and I found him to be -- so I had some preunderstanding of what kind of a person he was and how he worked and whatever.

Also, I wanted to mention that it was not just because he was in needing of a job or -- and this is what I learned from Mr. Harkins, but it's true. It's not just what he needed in the way of a position, but also because he had a skill set that we hadn't yet used. Just like Mr. Teets as a CFO, who had been a CFO of Westcor, a large company, had much more capacity and capability than we were tasking him to use at the time, the same is true with Mr. Meka. Mr. Meka's background was to evaluate land parcels and other commercial property for a variety of different people he worked for; not only the ones where he sustained the trouble he was in.

So he had a skill set that we were planning to use as we located properties and evaluated the value of the property and did the entitlement work, and so we were going to use him in those capacities, which had nothing to do with an investor or solicitation of investors, okay.

I just wanted to add that clarification to why I felt the way I did with Mr. Meka.

Q. And that skill set you mentioned that hadn't been used yet, was it contemplated that at some point in the business life of the company, his skill set would come into play?

A. It was intended that, yes, it would come into play if it made sense for the company to utilize him. So it was an untapped resource that we could make use of if it made sense at the time, yes.

Q. And under what conditions or in what environment would his skill set have been useful?

A. We were about to embark on it, where we would be working with Chanen Construction in tandem to entitle a piece of property so that they could build on it. He could have played a significant role. He hadn't. We hadn't used him in that capacity, but he could have.

Q. Do you know whether Mr. Harkins had that in mind when hiring him?

A. I believe he did. I'm not saying that for sure, but my belief was that he did, because I knew he had that skill set.

Q. And you just mentioned that you had some personal knowledge of Mr. Meka from some familiarity.

When I asked earlier the hypothetical question about Mr. Meka, let me rephrase that in light of that.

If you were an investor and you didn't know Mr. Meka at all, apart from hearing the allegations of his conviction secondhand, would knowing about that conviction be significant to your decision-making about whether to invest?

A. Again, I would answer it the same way. It could be, but I would personally -- I don't know about the average investor, but if I was the investor, I would probe that further to make sure I really understood the situation and that it wasn't just something I understood in three lines of print or something.

And had I then decided that it was -- you know, that his association was problematic, I might have not. But if I decided the other way, then I probably would have gone forward, as an investor.

MR. KITCHIN: Anything else?

MR. BERRY: Nothing.

MR. KITCHIN: All right. Thank you very much. We can go off the record.

(The examination under oath concluded at 11:57 a.m.)

STATE OF ARIZONA)
COUNTY OF MARICOPA)

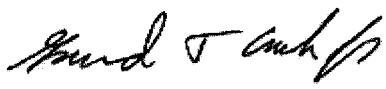
BE IT KNOWN that the foregoing proceedings were taken before me; that the witness before testifying was duly sworn by me to testify to the whole truth; that the foregoing pages are a full, true, and accurate record of the proceedings, all done to the best of my skill and ability; that the proceedings were taken down by me in shorthand and thereafter reduced to print under my direction.

I CERTIFY that I am in no way related to any of the parties hereto, nor am I in any way interested in the outcome hereof.

I CERTIFY that I have complied with the ethical obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix, Arizona, this 10th day of October, 2015.

JODY L. LENSCHOW, RMR, CRR
Certified Reporter
Arizona CR No. 50192

I CERTIFY that Coash & Coash, Inc., has complied with the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) through (6).



COASH & COASH, INC.
Registered Reporting Firm
Arizona RRF No. R1036

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS

DR#16

USA BARCELONA REALTY ADVISORS, L.L.C.

1,000,000 Series B 10-5-10 Notes
Minimum Purchase of One Note ($50,000)

This is copy no. 138 of the Private Placement Memorandum dated January 1, 2014.

The following Subscription Documents are for the use of investors interested in subscribing for Series B 10-5-10 Notes of USA Barcelona Realty Advisors L.L.C. (the "Company"). Prospective investors should do all of the following:

Check as each step is completed

Initial

1. **COMPLETE** the 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 Series B 10-5-10 Notes 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 Questionnaire, Subscription Agreement and Warrant with the same instrument. Your initials reflect the fact that you have read and understand the Series B 10-5-10 Notes Questionnaire, Subscription Agreement and Warrant, particularly the Representations and Warranties in Paragraph 2.

   D. DATE and SIGN the Questionnaire and Subscription Agreement on page __. If the Series B 10-5-10 Note(s) will be registered in joint ownership, such as husband and wife, both must sign.

   E. SIGN the Warrant on page ___. If the Series B 10-5-10 Notes will be registered in joint ownership, such as husband and wife, both must sign the Warrant.

2. **DELIVER** all documents TOGETHER WITH PAYMENT (if made by a certified, cashier's check: make payable to USA BARCELONA REALTY ADVISORS) in the amount of the cash purchase price for SERIES B 10-5-10 NOTES being purchased, to:

   USA Barcelona Realty Advisors, LLC.
   Attention: Investor Relations Department
   7025 N. Scottsdale Road, Suite 160
   Scottsdale, Arizona 85253
   Company telephone number is 480-625-4355

Payment may be made by bank wire. See instructions contained in the Subscription Agreement package.

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

   (i) A copy of your accepted Questionnaire and Subscription Agreement which evidences your ownership of ___/___ Series B 10-5-10 Notes.

   (ii) An executed Series B 10-5-10 Note from the Company in the amount of $ 50,000.00

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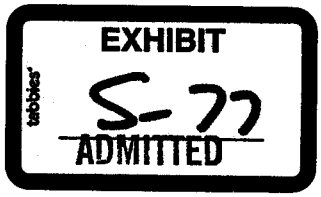

Simmons EXHIBIT 1
DATE 10-2-15
Jody L. Lenschow, RMR. CRR #50192

USA BARCELONA REALTY ADVISORS, L.L.C.

SERIES B 10-5-10 NOTE
INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT

initial

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 Series B 10-5-10 Notes 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. **SERIES B 10-5-10 NOTES WILL BE OFFERED AND SOLD ONLY TO ACCREDITED INVESTORS.**

THE SERIES B 10-5-10 NOTES 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 Series B 10-5-10 Notes. **By signing this Investor Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of Series B 10-5-10 Notes 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:

initial

✓ $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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes, (ii) can bear the economic risk of losing the entire amount of my investment in Series B 10-5-10 Notes, 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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes based solely upon my own investigation and evaluation.

(i) I understand that no Series B 10-5-10 Notes 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 Series B 10-5-10 Notes are registered under the Act or the Securities Exchange Act of 1933, I may re-offer or resell my Series B 10-5-10 Notes only to Accredited Investors or pursuant to an exemption from registration.

(j) The Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Series B 10-5-10 Notes by anyone but me.

(k) I am aware of the following:

(i) The Series B 10-5-10 Notes are a speculative investment that involves a high degree of risk;

(ii) My interest in the Series B 10-5-10 Notes 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 Series B 10-5-10 Notes for investment nor any recommendation or endorsement of the Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes.

(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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes. Any certificates or other documents representing my Series B 10-5-10 Notes 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 Series B 10-5-10 Notes.

Ownership shall be taken in the Series B 10-5-10 Notes as follows:

initial

____ 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 VANTAGE

(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: (____) _____

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 Series B 10-5-10 Notes 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 Series B 10-5-10 Notes to be purchased, and the exact name(s) in which the Series B 10-5-10 Notes will be registered:

TOTAL PRINCIPAL AMOUNT: $ 50,000.00

NAME(S): 1) Richard A NDrade

2) _____

SOCIAL SECURITY #(S): 1) [redacted]

2) _____

Initial _____

9. Date and Signatures.

Dated 4/5, 2014.

Purchaser Signatures: Purchaser Name: (Print)

Richard E Andrade — Richard ANDRADE

(Each co-owner or joint owner must sign. Names must be signed exactly as listed under Purchaser Name)

For Company Use

ACCEPTED:

JSA BARCELONA REALTY ADVISORS, L.L.C.

By:

Its: COO

DATED: 4/8, 2014

Received Copy

lnco to test the market. It did ume as a surprise."

Morris said Spirit shared ne 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 develop-

...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 ... reicher.

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

... 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.

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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 eMoneyPool.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
Offered and Sold to Arizona Residents / Accredited Investors Only

Contact Connie Cook at (480) 625-4346
7025 N. Scottsdale Road, Suite 160, Scottsdale, AZ 85253
Visit us at "www.USABarcelonaRealtyAdvisors.Com"

[illegible]

TOP EMPLOYERS

[illegible]

EXCHANGE RATES

[illegible]

MARKET TI...

ASK THE FOO...
WHEN TO SEL...

Question: Some ... I've held for a short ... soared, nearly tripl... then fell back, givin... just a doubling. Sho... have sold when I ha... significant gain and ... bought when the pr... dropped? Or just wa... hoping to gain in th... run?

Answer: Well, if y... ever know for sure t... stock has peaked an... fall, then definitely ... only problem is that ... never know exactly ... stock is going to do ... short run. And it's h... be exact about the l... run, too.

When you buy a s... you should have an ... the degree to which ... undervalued. Ideally ... have an estimate in ... of its intrinsic value. ... stock surges well be... that, then sell, becau... more likely to fall th... from that point. If a ... keeps rising without ... and the company re... healthy and growin... over time, its intrins... can rise, too.

MotleyFo...

July 31, 2013

EXHIBIT
S-78
ADMITTED

ACC006221
FILE #8503

Simmons EXHIBIT 2
DATE 10-2-15

Jody L. Lenschow, RMR, CRR #50192

USA Barcelona
REALTY ADVISORS

December 31, 2013

[redacted]

Dear [redacted]

On behalf of our company, I want to thank you for becoming an investor in USA Barcelona Realty Advisors, LLC. The year 2013 has been a very good year for us as we have accomplished our major objectives, including building our core team of employees and advisors, structuring the entity relationships, evaluating potential locations and properties, plus preparing to raise capital needed for developing and acquiring hotel assets. We are positioned to execute on several new development projects in Q1'14 and acquire several performing properties by mid-year 2014.

One area where we had been on target up until early November was in raising enough working capital to meet our budgeted spending. As you know, we have the need to continue funding our working capital requirements until our investments in hotel assets begin to generate fee income necessary to meet our ongoing cash flow needs in USABRA. This process of continuing to raise working capital ahead of our budgeted requirements began to slow in November, when we met with several investors delaying the funding of previous commitments; this was unexpected and has created a cash pinch for us at year-end.

While we are told these delays are merely that and that we should expect this funding in early January, we are uneasy about the exact timing. We continue to solicit other investors to complete the 12/6/12 $1MM offering, such that we will bring investors in on a first come, first served basis to take out the remaining $380,000 in that offering.

Meanwhile, we have released two new offerings to fund on-going working capital requirements. The first is a $1MM offering featuring 10% annual interest for 2 years, with a 5% premium paid 12/31/2014 and a 10% premium paid 12/31/2015. The second is a preferred unit offering, which, in addition to preferred dividend distributions, includes incentivized conversion rights to our "Common" equity and warrants to acquire additional "Common" equity. This is a $4MM offering, of which the proceeds will be used as capital to initiate new development projects and additional working capital.

EXHIBIT
S-79
ADMITTED

ACC005493
FILE #8503

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

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

Simmons EXHIBIT 3
DATE 10-2-15
Jody L. Lenschow, RMR, CRR #50192

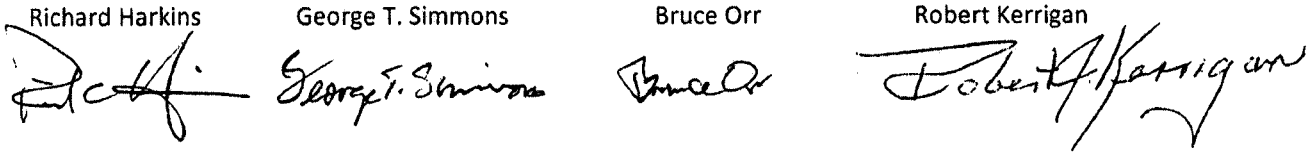
Our first offering to fund approximately six (6) hotel development projects will be released late in Q1'14. This fund will be raised in two phases. Phase 1 will fund pre-development, which includes all spending necessary to begin construction; Phase 2 will take out the Phase 1 investors, complete construction and hold the asset until it is liquidated.

Finally, regretfully we must inform you that, because of the short-term issue of having raised insufficient working capital, the interest payments due to you as of December 31, 2013 may be delayed into mid-January. Rest assured these interest payments will be made as soon as the funds are available to do so. We sincerely apologize for this delay in payment and hope you will not be inconvenienced by the delay.

Sincerely,

Executive Members:

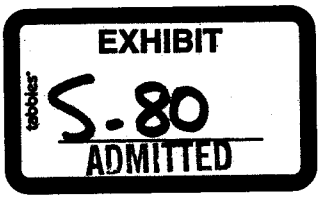
Richard Harkins George T. Simmons Bruce Orr Robert Kerrigan



April 21, 2015

To: USA Barcelona Realty Advisors' Noteholders
From: Richard Harkins, Manager, USA Barcelona Realty Advisors, LLC (the "Company")
RE: Update

Today's communication will cover the following topics:



1. **The six month debt service deferment period**
2. **Why the Company went into recess / what's next**
3. **Next Step business plan**
4. **State Of Arizona Inquiry**

1. **The six month debt service deferment period** - Last September 15th, I mailed a letter asking for your consent to a 6 month deferment from any interest or principal payments due under any Advisors notes outstanding. All noteholders granted my request. I apologize for taking a little bit longer to figure things out but now I'm close.

2. **Why the Company went into recess / what's next –** We simply exhausted our access to the highest risk level of capital, "working capital". As you know, going back to the time most of you made your loans to the Company, the general business plan called for acquiring stabilized hotels and apartments. The execution of that plan depended on a successful raise of the $50,000,000 offering that was effective in early 2013. The person who had committed to handle that raise, despite continuing assurances that he was getting the job done, was a non-performer. We came to a conclusive realization in the 3rd quarter of 2013 that the plan for the $50MM raise was done.

   In September 2013, with the $50MM offering shelved, we took inventory of our work produce and evaluated what it was we could use in a Plan B mode. What we had to work with was some interest in our Company from some real estate investment companies and knowledge of a number of solid new hotel development opportunities. We put those two pieces together to create a hotel land fund, which we called USA Barcelona Hotel Land Company I, LLC ("HLC I").

   To get to the point of raising capital for HLC I, we had to identify solid land opportunities and at minimums reach agreement with each respective land owner as to the value of their land. In this regard we successfully aligned seven hotel sites with the pricing/valuation model for HLC I. The "however" was, we needed to continue to raise working capital sufficient to cover Advisors' overhead and the early due diligence and contact costs of the seven properties. This was a struggle through the period 2013-Q4 to 2014-Q3 as we strained to meet the business needs of the Company and HLC I. In September 2014, with essentially no capital in hand and new funding commitments unmet, the Executive Members determined we had to cease active operations, which we did.

   As for USA Barcelona Realty Advisors, LLC, which it is encumbered by an office lease default and resulting judgment, several creditor defaults and $1.7MM in notes, from a practical viewpoint, we have no basis on which to restart. Accordingly, I plan to file a final 2015 tax return for Advisors.

Simmons EXHIBIT 4
DATE 10-2-15
Jody L. Lenschow, RMR. CRR #50192

3. **Next Step business plan** – To continue, I am willing and desirous of crafting a business plan that accomplishes the following:

   - Rewards new investment capital (which is the prime ingredient of a restart),
   - Provides working capital at reasonable and appropriate levels,
   - Exchanges Advisor's outstanding note(s) for interest in a new enterprise; and,
   - Represents an achievable and sustainable business undertaking.

   I have identified what I believe to be a business opportunity that can successfully achieve the above four requirements. The opportunity will be pursued by a new Company, which I will refer to as "NewCo". NewCo has not yet been formed but is coming to life, step by step.

   NewCo will be a limited liability Company (possibly a limited partnership) and will have two classes on member units that invest capital (Class A and Class B) and one class that represents the carried interest of the manager (Class C). As currently contemplated, NewCo will operate more like a Fund than a real estate company. In fact, it may be a diversified fund that acquires interest in other funds and in both real estate companies and single purpose entities. The objective is to achieve diversification across a spectrum of investment opportunities. Investment decisions will be recommended by an investment committee and approved by an executive committee.

   NewCo will have an equity structure comprised of <u>three classes</u> of ownership, or **Units**.

   Class A Units – Investment capital - comprised of an initial tranche of up to $10,000,000 with follow-on tranches to a maximum of $50,000,000 incorporated in the plan. It is likely that newly revised Regulation A will be the offering format for the Class A Units. More on that later.

   Class B Units - Startup operating capital – To raise this capital, I will **first** offer it to Advisor's noteholders. Of the $500,000 (as currently planned) of Class B Units, what is not funded by Advisor noteholders on a pro rata basis, it will then be offered, first to those Advisor noteholders who do acquire Class B Units and are desirous of taking an additional amount, and second, any remaining Class B Units will be offered to other qualified persons.

   <u>Capital raise plan for the Class B Units</u> - As currently planned, $500,000 is needed to operate NewCo to the point it is has sufficient asset management fees to cover its Manager overhead.

   Each of Advisor's noteholders will be offered the opportunity to put into NewCo (cash investment) 10% of the principal amount of their Advisor loan(s) for which they will receive Class B Units. This allocated $170,000 to noteholders and the remainder $330,000 will be offered to others.

   <u>Deferred Payments on Class B Subscriptions</u> - Each Class B Unit subscription will call for 3 equal payments made 1/3 at subscription, 1/3 within 90 days of the subscription date and 1/3 within 180 days of the subscription date. The two deferred payments are subscriber commitments and are not optional payments.

   By way of an example, consider:

   - Say you currently have a $100,000 issued by Advisor and you put up 10% of that amount ($10,000) in the Class B Units of NewCo. Your capital account in Class B Units in NewCo will be $10,000.

- The Class B position in NewCo will accrue a simple annual rate of 8.0% and be entitled to up to 5% (based on $500,000 of Class B Units being acquired or a pro rata lesser amount) of the profits of NewCo after all Class A Units and Class B Units receive a return of their initial capital and cumulative preferred returns.

  Class C Units – Participating Advisor noteholders (those Advisor noteholders who acquire Class B Units) will also be granted Class C Units. As a class, the Class C Units will be entitled to 5% of Fund profits (based on the purchase of $170,000 of Class B Units) or such lesser percentage as determined by the total dollar amount of Class B Units acquired by Advisor noteholders divided by $170,000. Only Advisor's noteholders who acquire Class B Units will be granted Class C Units.

4. **State Of Arizona inquiry** – A complaint has been filed with the Arizona Corporate Commission, Securities Division (the "State") regarding USA Barcelona Hotel Land Company I and/or USA Barcelona Realty Advisors. I became aware of this in February when I received a subpoena directed to the Custodian Of Records for these two entities. The subpoena called for specified information that was then "under the Custodian's control" to be provided to the State. As the remaining member of the Company, and the ad hoc Custodian, I answered the State's inquiry. My answer was delivered to the State on March 30th. I did so at my personal expense. The respondents (HLC I and Advisors) are not represented by counsel as there are no Company funds with which to retain counsel. That may or may not turn out to impose a burden on the situation.

   As to what to expect from this State inquiry: once the State reviews the information I provided, there will likely be one or more resultant hearings at which I will appear. What the State is not required to reveal is (i) what is the complaint, and, (ii) who made it? I will keep you posted on this. In the meanwhile, in that you are an Advisor noteholder and that is revealed in answer to one of the State's questions, you may expect to receive some form of inquiry from the State.

I am happy to discuss with you any of the matters contained herein. Feel free to contact me by phone or email. I am readily available most days from 8:00 to 5:00, Monday through Thursday, Friday's till 3:00PM and Saturday, well, that's "pot-luck", but feel free to give it a try if that best fits your schedule. For those who are clients of Bob Kerrigan, I encourage you to contact him prior to contacting me. Bob and I have reviewed this letter and the specific Plan laid out herein to which he has stated his general endorsement.

Within the next 30 days, I intend to present the Plan in its entirety to you. I will give you the right of first opportunity to acquire Class B Units. Doing so will give you Class C Units which are designed to be a step toward recovery of you note(s) investment in Advisor.

As for the opaque glass seen on each page, it's either half-full ("b") or half-empty ("a"). To me, "b" represents the **plan and the opportunity** and "a" represents **people and capital**. Accordingly, I see it as currently half full. Execution of a good plan fills it. I am pushing forward and I encourage you to join with me. There is no recovery or gain to be had from inaction.

Sincerely,

Richard C. Harkins

Email dharkins@usabarcelonara.com Cell 602-694-3589

Ex H A

April 23rd, 2013 USA Barcelona Realty Advisors Meeting - Agenda

1. USA Barcelona Realty Advisors, LLC. ("USA Advisors") matters (11:00 to 12:05)

- ✓ Overview of the role of an "Advisory Company" in the REIT world
- ✓ Our Operating Agreement – key point review
- ✓ Our Operating Budget - Overview
- ✓ $1MM Offering - Status
- ✓ Concept - Employee Options for Ownership & Vesting
- ✓ Overview of Standard Business Practices
- ✓ Status of Company computer based systems and software
- ✓ Executive Members – Overview of Responsibilities & Functions
- ✓ Advisors to the USA Advisors – who they are and what they do
- ✓ Staffing Plan – Positions and timing for filling the slots
    - Communication – NAREIT, BOD, Advisors to BOD, RIA, BD and Investor Relations -
    - Property Acquisition – Three Regions, three persons
    - Financial Management – Accounting, Capital Markets, Treasury
    - Records and Information Systems –
        - Internal Systems
            - Acquisition Candidate Property Data Base
            - Acquired Properties data base
            - Investment Properties data base
            - Investor, RIA and BD data base
        - External Access Systems
            - Investor, BD and RIA portal
            - "Insider" portal
    - Capital Markets
        - Debt
        - Equity
    - SAM Relations –
    - Glue in the Seams –

2. Lunch (12:15 to 1:00)

- ✓ Presentation of the overall business environment as relates to what we are undertaking in the (i) hotel and apartment sectors, and (ii) related capital markets.
- ✓ Looking at our business plan – what are the key pieces and how well are we prepared to execute each piece.
    - Business Planning
    - Management
    - Finance Plan
    - Acquisition Plan
    - Records
    - Communication
    - Reporting
        - Internal
        - External
- ✓ Are we a one-cycle or two-cycle company?

EXHIBIT S-81 ADMITTED

SIMMONS EXHIBIT 5
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

EXHIBIT 37
DATE
Karen L. Kessler, RPR, CR No. 50821

3. USA Barcelona Realty, Inc. ("USA BR") matters (1:00 to 2:00)

- ✓ Status Of completion of the Confidential Private Placement Memorandum.. Handout 1
- ✓ $70,000,000 Offering – Projected Schedule of "Raise"
- ✓ Planned Weekly Webinars - for marketing to RIAs and BDs
- ✓ Status of engagement with company auditor firm
- ✓ Status of Marketing Materials for use by Allen Weintraub .. Handout 2 & 3
- ✓ Discussion of how officers, directors and advisors to the BOD's of USA REIT may participate in introducing prospective investors to the USA BR Offering.
    - o Matter of Compensation
    - o Matter of Materials that may be used with prospective investor
- ✓ Review of the USA BR Offering – what's in the Offering Memorandum and the roadmap through the key investment issues.
- ✓ Property Acquisition Plan
    - o Property Type – planned mix
    - o Targeted SAMs – Hotels, Apartments, other real estate types
    - o Planned property contracting and closing schedule
- ✓ Types of real estate transactions USA BR may pursue
    - o Acquisition
    - o Joint Venture & Partnership
    - o Mezzanine
    - o Syndication
    - o Contract for Delivery
- ✓ Capital Plans for beyond the Initial $70MM Offering
    - o Secondary Equity Offering
    - o Corporate Debt Offering
    - o Syndication of corporate owned properties
    - o Next Fund
- ✓ Selection of Officers, Directors and Advisors for USA BR
    - o Officers
    - o Directors
    - o Advisors
- ✓ Status of Personal Confidentiality Statement to be provided to Charlie by each officer, director and advisor to the BODs. (IMPORTANT - each person who is required to complete this form should have it done and submitted via mail or email to Charlie by the date of this meeting or bring their completed form for hand delivery to Charlie at the meeting.)

3. Insurance Matters (2:00 – 2:15)

USA Advisors

- ✓ Employee Health Insurance
- ✓ Directors and Officers Insurance
- ✓ Errors & Omissions Insurance

USA REIT

- ✓ Directors and Officers Insurance
- ✓ Errors & Omissions Insurance

4. Other Matters - 2:15 to 2:30

EXH E

Chrono, general
Budget etc in back

Barcelona
ADMINISTRATION COMPANY

Barcelona Update

Monday - October 15, 2012

As to the $20,000 "insider Loan", $15,000 is committed and there is some "noodling" on the other $5,000 piece. Looking at the needs for immediate cash, $15,000 may be all I put out depending on when the first two BAC $20K Units (see below) look like they will translate to "good funds".

As to the $1,000,000 BAC Offering, I will likely recommend that we offer release only $500,000 as there is no forecasted need for more. We can always put out more as and if needed.

Of the $500,000, $290,000 is committed. $250,000 of that will not fund till apprx November 10th. Of the balance of $40,000 in commitments, there are two $20K units. Each is coming from retirement accts; Those will take a week or so to fund from subscription date(s). They will be subscribed over course of the next day or so. There are a number of others who will arrange for the placement of some BAC Units.

The funds derived from the $20,000 "Insider" offering are evidenced by 90 day notes and will be paid from BAC offering proceeds. There is no minimum for the BAC offering so those funds are good for our use as they are subscribed and clear the bank. *I will likely recommend that we repay the insider loans earlier than 90 days based on how the schedule of placement of the BAC Units unfolds.*

But we simply need some capital now which is why I made the $20,000 Insider Offer a week ago. I will get our Loan Documents to you late today or first thing tomorrow as Charlie will first review the doc set I have crafted.

In general, resulting from the meeting held a week ago Saturday, we are making good progress. There are meetings being set up several of us (which is what I have asked people to do rather than trying to explain our company themselves) for me to made presentations.

By the way, I have a working lunch with Dawn at her office tomorrow. Would you like me to schedule you for a telephone chat with her during that time? We'll meet from 12:00 to 1:30 or so.

Also. I'd appreciate it if you'd give some thought to how much time you could allocate to Barcelona matters on a monthly basis. I'd like to discuss you taking on one of the Executive Member slots in Barcelona Administration Company. That brings some benefits with it and would require some meaningful time on an ongoing basis. The three (we may have 4) Exec Mgrs call the shots for BAC which makes recommendations to the REIT's BOD's as to each and all matters BAC undertakes for the REIT.

See the BAC PPM which you received a copy of at the October 6th meeting

pages 57 – Article VI – Rights and Duties of Manager; Executive Committee Management; page 58 – Major Decisions; page 63 – Executive Committee –

1. This section gets into how things work between the Manager and the Executive Committee.
2. Section 9.18(h)(i) gets into Executive Committee comp.
3. Additionally, the Executive Committee members will receive stock options to the REIT's Common Stock allocation to BAC (BAC will own up to 30% of the Common Stock of BRI 2013).

Best .. Dick

EXHIBIT
S-82
ADMITTED

EXHIBIT 38
DATE
Karen L. Kessler, RPR, CR No. 50821

Simmons EXHIBIT 6
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

Barcelona
ADMINISTRATION COMPANY

Barcelona Update

Monday - October 15, 2012

Major Events In The Works

Securities matters – I am finishing the rewrite of the Barcelona Realty Investors 2013 REIT Private Offering Memorandum. Another two days and it will be shipped to Charlie for his work.

Posting of the Barcelona Realty Investors 2013 REIT Private Offering Memorandum on the Fidelity Investments site. This is one of the things Allen will be doing once Charlie's firm has completed the BRI 2013 offering documents. We are shooting to have this done by mid-December.

Property Acquisition and JV Candidates – There are several ways in which our REIT can invest in a property.

Apartment acquisition candidates ($65,000,000 allocated) – I will be focusing on this mission in concert with Lincoln Properties. Too, Bruce Orr may play a role in this asset sector. We are targeting four (possibly five) properties.

Hotel acquisition candidates ($55,000,000 allocated) –

Marriott Hotels - Concord Hospitality will be visited by me shortly for purpose of discussing potential Marriott Hotels we can acquire from their portfolio. That trip to Raleigh NC will be held by the end of this month. We'd like to acquire one or two Marriott select service hotels.

Hilton Garden Inns - Dawn Berry and I are meeting tomorrow and we will review our portfolio mix of apartments and hotels. Within the hotel component we will revisit several Hilton Garden Inn properties that are high on our list and ARE OWNED BY Dawn's partners and others for whom she manages properties. We'd like to acquire two to four Hilton Garden Inns.

Development Property Candidates – I will be meeting with Bruce Orr to develop the method we will employ for JV'g the hotel component (i) mixed use and (ii) our approach to (a) land JV's or (b) forward commitments on stand-alone new construction hotels.

Golf Properties – There is an interest on our part in having a top-drawer golf property in the portfolio. Maybe more than one. To date, nothing has surfaced that deserves a look.

Property Debt –

Credit Facility - I am in discussions with an investment banker regarding employing a syndicate or credit facility comprised of commercial banks to provide leverage on our Properties. Such a facility is common practice for large property portfolios. Generally, the facility expands as each property is acquired for "all cash" and added to the portfolio of assets. The credit facility is used by us to acquire properties which are added to the financed property portfolio. When we near the point of exhausting the credit facility, we conduct a secondary or follow-on offering of our Equity

Simmons EXHIBIT 7
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

EXHIBIT 39
DATE
Karen L. Kessler, RPR, CR No. 50821

EXHIBIT
S-83
ADMITTED

Units and use the proceeds to pay down the credit facility, thereby recharging the credit availability in the facility. And that revolution of events continues as the Fund grows.

CMBS Loans – Our affiliate, Steve Gold will be arranging any CMBS financing needs we have for individual or portfolio property purchases.

In-place assumable debt financing – Some properties we acquire may have suitable debt already in place. Some of the Hilton Garden Inns on our due diligence list fall into that category.

Barcelona Administration Company Offering - There are meetings being set up for BAC Unit presentations. I am hosting one tomorrow at 9AM that was arranged by Jerry Austin.

I will likely recommend that we release only $500,000 as there is no forecasted need for more. We can always put out more as and if needed.

Of the $500,000, $290,000 is committed. $250,000 of that will not fund till apprx November 10th. Of the balance of $40,000 in commitments, there are two $20K units. Each is coming from retirement accts; Those will take a week or so to fund from subscription date(s). They will be subscribed over course of the next day or so. There are a number of others who will arrange for the placement of some BAC Units.

$20,000 "Insider Loan" - $15,000 is committed and there is some "noodling" on the other $5,000 piece. Those committed pieces need to fund up ASAP.

The funds derived from the $20,000 "Insider" offering are evidenced by 90 day notes and will be paid from BAC offering proceeds. There is no minimum for the BAC offering so those funds are good for our use as they are subscribed and clear the bank. I will recommend to the Executive Committee that we repay the insider loans earlier than 90 days based on how the schedule of placement of the BAC Units unfolds.

Nine Days After the October 6th Meeting - In general, in the time frame from the meeting we held a week ago Saturday to now, we are making good progress.

Road Map - From "Now" through First Quarter 2014. "Busy" will be a gross understatement.

Major Events	'12-Q4	'13-Q1	'13-Q2	'13-Q3	'13-Q4	'14-Q1
Internal Organization						
Selection Directors & Officers						
Securities Offering – BAC						
Securities Offering - BRI 2013						
Property Selections						
Property Acquisition						
Property Closings						

Best

Dick

February 1, 2014

Patrick, Tom, Bruce, Jeff, Connie, Glenn, Paul, Rod, Bob, Rich, Jim:

A Talking Paper for your review and use in conversation with BDs, investors, RIAs, and others. Review this and then let's go over it and the many points that spring from it.

Talking Paper – HC-I Program and beyond

We are developing a plan to incorporate a number of undeveloped land parcels that we have studied and preliminarily find suitable for the development of a Marriott, Hilton or Hyatt (select service in most if not all cases). Before we go to Land Purchase Letter Of Intent, a franchise company (Marriott, Hilton or Hyatt) would have reviewed the site and opined it suitable for one of their flags

The initial program (which we refer to as "HC-I") will incorporate up to 16 land parcels, each added to the program on a sequential basis over 12 to 18 months, each taking 12 to 18 months to entitle and each being sold to a single purpose New Build syndication LLC that will construct, own and operate a hotel.

The end game is to liquidate each hotel, when fully stabilized, into a C corp that will acquire, own and operate, and declare REIT status.

So the plan has three steps.

1. Contract to acquire sites, entitle them and sell them to Single Property New Build entities. At this step HC-I is the managing member of 16 SP LLCs. An investor group is involved in HC-I and they will be incrementally liquidated out as each Land Parcel is assigned to a New Build entity. The incremental value creation is the business objective of HC-I.
2. New Build LLCs close on the Land Parcel they obtain from HC-I and pay HC-I the spread between Appraised Value and the Land Contract amount owed to the initial seller. That "value step-up" needs to be between 50% and 60% for the program to work for the HC-I investors and us as the sponsor.
3. After New Build LLC constructs, ramps up and stabilizes its hotel, it liquidates it to our C corp "catcher" company, which will operate as a REIT. When the REIT reaches sufficient asset size, it will look to conduct an IPO. The HC program will continue as will the New Build program, both as the foundation of the growth of the asset base of the REIT.

That is the first part of the Master Plan. HC-I's 16 sites turn into about $350MM of hotels at stabilized values.

HC-I begins and ends over a 24 to 30 month period. Given each hotel takes 12 months to build, the last one is finished in month 42. Given a 12 month ramp-up period and three years of operation to the point of liquidation, the last New Build LLC sales to the REIT in month 90.

But along that path, HC-2, HC-3 etc are feeding hotels through the system and eventually to the REIT. Plus, somewhere along the way, acquisition of "other" hotels should occur. We simply don't think now is ideal to be in the acquisition of "other's" hotels.

Simmons EXHIBIT 8
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

EXHIBIT 41
DATE
Karen L. Kessler, RPR, CR No. 50821

EXHIBIT
S-84
ADMITTED

Dick Harkins

From: Dick Harkins
Sent: Wednesday, July 09, 2014 11:41 AM
To: 'G. Tom Simmons'; Rod Eaves; Bruce Orr; Robert Kerrigan
Cc: Jeff Teets; Connie Cook; Paul Meka; Glenn Erler; Dick Harkins
Subject: State Of The Company

Been a little rough lately. Not out of the woods yet. But, we are going to be fine.

- As you all know, the University Of Wisconsin Madison (its endowment fund) is considering a sizable ($1,000,000) purchase of Units in the Hotel Land Fund. Their advisor has reviewed our Offering which led to a lengthy call with them yesterday. The advisor will be making its comments/recommendations to the University's Foundation Board shortly and the decision to invest will be on the Board's agenda on their July 22 meeting. Bob Kerrigan is on that Board and will be attending the meeting.

- The advisor is a RIA firm in Wisconsin that manages over $3.5BB of funds for numerous parties. They indicated an interest in our New Build single property offerings and possibly other clients that may be suitable for the Land Fund.

- We may be amending the makeup of the Executive Committee in the near future. That's not a teaser statement but simply a fact.

- As things stand today, everyone that works for the company has an important contributory role. We are down to those who "can" and those who "get it". While Jeff is vastly underutilized currently, that will change shortly as we pursue bank financing for three properties and commence work of the initial new build syndication.

- We told Kevin Coleman that we were not going to pursue the Azusa project but certainly had in interest in others that involved the Lewis Companies.

- We have a keen interest in working with the owner of the McCormick Ranch Golf Course to see if it is feasible to construct a hotel on that property that would incorporate the golf clubhouse operations. That will take some three to four months to determine if such an undertaking makes sense. The City Of Scottsdale and other parties will come into play on this one.

- Sky Song remains on our front burner as a possible "initial project" for us. There remain some unknowns on this project but those matters should wash through over the next 60 days. Having the knowledge and some vision to see what that end of town looks like two years from now is "key" as is availability of a franchise that we would want.

- Some of us will be out this Friday as we have a meeting in Prescott with a developer who wants a hotel on his property. There are some interesting twists and turns with this opportunity so we'll keep you posted. It clearly is not our Number 1 but could make the top 10.

- We await an introduction by Chanen to an interested prospective JV partner. Our best guess is we'll know more about that next week.

Simmons EXHIBIT 9
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

EXHIBIT 42
DATE
Karen L. Kessler, RPR, CR No. 50821

- Bob continues to pursue capital for us and we look to that as the short-term solution to getting our feet back under us.

Essential today is to keep our wits about us. While some of us are in this as a Venture., I know others of us are not positioned to be able to handle such a voyage. Getting paid on a predictable and timely basis is essential. I know that. All of the X-Members know that. Our needs in fact are not dissimilar to those of the rest of our Team.

What's important now is we keep a clear vision of the opportunities we have and select the one(s) we can handle .. of utmost importance .. we need to move off the dime and get some projects (one at a time but not too far apart) moving.

Connie, Paul , Jeff and Glen .. you're all essential to what we're doing here. Rod, Bob, Tom, Bruce and I are developing a tight schedule of events that have a strong focus. We will not do this in a fashion that doesn't include everyone.

Here is an invitation:

If I'm not involving you, or am and you don't like something about the project, or you simply think I "just don't get it" .. SPEAK UP LOUD AND CLEAR. You know me. I believe in what I believe. If you disagree, disagree. But don't talk to other s about it and don't come back to me months later and say .. "I disagreed with that way back when".. That one simply doesn't work. Not for me and not for anybody.

Think of this as a new start. Take that invitation and us it.

We're at the right size now with the right people. We can do whatever we choose with who we have. And, we'll go about things a little differently with our new start. We'll be better. In fact, we already are.

Thanks for being on the Team.

Dick

Richard C. Harkins
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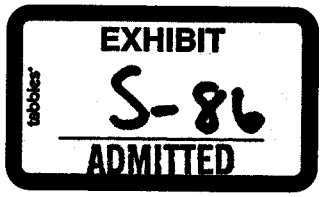
Dick Harkins

From: Dick Harkins
Sent: Tuesday, August 05, 2014 1:13 PM
To: 'G. Tom Simmons'; Rod Eaves
Subject: Essential activities



Projects:

As for Sky Song and McCormick, the economic viability determination falls in my camp, to be reviewed with you guys. We obviously are a ways away from determining that for either project. Studies and design work have to be undertaken soon. I'd budget that with some careful thought. Rod and I can develop the timing schedules and budgets for initial study period.

Logistics and beach clearing can be on your (you and Rod) side of the ledger. The Planning and scheduling of capital expenditures for both projects will have to come through me, working in concert with the Stage 1 development needs of each project.

We will need to bring into play some conceptual layouts of the McCormick site. Story boards will be essential in a show and tell with any outside group. That brings into question the interviewing of architects and engineers. Vern Swayback's firm is suggested by Steve Chanen (for conceptual drawings and architectural design .. but they are expensive .. Steve said that the City of Scottsdale likes them a lot; so, that should be a strong consideration, along with civil engineers and attorney).

Capital:

I'm thinking that Chanen hay entertain a JV on either project; possibly both. Suggest we all discuss this later today. If it seems like a good idea, possibly bring Betts into a discussion on the topic. Stewart may be willing to JV to the extent of providing some of the front-end capital. Nothing ventured in a discussion with him on that topic. I think a full project development period budget should be developed first.

Such a budget will fall out of the scheduling event plan for the project.

"Diminished Role Impact":

With Tom and Rod next week, especially come the 15th of next week, that being when Kerrigan needs to have $62,500 in on the 15th, we need to reinforce with him that need absolutely must be met.

Yes, with the two of you out next week, there will be a challenging environment here, given the several projects we have going (sites and internal matters). However, I can handle the matters that I am focused on. The two of you need to position what you are doing and those on the outside with whom you are dealing so as there is a clear understanding as to "skipping the week", so to speak. I'd prefer not to be put into a situation of dealing with the Sky Song project as I have not benn ion the forefront of that one. Whatever may come up on McCormick is ok.

Our 6 Month Plan and what we Offer an Investor

This week, we must develop in presentable form what it is we need for a 6 month period for both operations and deal capital; and, what we will offer to an investor that will provide that capital.

Simmons EXHIBIT 10
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

EXHIBIT 43
DATE
Karen L. Kessler, RPR, CR No. 50821

This will involve restructuring our debt. I am working on that currently and plan to have in ready for discussion late today.

Meeting Friday with Steve Jurich/IQ Wealth

Charlie will be in Friday after 3PM to join in the talks with Steve, as relates to developing a structure that gives him some access to allocations and distributions from anything of ours that he sells into.

Patrick and Bruce:

The Bruce and Patrick issues should be resolved to conclusion prior to Tom's departure (hence, done by the end of this week to all parties satisfaction).

Sky Song should also be positioned so Plaza and ASU Foundation both know that next week is off the table for discussions.

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

From: G. Tom Simmons [mailto:gtomsimmons@[redacted]
Sent: Monday, August 04, 2014 4:56 PM
To: Dick Harkins; Robert Kerrigan; Rod Eaves
Cc: Paul Meka; Connie Cook; Glenn Erler
Subject: Re: Our little raft and its mission

I'll handle the first draft of a letter to existing investors. Rod and I can handle the McCormick Ranch GC efforts for now (Dick later same as with Sky Song). Even though I will be traveling from 8/12 through 8/22, I will be available by phone and email, so other than attending meetings in person, there should be no "diminished role" impact. I remind everyone that Rod will also be away 8/11 through 8/15. Finally, even though $300K is a good target need for **operating capital** over the next 60 days, Bob needs to have $62K of it in before 8/15 and another $85K in before 9/1; these are firm requirements.

Tom

-----Original Message-----
From: Dick Harkins <dharkins@usabarcelonara.com>
To: Robert Kerrigan <RKerrigan@[redacted]>; G. Tom Simmons <gtomsimmons@[redacted]>; Rod Eaves <reaves@[redacted]
Cc: Paul Meka <pmeka@[redacted] Connie Cook <ccook@[redacted]>; Glenn Erler <gerler@[redacted]>; Dick Harkins <dharkins@[redacted]
Sent: Mon, Aug 4, 2014 3:38 pm
Subject: Our little raft and its mission

I want to clear the air and move forward so we can operate the business.

- Our Team - Rod, myself, Paul, Connie and Tom (in a diminished role for a short while starting mid-next week). Interestingly, we have a sufficient team for accomplishing what I see coming up.

- What's right at hand that needs 100% accomplishment?

- Bob is charged with raising enough capital to meet company needs for the next 60 days. Minimum of $300K as some interest on notes has to be paid.

- I have taken the responsibility for the deal capital requirements and post 60 day company operating needs.

- For Bob:

    1. You and I should immediately pick up the ball with Sam Murty. What's happening with the Chicago billionaires. You and I should get our buns up to Wisconsin and meet with Sam Murty (ASAP). Of course that will take some capital too.

    2. What is happening with:

        - Mike – 100,000/150,000
        - Clair – 100,000/150,000
        - Hair Dresser lady – 40,000/50,000
        - Shopping Center lady – 100,000
        - Doc – 50,000/100,000
        - And, what's happening with the Chicago billionaires?
        - Latest with Sam Murty?

- Where does our **"Outside" capital raising potential lie**:

    - IQ Capital (Steve Jurich) - Dick
    - Sam Murty – RIA – Wisconsin - Bob
    - Steve Coville – Tom/Rod
    - Rod has a possibility or maybe two - Rod
    - Bob has several named investor candidates - Bob
    - Other Steve Betts introductions (TBD) - Dick
    - Bank Of Montreal (just unfolding)/ Jerry Clark/Arden Capital - Dick
    - Sky Song spinoffs from Plaza Companies/ASU Foundation/Steve Betts – Tom/Rod (for now.. Dick later)
    - Continued marketing to RIAs and small BDs – Dick/Connie
    - What did I leave out? EVERYONE CHIME IN.

- We will shortly need to start **feeding capital to Sky Song** and soon **thereafter to McCormick Ranch**. I have and will take the responsibility for the Deal capital requirements. Bob's side is to keep the company functioning (at least for the next $300,000 over the next 60 days).

- Over the next two days, we must send out a **letter to our note-holders** laying out where we are, what's next and how we're going to get this little blip fixed. Who to do? Tom for this project?

- Connie, Paul and I are working on a **short presentation for Bank Of Montreal / Jerry Clark**. Out the door Wednesday.

- The **McCormick Ranch project** seems to have only a couple of hills to climb and neither is currently known to be especially. Working this project will soon entail some capital outlays too. Probably 30 days and then some (i) legal, (ii) demand/feasibility studies and (iii) site planning/conceptual elevation drawings. **This project requires a very preliminary PERT plan to be crafted**. Rod and I will work that for starters and then it's his. Target Friday for a block diagram and two weeks for a "hard look" plan.

- **September Communique** – Connie's baby.

- **Web Site** – clean it up as to people and positions. New content coming.

- **Feedback** – EVERYBODY????

Dick

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Dick Harkins

From: Dick Harkins
Sent: Thursday, July 17, 2014 12:26 PM
To: 'G. Tom Simmons'; Bruce Orr; Robert Kerrigan
Subject: BRA's Capital Matters

I remind all that this company was started in 2009 when only Tom and I were involved. It was essentially reconstituted in 2012 and at my suggestion, the Executive Committee concept was brought forward and put into place. The essence of that concept was two-fold. First, to give the people that helped finance the company a voice in the company so as to represent outside investors they brought in. Second, to reward such effort and ongoing efforts with the opportunity to vest into ownership of BRA.

The second part of that remains in place despite the fact that only my relationship with Bob and then Bob's relationship with investors has brought capital to this company. Additionally, through others, I have brought investors to the company, including Bobbie.

Along the way, I have yet to turn in an expense report, which if I did, would amount to several thousand dollars, which, I don't intend to do until we have substantial cash reserves.

As for me taking a draw to cover some mandatory expense, there are no dollars earmarked that can be pointed to as the dollars I drew. Not unlike the rest of you, I have not been paid in any of the same periods you have not been paid. And in prior periods, when we were paid, I have taken far less than that to which I am entitled.

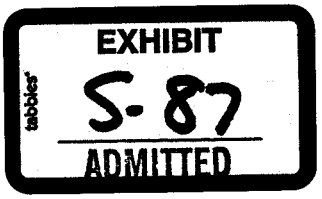
So the pain is spread around. As for Bruce's contention that I drew $2,000 of his capital input, that could be seen that way. We will get Bruce paid back from first dollars in as we will Rod, Bob and other short-term lenders. Any member of this team with an overwhelming financial need will be put in the front of the line as we have capital available. That has been our priority to date as evidenced by keeping Paul and Connie paid. Paul has slightly more slack than Connie, who has no slack.

What it boils down to is simply, there are jobs to be done here. If someone can't get the job done, they need to get another job. As for directing communication to Tom asking about working capital and such .. that is misdirected. Capital is not in his corner of the business. That is mine and Bob's. So, if you want to know about capital, call me. Other topics have a correct path to be dealt with too.

All in all, I feel this email business is generally a manner to deflect dealing with it straight on. It takes far longer to address an issue tying an email than it takes making a call. Let's try calling one another on matters that we find (in our mind). I can be reached from 5AM to 10PM.

As of yesterday, Rod accepted the invitation from Tom and me to join the Executive Committee. We will decide if we expand the committee or make two committees out of what we have. A major issues committee and a committee that takes on specific issues.

Bruce, you are the one voicing the most issues. Simply the way it is. Maybe you are under the most pressure. Maybe you're upset with me. Well, here's the bottom line. I'm not going anywhere and I'm not bowing to listening to anyone moan about anything that they are not developing a solution for. I will work shoulder to shoulder with anyone that has a better mousetrap (relative to anything we do here) and has a purposeful idea as to how to build it; and will go to the wall to see it developed and implemented.



Simmons EXHIBIT 11
DATE 10-2-15
Jody L. Lenschow, RMR. CRR #50192

If any one of us brings a problem, bring a solution.

As for an Executive Committee meeting, I have previously stated that we will call one as soon as we have some breathing room on the capital front. That likely will lead to a meeting in the last week of July.

We (Tom, Rod and me .. with Bruce) generally plan to spend two full days in early August in California touring the Lewis sites and the Buena Vista site.

Tom is preparing a letter agreement to be presented to Lewis covering a specific set of agreements for each Lewis site we determine to pursue. That will of course be done in concert with Bruce and Kevin.

Guys, we need to produce results as called for in our Plan. That Plan has not changed in spirit.

Yes, it's financially hard right now. In my view, we created that hardship. Part of the "we" is no longer associated with us.

Bruce, you say no one you know wants to invest in the BRA offerings..sic..for working capital. They want to invest (if they do at all) in a specific real estate deal.

OK. I have an idea. Let's consider operating under the Trammel Crow model.

Bruce, you can be the Southern California BRA Partner.
We will appoint someone else to be the Arizona Partner. They have the same marching orders.

Take a deal the company approves and go do it. The company will be the glue in the seams.

Company resources will be behind each deal a Partner takes on at the Company's approval. Those Company resources are being developed. It's called .. "working capital" It is being formed via placement of the Land Entitlement Fund and sale of BRA offerings.

The company can advance its funds to a Partner's deal to get the land under contract and to take it through zoning approvals. The deal itself will finance architectural, engineering and franchise matters.

The deal is the partner's to get financed. That includes the debt and equity pieces. The Company may be of assistance in that effort or not; the company may make some advances but will keep only minimal capital in any one deal.

So a partner lives or dies based on his ability to get a deal(s) done. It has worked for Trammel Crow for decades.

As for working capital, here is my best input:

Land Fund –

1. will know early next week if U Of WI Madison is taking $1MM; if they do, we think their advisor will put other clients in the deal. The Land Fund can provide for our basic needs for 12 months.

2. Bob has a client hat may take $100K .. I am to meet with the client at some point in the next day / days. Bob feels is ready to fund if she likes us. She likes the deal.

3. New opportunity with a local RIA who Tom and I met with earlier this week. Promising and could lead to a sell-out of the Fund. Next meeting next week. This RIA does large deals via a network of other RIAs and smaller sized BDs .. he likes the idea of a series of New Builds or several in one Fund.. good possibilities.

BRA note offering –

1. Kerrigan client for 100K .. will know shortly – Bob thinks will fund next week .. been in the mill for a while.
2. Kerrigan client for 50K – 90 day note -Bob says will fund next week.

Steve Betts introduction – met with Jeff this AM here in our office (myself, Tom and Rod). Large potential .. will meet again next week as he has time to think about how he would like to proceed.

Oppenheimer – Had lunch with Mitch yesterday and he wants to do something. Vlack has left the company and the guy that replaced him will be here over the next two weeks; and we'll meet.

That's my feedback to Bruce's email and beyond.

Best

Dick

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

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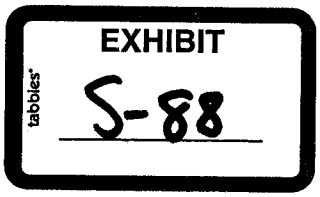
George T. Simmons

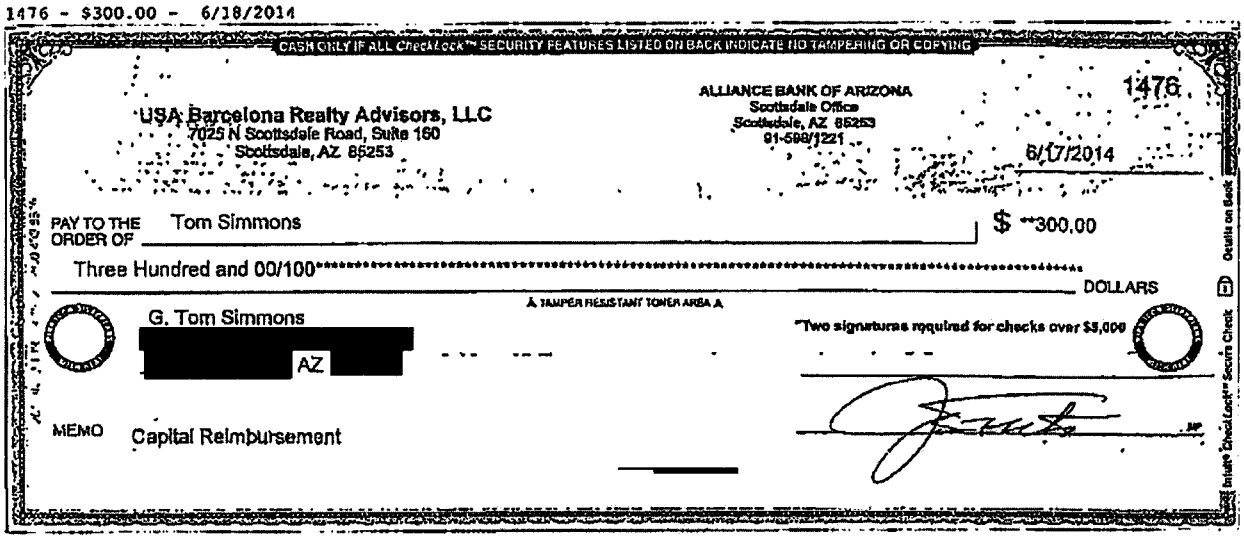
Payments from USA Barcelona

Statement Date	Check#	Amount	Payee	
07/02/13	1119	$ 1,000.00	Tom Simmons	
08/02/13	1137	$ 8,600.00	Tom Simmons	
09/03/13	1023	$ 8,600.00	Tom Simmons	
10/03/13	1166	$ 11,150.00	Tom Simmons	
11/04/13	1190	$ 11,850.00	Tom Simmons	
12/04/13	1208	$ 13,000.00	Tom Simmons	
01/02/14	1240	$ 19,000.00	Tom Simmons	
03/04/14	1274	$ 10,000.00	Tom Simmons	
03/04/14	1275	$ 1,093.18	Tom Simmons	
04/07/14	1414	$ 10,000.00	Tom Simmons	
04/11/14	1428	$ 5,000.00	Tom Simmons	
06/18/14	1476	$ 300.00	Tom Simmons	Check Memo: "Capital Reimbursement"
		$ 99,593.18		



Simmons EXHIBIT 12
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

1476 - $300.00 - 6/18/2014



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USA Barcelona Realty Advisors, LLC
7025 N Scottsdale Road, Suite 160
Scottsdale, AZ 85253

ALLIANCE BANK OF ARIZONA
Scottsdale Office
Scottsdale, AZ 85253
91-598/1221

1476

6/17/2014

PAY TO THE ORDER OF Tom Simmons $ **300.00

Three Hundred and 00/100********** DOLLARS

A TAMPER RESISTANT TONER AREA A

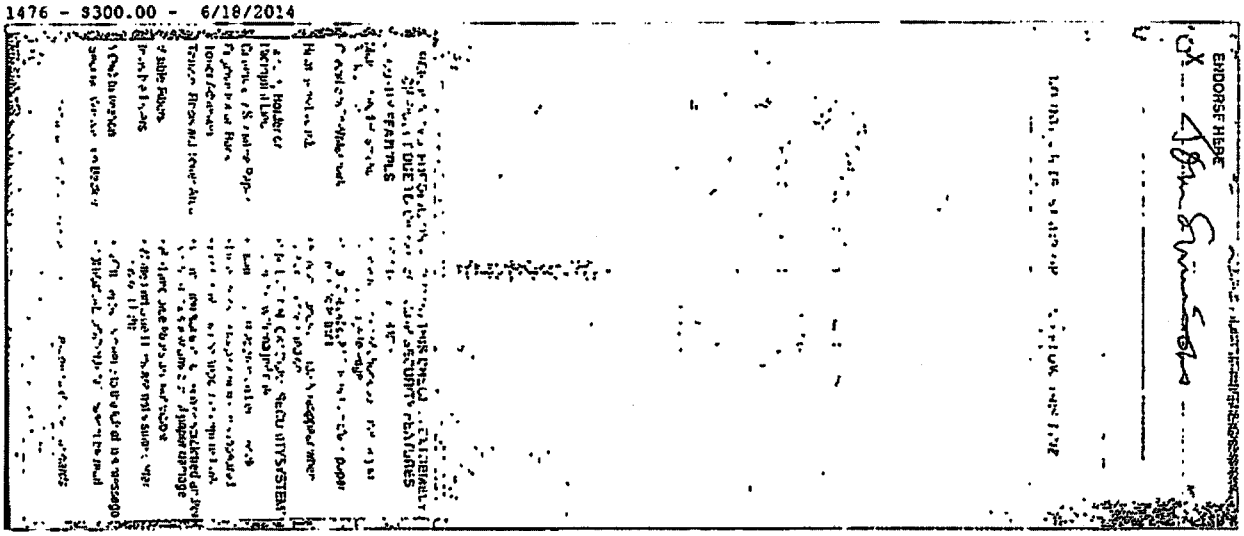
G. Tom Simmons
[redacted] AZ [redacted]

*Two signatures required for checks over $5,000

MEMO Capital Reimbursement

Details on Back. Initiate CheckLock™ Secure Check

1476 - $300.00 - 6/18/2014



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tabbies
S-89
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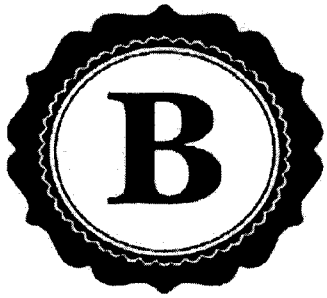
ACC006101
FILE #6503

Simmons EXHIBIT 13
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192



USA Barcelona Realty

CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

ACCREDITED INVESTORS ONLY

USA BARCELONA REALTY, INC.

$70,000,000

700,000 Units - $100 Per Unit

MINIMUM OFFERING - 80,000 UNITS

EACH UNIT CONSISTS OF
ONE SERIES A $7.50 PREFERRED SHARE AND ONE CLASS A COMMON SHARE

MINIMUM INVESTMENT - 2,500 Units

MEMORANDUM DATED APRIL 12, 2013

EXHIBIT
tabbies
S-90
ADMITTED

FOR BROKER/DEALER USE ONLY

Simmons EXHIBIT 14
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

Draft Copy
- edits in Process

USA Barcelona

HOTEL LAND COMPANY I

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

USA Barcelona Hotel Land Company I, LLC

$10,000,000

Comprised of:

10,000 Class A Member Units at $1,000 per Class A Member Unit

Minimum Purchase of 100 Class A Member Units for $100,000

OFFERED ONLY TO:

ACCREDITED INVESTORS

Memorandum dated May 5, 2014

Simmons EXHIBIT 15
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

EXHIBIT
S-91
ADMITTED

USA Barcelona Hotel Land Company - I, LLC

An Arizona Limited Liability Company

CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM

$10,000,000

10,000 CLASS A MEMBER UNITS ("CLASS A UNITS") AT $1,000 PER CLASS A UNIT

$100,000 MINIMUM INVESTMENT

The offering described in this Confidential Private Placement Offering (the "Memorandum") is being made to provide USA Barcelona Hotel Land Company I, LLC. (the "Company", "us", "we" or "USA HLC-I") with capital to fund the organization stage and operating requirements of the Company, and to pay selling fees, legal fees, offering costs, and marketing expenses associated with this offering of Class A Units (the "Offering"). ***Capitalized terms used in this Memorandum and not otherwise defined have the meanings set forth in "Defined Terms".*** The Company and its single land parcel Affiliates ("SLP LLCs") are being formed to acquire and Entitle Land Parcels, each of which we intend to sell to an Affiliate entity that would construct, own and operate a hotel franchised by a leading brand franchise company, such as Marriott, Hilton, Hyatt or possibly others.

USA HLC-I, an Arizona limited liability company, will be the manager of each SLP LLC. USA Barcelona Hotel Holding Company, LLC ("USA HHC") is our Manager, and is owned by USA Realty Holding Company, LLC (the "Parent Company"). Under an advisory agreement ("Advisory Agreement") between the Company and USA Barcelona Realty Advisors, LLC ("Advisor", "USA BRA"), an Arizona limited liability company, USA BRA provides all administrative services to the Company and its Affiliates.

The Company is currently offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit, with a minimum purchase of 100 Class A Units for $100,000, except that, in our discretion, we may permit investments of a lesser amount. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

The Class A Units are being offered by members of management 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 ("Selling Agents") subject to applicable laws, may receive fees or commissions of up to 8% of the sales price of Class A Units sold. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

We expect to terminate the Offering on March 31, 2015, or when all of the Class A Units offered by this Memorandum have been sold (whichever occurs sooner). However, we may extend the Offering Period for up to an additional 180 days.

	Price to Investor	Commissions & Expenses	Offering Proceeds to the Company
Per Minimum Purchase Class A Units [1]	$100,000	$9,000	$91,000
Total Class A Units Offered [1]	$10,000,000	$900,000	$9,100,000

[1] See "Planned Offering Proceeds and Expenses" on following page.

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

ONLY ACCREDITED INVESTORS MAY PURCHASE CLASS A UNITS. THE CLASS A UNITS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES ACT OF ARIZONA OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION RELYING ON EXEMPTIONS FROM REGISTRATION PROVIDED BY SECTION 4(a)(2) OF THE ACT, RULE 506(c) OF REGULATION D AND OTHER COMPARABLE EXEMPTIONS. ONLY PROSPECTIVE PURCHASERS WHO PROVIDE THE MANAGER WITH INFORMATION ENABLING THE MANAGER TO SUPPORT A "REASONABLE BELIEF" THAT SUCH PERSONS ARE "ACCREDITED INVESTORS" MAY INVEST IN THE UNITS. SEE "WHO MAY INVEST".

THE DATE OF THIS CONFIDENTIAL PRIVATE PLACEMENT OFFERING MEMORANDUM IS MAY 5, 2014

(continued from previous page)

Planned Offering Proceeds and Expenses	Maximum Offering	
Class A Member Units Sold [1, 2]	100.0%	$10,000,000
Offering Commissions; Custodian Fees [3]	8.0%	800,000
Offering Expenses [4]	1.0%	100,000
Working Capital [5]	91.0%	9,100,000
Total Planned Use of Offering Proceeds	100.0%	$10,000,000

(1) There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

(2) Eligible Persons may purchase Class A Units at a Modified Price of not less than $920 per Class A Unit. Subscribers fund their Class A Unit Purchase Price by paying 100% of the amount subscribed at Subscription. We expect to terminate the Offering when all of the 10,000 Class A Units offered by this Offering have been sold, or March 31, 2015 (whichever occurs sooner), unless extended by us for up to an additional 180 days, at the sole discretion of the Company.

(3) The Class A Units are being offered by members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Offering fees and commissions of up to 8.0% of the Subscription Purchase Price may be paid by the Company on Class A Units sold in this Offering where sales are made by securities dealers and other Selling Agents legally authorized to receive such compensation. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. The Company will not pay offering commissions or custodian fees relating to Class A Units sold at the Modified Price. Regarding purchases of Class A Units by IRAs, if applicable, the Company will pay a one-time fee to the associated IRA custodian of up to $500, which payment will be deducted from any commissions otherwise due on the sale of the associated Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period.

(4) Offering Expenses in an amount up to 1% of Offering Proceeds may be paid by the Company for legal, accounting, escrow, printing and other related expenses. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds.

(5) We intend to use working capital to fund operating requirements of the Company and repayment of loans made to us by USA HHC, LLC, Advisor and other Affiliates for our organizational and operating requirements. See "Uses of Offering Proceeds and Gross Operating Income".

CERTAIN FACTORS; LEGENDS

THE UNITS ARE SPECULATIVE SECURITIES THAT INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST. PROSPECTIVE INVESTORS, PRIOR TO MAKING AN INVESTMENT, MUST EXAMINE THE "RISK FACTORS" SECTION THAT BEGINS AT PAGE 53, AND SHOULD CAREFULLY CONSIDER ALL OF THE RISKS, CONFLICTS OF INTEREST AND SPECULATIVE FACTORS INHERENT IN AND AFFECTING THE BUSINESS OF THE COMPANY.

THE 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. ONLY PROSPECTIVE PURCHASERS WHO PROVIDE THE MANAGER WITH INFORMATION ENABLING THE MANAGER TO SUPPORT A "REASONABLE BELIEF" THAT SUCH PERSONS ARE "ACCREDITED INVESTORS" MAY INVEST IN THE UNITS.

THE OFFERING OF THE UNITS AND OPERATION OF THE COMPANY INVOLVE SEVERAL ACTUAL AND POTENTIAL CONFLICTS OF INTEREST. THE MANAGER HAS 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 JANUARY 15, 2014 AND HAS NO OPERATING HISTORY. THE ORIGINAL COMPANY NAME WAS USA BARCELONA LAND COMPANY I, LLC. THE NAME WAS CHANGED TO USA BARCELONA HOTEL LAND COMPANY I, LLC ON FEBRUARY 25, 2014, TO ADD CLARITY AS TO THE NATURE OF THE COMPANY'S BUSINESS.

THERE IS NO PUBLIC MARKET FOR THE 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 OFFERING EFFECTIVE 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.

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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 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.

REFERENCE TO INDUSTRY TRADEMARKS AND TRADE NAMES

"Marriott", "Courtyard by Marriott", "SpringHill Suites", "Fairfield Inn", "TownePlace Suites" and "Residence Inn" are registered trademarks of Marriott International, Inc. or one of its Affiliates. All references in this Memorandum to "Marriott" means Marriott International, Inc. and all of its Affiliates and subsidiaries Marriott has no relationship with USA Barcelona Hotel Land Company I, LLC, or any of its Affiliates. Marriott is not involved in any way in this Offering, and is not responsible for any of the content of this Memorandum, whether relating to hotel information, operating information, or financial information. Marriott has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Marriott has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

"Hilton", "Hampton Inn", "Hampton Inn & Suites", "Hilton Garden Inn", "Homewood Suites by Hilton" and Home2 Suites by Hilton are each a registered trademark of Hilton Hotels Corporation or one of its Affiliates. Hilton has no relationship with USA Barcelona Hotel Land Company I, LLC, or any of its Affiliates. Hilton is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. All references in this Memorandum to "Hilton" mean Hilton Hotels Corporation and all of its Affiliates and subsidiaries. Hilton has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Hilton has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

"Hyatt", Hyatt Place" and "Hyatt House" are each a registered trademark of Hyatt Hotels Corporation or one of its Affiliates. Hyatt has no relationship with USA Barcelona Hotel Land Company I, LLC, or any of its Affiliates. Hyatt is not involved in any way in this Offering, and is not responsible for any of the content of this Memorandum, whether relating to hotel information, operating information, or financial information. All references in this Memorandum to "Hyatt" mean Hyatt Hotels Corporation and all of its Affiliates and subsidiaries. Hyatt has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Hyatt has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

"Pyramid Hospitality and Development Company", or "Pyramid" has no relationship with USA Barcelona Hotel Land Company I, LLC, or any of its Affiliates. Pyramid is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. Pyramid has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Pyramid has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

"Concord Hospitality Enterprises" and "Concord" has no relationship with USA Barcelona Hotel Land Company I, LLC, or any of its Affiliates. Concord is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. Concord has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Concord has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

We refer in this Memorandum to STR ("STR"), which provides data and benchmarking statistics for the hotel industry for North America and the Caribbean. STR is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. STR has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. STR has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

We refer in this Memorandum to PKF Consulting USA, LLC and PKF Hospitality Research, LLC ("PKF"). PKF manages an extensive database of hotel property income statements and sale prices that provide information services and custom research in the industry. PKF is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. PKF has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. PKF has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

We refer in this Memorandum to HVS Consulting & Valuation Services ("HVS") a global hotel consulting and valuation firm with offices in North America, Europe, Asia, South America and the Middle East. HVS is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. HVS has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. HVS has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

"Chanen Construction Company" ("Chanen") and USA Barcelona Realty Holding Company, LLC have reached an agreement that Chanen will coordinate with the Company the Entitlement work on the Land Parcels and handle all site development and construction requirements for the New Build Affiliates. Chanen is not involved in any way in this Offering, and is not responsible for the content of this Memorandum, whether relating to hotel information, operating information, or financial information. Chanen has not been consulted about this Memorandum, and has not approved any contents of this Memorandum or this Offering made by this Memorandum. Chanen has not assumed, and shall not have, any liability in connection with this Memorandum or the Offering made by this Memorandum.

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.
- Risks associated with the hotel industry, including competition, increases in employment costs, energy costs and other operating costs, or decreases in demand caused by events beyond our control including, without limitation, actual or threatened terrorist attacks, any type of flu or disease-related pandemic, or downturns in general and local economic conditions.
- The availability and terms of financing and capital and the general volatility of securities markets.
- Our ability to acquire desirable future Land Parcels on a favorable basis, and to obtain a satisfactory price when we liquidate the fully Entitled Land Parcels.
- Risks associated with the real estate industry, including environmental contamination and costs of complying with the Americans with Disabilities Act and similar laws.
- Interest rate increases.
- Our ability to maintain sufficient liquidity and our access to capital markets.
- The effect of changing economic conditions in the United States.
- Our relationships with franchisors.
- We have included a Financial Forecast forecasting Company operations for the period 2014-2017. Our Financial Forecast is based on many 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.

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USA Barcelona Hotel Land Company - I, LLC

An Arizona Limited Liability Company

CONFIDENTIAL PRIVATE PLACEMENT
OFFERING MEMORANDUM

$10,000,000

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I. OFFERING SUMMARY- USA Barcelona Hotel Land Company I, LLC

This Summary highlights selected information contained elsewhere in this Memorandum. It is not complete, and may not contain all of the information that is important to you. To understand this Memorandum more fully, you should read the entire Memorandum carefully, including the Risk Factors, Conflicts of Interest, Business Plan, Management & Advisors, Financial Statements and Financial Forecast of Cash Flows for Period 2014-2017, particularly the assumptions used by Management to create the Forecast. Capitalized terms used in this Memorandum and not otherwise defined have the meanings set forth in "Defined Terms".

The Company

The Company was formed on January 15, 2014 as an Arizona limited liability company under the name USA Barcelona Hotel Company I, LLC. A name change to USA Barcelona Hotel Land Company I, LLC was filed with the State of Arizona on February 25, 2014, to add clarity as to the nature of the Company's business.

The Company is a manager managed ("Manager Managed") limited liability company and its manager is USA Barcelona Hotel Holding Company, LLC. Our Advisor, USA Barcelona Realty Advisors, LLC, will provide all administrative services to the Company and our Affiliates. The Company's registered office is located at 7025 N. Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. Its telephone number is 480-625-4355.

Terms of the Offering

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member.

Purchasers must purchase a minimum of one hundred (100) Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. Eligible Persons may purchase Class A Units at a Modified Price of not less than $920 per Class A Unit.

Subscribers must purchase Class A Units for cash by paying 100% of the amount subscribed at Subscription. We expect to terminate the Offering when all of the 10,000 Class A Units offered by this Offering have been sold, or March 31, 2015 (whichever occurs sooner), unless extended by us for up to an additional 180 days, at the sole discretion of the Company.

The Offering will terminate no later than March 31, 2015, subject to the right of the Company, exercisable in its sole discretion, to extend the Offering for an additional period not to exceed 180 days.

USA Barcelona Realty Holding Company, LLC Business Plan

This Offering of USA HLC-I is the only Fund the Parent Company intends to sponsor for the Entitlement of Land Parcels. We intend to follow this Offering with a series of offerings by New Build Affiliates. As currently planned, each New Build Affiliate would acquire a Land Parcel from the Company, and then construct, own and operate a select service hotel on the Land Parcel. The Hotel Land Parcel Entitlement Program is designed to create value through obtaining the necessary Entitlements to make a Land Parcel ready for hotel construction ("Shovel Ready"). The Company plans to sell each Land Parcel on a basis that will result in the Company receiving cash payments from the New Build Affiliates for the Land Parcels and Refundables. See "Business Plan – The Company Receives a Refundables Payment from the New Build Affiliates" for a discussion of Refundables.

Upon completion of the Entitlement Process, the Company plans to assign or sell each Land Parcel to a New Build Affiliate. For a Land Parcel acquired by the Company during the Entitlement Period, we intend to "sell" the Land Parcel to a New Build Affiliate. For a Land Parcel that the Company has not yet acquired, but controls under terms of a Land Parcel Purchase Contract (which is the primary plan), the Company intends to "assign" the Land Parcel Purchase Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Entitled Land Parcel and the purchase price owed to the seller under the Land Parcel Purchase Contract. See "Business Plan - Value Creation Resulting From the Entitlement Process" for an example of value creation.

In the event a New Build Affiliate designated to receive a specific Land Parcel is not capitalized to accept the assignment of the related Land Parcel Purchase Contract, the Company intends to employ other resources that may be available to it, which could include cash reserves, secured bank credit facilities, or advances from the Parent Company, to accommodate a required Land Parcel purchase.

Following construction and achieving stabilization ("Stabilization") of each hotel built by a New Build Affiliate, we plan that the hotels will be sold or exchanged to USA Barcelona REIT, another entity that we intend to create. If and when the USA Barcelona REIT's hotel portfolio is of sufficient size and economic performance, our Parent Company plans for the REIT to conduct an initial public offering. We anticipate that the Parent Company will create additional Funds with similar Hotel Land Parcel Entitlement Program and New Build Program objectives.

Land Entitlement Strategy

We intend to create Shovel Ready Land Parcels on which New Build Affiliates will construct hotels with franchises from leading hotel brands, which we expect to primarily include Marriott, Hilton and Hyatt. Our investment objective, as described above, is to create value in Land Parcels through the Entitlement Process.

Our Hotel Land Parcel Entitlement Program calls for each Entitled Land Parcel to be acquired from us by a New Build Affiliate. We expect that the Hotel Land Parcel Entitlement Program will provide Land Parcels ready for hotel construction to our New Build Affiliates which we believe will provide the underpinnings of the Parent Company's profit model.

We expect to identify Land Parcels that are well-positioned for the construction of select service hotels. The Land Parcel acquisition, Entitlement and disposition strategy focuses on providing our investors with quarterly Distributions commencing in mid-2015 and diversification of risk through our investment in multiple Land Parcels located in several markets in the US. See "Business Plan - Targeted Land Parcel 'Qualified Land Parcel' Map".

Advisor's Capital Contributions

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000 for these Capital Contributions.

Investment Features Overview

The information below is based on our Forecast included as Exhibit D in this Memorandum, which is forward-looking information that is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. The Forecast was created using numerous assumptions set forth in the Forecast, which you should examine carefully. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in the Forecast will in fact transpire or prove to be accurate.

We forecast the maximum investment period for an investment in the Company to be 36 months. The Forecast predicts that Members would receive quarterly Distributions over the latter half of that period. The Forecast indicates the total return will be in excess of 200% of the original investment, achieved over a three year period.

Key Assumptions in the Forecast

Number Of Land Parcels – 16 Land Parcels will be incorporated in the Hotel Land Parcel Entitlement Program, thereby offering the investors in the Class A Units diversification of opportunity and risk.

Time to Entitle Land Parcels - Each Land Parcel will be held by the Company for an average of 12 months while the Land Parcel moves through its Entitlement Process.

Expected Investment Period - The 16 Land Parcels will be brought under contractual control over a period of 24 months leading to an expected life-cycle of the Company of 36 months from the time the initial Land Parcel is contracted to be acquired by the Company to the sale of the last Land Parcel to a New Build Affiliate.

Key Investment Features

Quarterly Distributions - Investors will receive periodic cash Distributions as Land Parcels are liquidated to the New Build Affiliates. We believe these cash Distributions will occur quarterly commencing in the second quarter of 2015.

Final Distribution Option - Class A Members may choose to (i) accept a cash payment for the full amount of their Final Distribution, (ii) forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate specified by the Company; or, (iii) split the Final Distribution amount into (a) a partial cash payment; and, (b) the balance in units in the specified New Build Affiliate. See Final Distribution Option under "The Offering".

Liquidity Feature – The Company intends to create a Liquidity Feature to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

Passive Income - We believe the Company will be deemed to be a dealer in property and the income allocations will be taxed as ordinary income to the investors. We believe the income of the Company will be classified for federal tax purposes as "passive investment income". Where applicable, we believe that investors possessing passive investment losses will be able to offset the recognition of income allocations received from the Company with their suspended passive activity losses. Accordingly, our investment produces a hard-to-find passive income generator, or "PIG".

Distributions

The Company plans to make Distributions to the Members on a quarterly basis commencing in mid-2015 or as otherwise determined by the Company and in accordance with the Distribution procedure shown in "The Offering" and as stipulated in the Operating Agreement. See "Exhibit B – Operating Agreement". The following chart is a summary of forecast Distributions benefits for a $100,000 Investment in Class A Units shown by Quarter for each year in the Forecast.

Forecast Distributions, by Quarter (based on a $100,000 investment in Class A Units)

Year	*ROI*	Totals	Q-1	Q-2	Q-3	Q-4
2014	*0.0%*	$ -	$ -	$ -	$ -	$ -
2015	*23.6%*	23,643	-	7,774	7,873	7,997
2016	*77.2%*	77,232	8,859	9,751	20,463	38,160
2017	*113.7%*	113,650	113,650	-	-	-
Total Return	*214.5%*	$ 214,526				

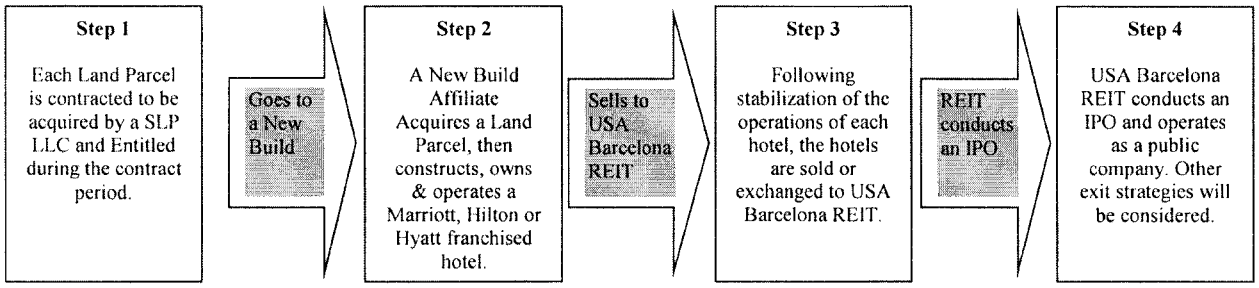
A Perspective on the Company and our Parent Company's Plan

The following is provided to give a perspective on how the Company fits into the larger business plan of our Parent Company. Our Hotel Land Parcel Entitlement Program is the first step in the four step plan of USA Barcelona Realty Holding Company (the "Parent Company") to build a hotel portfolio for its planned Affiliate USA Barcelona REIT and "go public".

This Offering represents an investment in USA Barcelona Hotel Land Company I, LLC ("USA HLC-I"), which plans to contract to acquire Land Parcels and during the contract period, Entitle the Land Parcels, and sell or assign each Entitled Land Parcel to a New Build Affiliate that would construct, own and operate a Marriott, Hilton or Hyatt (possibly other brands) hotel on each Land Parcel.

Following construction and achieving stabilization ("Stabilization") of each hotel built by a New Build Affiliate, we plan that the hotels will be sold or exchanged to USA Barcelona REIT, another entity that we intend to create. If and when the USA Barcelona REIT's hotel portfolio is of sufficient size and economic performance, our Parent Company plans for the REIT to conduct an initial public offering. We believe that our plan offers short term benefits from the investment in the Company and optional opportunities to participate in the longer term plans of the New Build Affiliates and potentially the USA Barcelona REIT. See "Business Plan". While the Company's business plan is discussed at length in this Memorandum, details of our Parent Company's plan is outside the scope of this Offering.

*About our nomenclature – An **SLP LLC** is an Affiliate of the Company that is making this **Offering**. Each SLP LLC contracts to acquire a single **Land Parcel**. Each SLP LLC expects to bear the expenses of the Entitlement activities conducted on its Land Parcel, and intends to sell its Entitled Land Parcel or assign its Land Parcel Purchase Contract for its Land Parcel Purchase Contract to a **New Build Affiliate** that will construct, own and operate a hotel on the Land Parcel.*



Step 1 - The Company is only involved in Step 1. Entitlement activities include negotiating the purchase of Land Parcels, performing due diligence on Land Parcels, coordinating planning and design for hotels to be built on the Land Parcels, arranging construction and mini-permanent financing for the hotels to be constructed by New Build Affiliates, obtaining franchise approval for the New Build Affiliates' hotels, and achieving all necessary approvals for the New Build Affiliates to obtain building permits to build their hotels. During in the Entitlement Process, the Company intends to complete essentially all requirements needed for the New Build Affiliate to obtain permits and construct hotels on their Land Parcels. We expect that the Entitlement Process will add considerable value to the Land Parcels. The profits realized from moving the Land Parcels to the New Build Affiliates and the Refundables received by the Company from the New Build Affiliates will be our sources of income.

Class A Members in the Company will have the opportunity to make a tax deferred move from ownership of Class A Units in the Company to ownership of investment units in a New Build Affiliate. It is implemented under "Final Distribution Option" which works as described in the following.

At the time the Company determines to make the Final Distribution, each Class A Member will have the following choices: (i) accept a cash payment for the full amount of its Final Distribution, (ii) forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate, that will be specified by the Company; or, (iii) split the Final Distribution amount into (a) receipt of a partial cash payment; and, (b) the balance in investment units in the specified New Build Affiliate. Units in the specified New Build Affiliate will be valued net of any Sales Fees associated with the units. See "Section II" for further discussion of the Final Distribution Option.

Step 1 hand-off to Step 2 - The Company does not intend to acquire any Land Parcels, rather, we plan to control them through the Land Parcel Purchase Contracts and upon completion of the Entitlement Process, sell each Land Parcel we have acquired to a New Build Affiliate, or, for the Land Parcels we have not acquired, assign each Land Parcel Purchase Contract to a New Build Affiliate. Whether we execute a "sale" or "assignment" transaction with a New Build Affiliate will be based on:

(i) For a Land Parcel acquired by the Company during the Entitlement Period, we expect to "sell" the Land Parcel to a New Build Affiliate, or,

(ii) At the time entitlement is complete, for a Land Parcel that the Company has not yet acquired and controls under terms of the Land Parcel Purchase Contract, the Company will "assign" the Land Parcel Purchase Contract to a New Build Affiliate. The sales price of the Entitled Land Parcel to the New Build Affiliate will be established by an independent MAI appraisal, and the Company's net profit on the Land Parcel transaction with a New Build Affiliate would be the difference between the appraised value of the Land Parcel and Company's contract price with the seller.

Step 3 – We forecast that a New Build Affiliate would construct (about a 12 month process) a hotel on its Land Parcel and operate the hotel to the point of Stabilization (we forecast a four year operating period but it could be more or less than four years). At Stabilization, the hotel would then be sold or exchanged to USA Barcelona REIT that the Parent Company intends to organize.

Step 4 - At the point where USA Barcelona REIT's hotel portfolio has sufficient earnings performance, USA Barcelona REIT would endeavor to conduct an IPO. Upon completion of the IPO, investors in USA Barcelona REIT would hold registered shares in the new public company. We will also consider other exit strategies.

The USA Barcelona Entities

Because there are multiple entities with "USA Barcelona" names, it may be difficult to distinguish among those entities when reading the Memorandum. The organizational structure of the Parent Company, USA Barcelona Realty Holding Company, LLC, the Company, the Company's SLP LLCs and other Affiliated entities is described below. They are discussed in order of the chain of managerial control. Other important entities are discussed but are not principal entities in the chain of control.

1. **USA Barcelona Realty Holding Company, LLC** – The Parent Company is the Manager of USA HHC, the Company's Manager, and is referred to herein as:
   - ✓ ***USA RHC***
   - ✓ ***Parent Company***

Purpose - The top of the organization. Officers and directors create the Parent Company Plan and the manner in which the business will be separated into various Affiliates that execute the Parent Company Plan.

2. **USA Barcelona Hotel Holding Company, LLC** – the Company's Manager and referred to herein as:
   - ✓ ***USA Barcelona Hotel Holding Company, LLC***
   - ✓ ***USA HHC***

Purpose – to act in the capacity of Manager of the Company and future hotel Funds and New Build Affiliates.

3. **USA Barcelona Hotel Land Company I, LLC** – The Company making this Offering and referred to herein as:
   - ✓ ***USA Barcelona Hotel Land Company I, LLC***
   - ✓ ***USA HLC-I***
   - ✓ ***Company, us, we***

Purpose – to acquire and entitle Land Parcels and when Entitled, sell or assign each Land Parcel to a New Build Affiliate.

4. **Single Land Parcel LLCs** – The single land parcel affiliates of the Company, referred to herein as:
   - ✓ ***SLP LLC(s)***

Purpose – The Company contracts to acquire each Land Parcel in the name of a specific SLP LLC. The letter of intent and Land Purchase Parcel Purchase Contract, all Entitlement activities and all service contracts are conducted in the name of a specific SLP LLC. Our Advisor has an Advisory Agreement with each SLP LLC.

5. **USA Barcelona Realty Advisors, LLC** – Our Advisor, also referred to herein as:

- ✓ ***USA BRA***
- ✓ ***Advisor***

Purpose – Neither the Company nor any of our Affiliates have any employees. All of the work conducted to execute our business plan, our Parent Company Plan and its Affiliates' business plans is accomplished by USA BRA under Advisory Agreements with us and each Affiliate with whom it engages. USA BRA will provide advisory services to the Parent Company, the Company's Manager, the Company, the SLP LLCs, and all other USA Barcelona Affiliates.

Other Affiliates

New Build Affiliates – Affiliates that we intend to form to effectuate Stage 2 of our Parent Company's Plan. These single-purpose entities are referred to as:

- ✓ ***New Build Affiliate(s)***

Purpose – Each New Build Affiliate would acquire a Land Parcel from the Company by either (i) purchase, or (ii) assignment of a Land Parcel Purchase Contact. The New Build Affiliate would construct, own and operate a hotel on the Land Parcel.

USA Barcelona REIT - The Parent Company Plan calls for each hotel, upon achieving Stabilization, to be sold or exchanged to the USA Barcelona REIT, which our Parent Company intends to organize.

- ✓ ***USA Barcelona REIT***

Purpose – The Parent Company Plan calls for creating a hotel portfolio through construction at this point in the business cycle and acquisition at the latter stage of this cycle and into the early stage of the following business cycle. The Land Entitlement Company and the follow-on New Build Affiliates are the first two stages of this plan. The fourth stage of the Parent Company Plan is to take the USA Barcelona REIT public or there may be other alternatives that at the time would be more attractive for the investors in the Funds sponsored by the Parent Company, including USA Barcelona REIT.

USA Barcelona Realty Holding Company/Chanen Joint Venture – The Parent Company is seeking to create a joint venture investment company that is owned by our Parent Company and an affiliate of Chanen Construction Company ("USA RHC/Chanen"). Any such joint venture would not be in the chain of control although Chanen could have one or more principals on the board of directors of the Parent Company. We refer to the potential joint venture as:

- ✓ ***USA RHC/Chanen Joint Venture***

Purpose – The entity would accommodate the holding of investments and investment interests made by Chanen and our Parent Company in any Parent Company sponsored Fund. See "The Company – Management of the Company".

II. THE OFFERING

Description of the Offering

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. Purchasers must purchase a minimum of 100 Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

Who May Invest. Only Accredited Investors may purchase Class A Units. In general, natural persons must have a minimum annual income of at least $200,000, or a net worth of $1,000,000. See "Plan of Distribution - Investor Qualifications".

Risk Factors. The Class A Units being offered involve a high degree of risk. Prospective investors, prior to making an investment, should carefully consider the risks and speculative factors inherent in and affecting the business of the Company. See "Risk Factors".

Net Offering Proceeds. Estimated net proceeds of the Offering are $9,100,000. See "Planned Use of Offering Proceeds"'

Subscription Payment. Subscribers fund their Class A Unit Purchase Price by paying 100% of the amount subscribed at Subscription.

Exempt Offering. The Class A Units are being sold in an exempt offering to Accredited Investors pursuant to exemptions from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, Regulation D 506(c) adopted thereunder, and applicable state laws.

Plan of Distribution. The Class A Units are being offered by the members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Other persons who assist in sales, including registered investment advisors, licensed securities dealers and others ("Selling Agents") subject to applicable state securities laws, may receive fees or commissions of up to 8% on sales of Class A Units. We also intent to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of than $920 per Class A Unit.

Commissions; Sales to Eligible Persons. The Company may pay fees and commissions of up to 8% of the price of Class A Units sold in this Offering where sales are made by licensed securities dealers and others ("Selling Agents") authorized to receive such amounts under applicable securities laws. The Company's estimated allocation of the net Offering 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.

Additionally, regarding purchases of Class A Units by IRAs, the Company may 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 Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period, and any unused funds apportioned to this category will be reapportioned to Company Working Capital. We also intend to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of not less than $920 per Class A Unit. Maximum legal, accounting, printing and other expenses associated with the Offering are estimated to be $100,000 and will be paid from Offering Proceeds.

Escrow. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

Allocations. 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 his or her respective Capital Account as provided in the Operating Agreement. See Exhibit B, Operating Agreement.

Voting. The Class A Members voting rights are limited to (i) any matter that would materially alter their Distribution rights, and (ii) the removal of the Manager for Cause. A Majority In Interest of the Class A Members must approve any action on which the Class A Members are entitled to vote. See Exhibit B - Operating Agreement.

Class A Member Tax Returns. The federal income tax information sent to each Class A Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. Management will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by management in compiling the tax information to be sent to the Class A Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Class A Member for his individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

Liquidity Feature

The Company intends to create a Liquidity Feature to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

Final Distribution Option

At the time the Company determines to make the Final Distribution, we intends to offer each Class A Member the following choices:

1. Accept a cash payment for the full amount of the Final Distribution;

2. Forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate that will be specified by the Company; or,

3. Split the Final Distribution amount into (i) a partial cash payment and (ii) the balance in units in the specified New Build Affiliate.

Units in the specified New Build Affiliate will be valued net of any sales fees or commissions associated with the units.

Advisor's Capital Contributions

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000 for these Capital Contributions.

Distributions

Each Class A Unit holder's ("Unit holder") capital account ("Capital Account") will be initially established in the amount of the purchase price paid for the Class A Units. We refer to that amount as the "Initial Capital Account".

Each Class B Unit holder's Capital Account will be initially established in the amount of the purchase price paid for the Class B Units plus any applicable Capital Account Credits ("Capital Account Credits") granted by the Company for amounts due for organization period work.

In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

Distribution of Net Cash Flow. Commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the fiscal year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each fiscal year, the Company plans to make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first Distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first Distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second Distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth Distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

Cumulative Distributions means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

Financial Forecast. A Financial Forecast for the years 2014 through 2017 depicting our forecast of Company operating income, expenses and profits resulting from executing our business plan, as currently forecasted, is included as Exhibit D to the Offering.

Our Forecast is forward-looking information that is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. The Forecast was created using numerous assumptions set forth in the Forecast, which you should examine carefully. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in the Forecast will in fact transpire or prove to be accurate.

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III. RISK FACTORS

THE 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.

SOME OF THE MOST SIGNIFICANT RISKS TO YOUR INVESTMENT IN THE COMPANY INCLUDE:

Investment Risks

- ***Members will not have the benefit of reviewing our past performance or any properties that we own.***

We do not have an operating history. We believe that we have developed a distinctive and sound business plan, and through USA BRA, we have assembled a management team with combined experience which we believe to be significant and fully qualified to meet our business objectives. We have no significant assets at this time.

We own no properties at this time, nor do we have any signed purchase agreements, options or letters of intent to acquire any of 16 Qualified Land Parcels that we include in our Financial Forecast. However, we have established what we believe are mutually acceptable terms and conditions for the purchase of sevev Qualified Land Parcels with their respective owners, and we expect to have signed letters of intent for those Qualified Land Parcels by June 1, 2014. Because we have no signed agreements, Investors will have to rely upon the ability of our management to acquire and Entitle a suitable portfolio of Land Parcels. We can give no assurance that we will acquire any of the identified Qualified Land Parcels, or any other Land Parcels, or that we will operate successfully or achieve our objectives.

In addition, we do not intend to have employees, and will be dependent upon USA BRA to handle all of our administrative services requirements.

- ***The Company does not have any cash flow from operations at its disposal and must depend on implementing its cash plan, which includes employing the funds received from this Offering, funds from Land Parcel sales and Refundables and possibly other debt or equity financings, if applicable.***

Our plans to raise capital are aggressive, and our Financial Forecast is based upon us being able to raise capital from a variety of means. If we are unable to raise capital as anticipated for the Company or for other Affiliates, particularly New Build Affiliates that we intend will purchase our Entitled Land Parcels, we will be unable to implement our business plans and meet our Financial Forecast.

- ***Projections; Forward-Looking Information.***

We have provided a Financial Forecast, upon which we base all of the projected results of our business. Because we intend to acquire and Entitle Land Parcels in several currently undetermined geographic areas in the continental United States and possibly in Canada, no significant basis exists upon which accurate projections might be made. Any projections employed by the Company are hypothetical and based upon then present factors influencing our intended business. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen changes in Land Parcel purchase and sale practices, the entry into our market of significant additional competitors, the terms and conditions of our future financings and other risks inherent to our proposed business. While we believe that the projections reflect possible future results of our operations based on sound industry data, those results cannot be guaranteed. The execution of our business plan is contingent upon the occurrence of many events, including the Company procuring the additional funding that is noted in the projections. We have based our Financial Forecast on many assumptions. You should critically examine our assumptions. Actual results will differ from our Financial Forecast. See "Exhibit D – Financial Forecast."

- ***Investments and Advances in the Company by USA BRA.***

Our Advisor, USA BRA, has applied $750,000 of overhead costs on behalf of the Company to the organization period of the Company. $500,000 of that amount will be credited to USA BRA's Capital Account as paid in capital for its Class B Membership in the Company; the balance will be repaid without priority in cash. Distributions made to USA BRA as a Class B Member in ensuing periods will reduce amounts otherwise available for Distribution to the Class A Members.

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

Our senior executive officers have broad discretion to make investments, and they may make investments where the returns are substantially below expectations or which result in net operating losses. Management and other personnel of our Advisor, USA BRA, will serve the Company, and at the same time serve as the management and personnel of the Parent Company and its other Affiliates. The Advisor's management and personnel will not devote their full business time to serve the Company. Our Advisor has formed, and will form Affiliates, such as a real estate brokerage company, to which we would pay fees in connection with property acquisitions and dispositions. The Company will reimburse our Advisor for specified costs and expenses incurred on our behalf. These compensation arrangements have been established without the benefit of arms-length negotiation. The Company has no ownership interest in USA BRA.

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 Advisor (who will also be employed by Affiliates) to apply the Offering 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 Advisor with guidance, and we cannot assure you that any such advisors engaged by the Advisor will render prudent advice not mitigated by the knowledge and experience of the management and personnel of the Advisor's President and Affiliates. The Company's future success depends in large part upon the ability of its Advisor to hire and retain additional highly skilled managerial, operational and marketing personnel. The Advisor may require additional real estate, finance, operations and marketing people who have experience in the hotel industry. The Company cannot guarantee that its Advisor or its Affiliates will be successful in attracting and retaining skilled personnel. Should the Advisor or its Affiliates be unable to attract and retain key personnel, the ability of the Advisor to make prudent decisions for the Company may be impaired.

- ***Accredited Investor Due Diligence.***

We will sell Units solely to Accredited Investors. Investors must rely on their own due diligence to the extent they deem appropriate with respect to, among other things, our business, business plan, capitalization, management, financial projections, and unaudited balance sheet. Information is presented based on certain assumptions we have made, and our assumptions may be incorrect.

- ***We are a thinly-capitalized Company and, as a result, you cannot be sure how we will be operated and whether we will achieve the investment objectives described in this Memorandum.***

Our initial capitalization consists of $501,000 of paid in capital from our Advisor which is comprised of a $1,000 cash Capital Contribution and $500,000 of organization costs credited to our Advisor's Class B Member Capital account. An additional $250,000 of organization costs charged by our Advisor will be paid to it from operating revenues. We plan to reimburse all pre-offering period payables to third parties from Offering Proceeds or operating revenues.

Our "thin capitalization" entails additional risks for prospective Investors. Since we only have nominal assets, and must raise substantial funds to execute our plans, you cannot be sure how we will be operated, whether we will achieve the objectives described in this Memorandum or how we will perform financially. Furthermore, if we are not successful in selling more than 5,500 Units in our Offering (55% of the Units offered under the Offering), we will not be able to engage in our proposed business without formulating and implementing an alternative method to replace the additional capital which we plan to raise in this Offering. Consequently, shareholders may have an illiquid investment in a resultant small entity.

Real Estate Business Risks

- ***The Company's success will be subject to its ability to identify, contract for purchase, Entitle and acquire Land Parcels for the Company.***

We intend to enter into Land Parcel Purchase Contracts for Qualified Land Parcels suitable for hotel development. These transactions, whether or not consummated, require substantial time and attention from management. Furthermore, potential Land Parcel acquisitions require significant expense, including expenses for due diligence, legal fees and related overhead. To the extent we do not consummate one or more of the transactions and fail to acquire all of these Land Parcels, and do not obtain suitable replacement Land Parcels, these expenses will not be offset by revenues from these properties. The purchase of properties we put under contract may not be consummated.

- ***We will face competition from numerous competitors in the hotel development industry which may limit our profitability and returns to our Members.***

The hotel development industry is highly competitive. Competition could drive up prices for suitable Land Parcels we seek to acquire and Entitle, which could adversely affect our operations. We expect to face competition from many sources. Over-building in the geographic areas in which we acquire Land Parcels could increase the number of hotel rooms available and may decrease demand for additional hotels. We will face competition from real estate investment trusts, management companies and hotel chains and other entities that may have substantially greater financial resources than we do. See "Business Plan".

- ***Our business will be subject to risks generally associated with land acquisition and real estate Entitlement and 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.

- ***Under its interest in Land Parcels, the Company, or its assigns, 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 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 to the full extent of the Company's liability. Furthermore, the Company 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 having its Advisor perform appropriate due diligence on the land Parcels it develops and acquires, including obtaining soil reports, environmental reports and as other studies and reports are deemed necessary.

- ***We will be dependent on our investments in a single industry.***

Our current strategy is to acquire Land Parcels suitable for hotel development in high demand markets in the continental United States, Entitle those Land Parcels, and sell or assign Shovel Ready Land Parcels to New Build Affiliates. As a result, we will be subject to the risks inherent in investing in only a limited segment of one industry. A downturn in the income-producing real estate industry may have more pronounced effects on the amount of cash available to us for distribution or on the value of our assets than if we had diversified our investments in other industries. See "Investing in the Lodging Industry."

Due to our concentration in Land Parcels for hotel development, a downturn in the lodging industry generally or a regional downturn in the markets in which we acquire Land Parcels would adversely affect our operation and financial condition.

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.

Risks Related to Developments in the Lodging Industry

- ***Current economic conditions may reduce demand for hotel properties and adversely affect hotel profitability.***

The performance of the lodging industry has historically been closely linked to the performance of the general economy and, specifically, growth in the U.S. GDP. It is also sensitive to business and personal discretionary spending levels. Declines in corporate travel budgets and consumer demand due to adverse general economic conditions, such as declines in U.S. GDP, risks affecting or reducing travel patterns, lower consumer confidence or adverse political conditions can lower the revenues and profitability of hotel properties and therefore the potential value of any Land Parcel. The recent global economic downturn led to a significant decline in demand for products and services provided by the lodging industry, lower occupancy levels and significantly reduced room rates.

We cannot predict the pace or duration of any such decline in demand or the length or extent of any follow-on recovery in the lodging industry. Any period of sustained economic weakness in the lodging sector would likely have an adverse impact on our ability to execute our business plan that focuses on Entitling Land Parcels and selling them to New Build Affiliates, which would negatively affect our results of operations, and our ability to make Distributions to our Members.

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:

Organization Costs Reimbursement,
Management Fees, and,
Acquisition and Entitlement Completion Fees. See "Conflicts of Interest."

- ***We Intend to Sell Our Entitled Shovel Ready Land Parcels to New Build Affiliates***

We expect to sell the Land Parcels that we Entitle to New Build Affiliates that we intend to organize and for which we intend to raise equity and debt capital. While we intend to have third parties appraise the Entitled Land Parcels to establish the sales prices, we will have conflicts arising from our joint ownership of, and participation in, the Company, New Build Affiliates, and other Affiliated entities dealing with one or more of these Affiliates.

- ***There were no arms-length negotiations for our agreements with the Advisor.***

Our Advisor, USA BRA, may receive substantial compensation from us in exchange for management and investment services it has agreed to provide to us. USA BRA Advisors will supervise and arrange for the day-to-day management of our operations and will assist us in maintaining a continuing and suitable Land Parcel acquisition, Entitlement and disposition program. See "Conflicts of Interest."

- ***The Company will not have employees.***

Instead of retaining its own employees, the Company, and any other Affiliate subsidiaries that we may form, will depend on USA BRA to provide services for day-to-day operations and for the acquisition of our properties and other assets.

- ***Conflicts of Interest may exist with our management because they may have duties as an officer and director to companies with which we contract or with which we may compete for properties.***

Generally, conflicts of interests between management and us may arise because management may have ownership or management roles with companies that may enter into contracts with us to provide us with asset management, property acquisition and disposition, or other services. Officers will not receive a salary from us, but may receive benefits from Fees and reimbursements paid to USA BRA.

In addition, members of management may be principals in other real estate investment transactions or programs that may compete with us, and could have conflicts of interest because they may serve as officers of other Affiliates organized in the future. None of our Manager's executive officers, all of whom are employed by USA BRA, are required to devote any minimum amount of time and attention to us as opposed to any of these other companies.

Under our Operating Agreement, we will indemnify members of our Manager's management from any liability and related expenses incurred in dealing with us or our Members, except in the case of willful misconduct, bad faith, and reckless disregard of duties or violations of the criminal law committed by our Manager's management. See "Conflicts of Interest."

- ***There may be conflicts because of interlocking boards of directors with affiliated companies.***

Members of our Manager's management may serve as directors or managers and concurrently serve as directors or management for other Affiliate entities which we may organize in the future. There may be instances where our Land Parcels are in the same markets as properties owned by such other entities. See "Conflicts of Interest."

- ***If we lose management personnel, or are unable to attract and retain the talent required for our business, our acquisition, Entitlement and/or disposition of suitable Land Parcels and future operating results could suffer.***

Our future success depends to a significant degree on the skills, experience and efforts of management. We may not carry key-man life insurance on any members of management. The loss of the services of members of management or the inability to retain the talent required for our businesses would negatively impact our ability to acquire, Entitle and sell or transfer suitable Land Parcels, and could cause our future operating results to suffer. Although management believes that they will have sufficient time to provide management and other services both to us and to the other companies, management may in the future organize, there can be no assurance that such persons will have sufficient time. If it became necessary, management would seek to hire additional personnel to provide management and other services, but there can be no assurance that they would be successful in hiring additional personnel, if necessary.

- ***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 will own Units of the Company, and may own equity interests in other Affiliates.***

Any Affiliate of the Company may acquire, own, hold and dispose of Units for that person's account and may exercise any of its, his or her rights to the same extent and in the same manner as if that person 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 "Business Plan" 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 "About Our Advisor – USA Barcelona Realty Advisors, LLC" and in the chart of fees contained in that title. 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.

Participation Risks

- ***Lack of Transferability of Interests.***

The Class A Units are not freely transferable, and are never intended to be freely transferable. Interests have not been registered with the Securities and Exchange Commission, the Securities Division of the Arizona Corporation Commission, or under any other state "blue sky" laws. No transfer of Interests may be made without the approval of the Manager and/or a Majority in Interest of the Members of the Company. We do not anticipate that any market for the Class A Units will develop, or that the holders of the Class A Units will be able to readily liquidate their investment in the event of an emergency or for other reasons. The Class A Units should be purchased only as a long-term investment.

- ***Exempt Offering Risks.***

Class A Units in the Company are being offered only to persons who are accredited investors. If the Class A Units are deemed to be securities, and the Company should fail to comply with the requirements of exemptions for securities sales, Members would have the right to rescind their purchase of Class A Units. If a number of Members were to successfully seek rescission, the Company would face severe financial demands which could adversely affect the Company as a whole and, thus, the non-rescinding Members.

- ***This is a "best-efforts" Offering of Class A Units conducted by our management and others, and there is no assurance that any Offering amount will be raised.***

This is a "best-efforts" Offering which we intend to have primarily conducted by management, although we may sell Class A Units through Selling Agents such as broker dealers, registered investment advisors and others subject to applicable state

securities laws. There is no Minimum Offering before the Company can use Offering Proceeds, and there is no assurance that any amount of Class A Units will be sold. Additionally, if we fail to sell a substantial number of Class A Units we could be undercapitalized, and may not be able to execute our business plan. See "Plan of Distribution", "Uses of Offering Proceeds and Summary Operating Cash Flow." and "Exhibit D – Financial Forecast."

Debt Financing Risks

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

Should the Company elect to implement bank financing in its capital plan, the Company's 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, the Company intends to negotiate restrictive rate change terms in all bank loans employed by the Company.

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

The Company anticipates that it will require significant future bank borrowings to meet Company cash requirements. The Company cannot assure that it will be successful in arranging any bank loans, or if it does, that such bank loans will be a positive factor in executing the Company's business plan.

Should the Company make future bank borrowings and 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 bank 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 could 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.

- ***Our conflicts of interest policy may not adequately address all of the conflicts of interest that may arise with respect to our activities.***

In order to avoid any actual or perceived conflicts of interest with our trustees, officers or employees, we have adopted a conflicts of interest policy to specifically address some of the conflicts relating to our activities. Although under this policy any transaction, agreement or relationship in which any of our trustees, officers or employees has an interest must have the approval of a majority of our disinterested trustees, there is no assurance that this policy will be adequate to address all of the conflicts that may arise or will address such conflicts in a manner that is favorable to us.

Tax Risks

INVESTORS MUST LOOK TO THEIR OWN TAX ADVISORS REGARDING THE TAX IMPLICATIONS INHERENT IN THE COMPANY AND ITS OPERATION, AND THE IMPACT THE INVESTMENT WILL HAVE ON THEIR PERSONAL TAX SITUATIONS. NO TAX ADVICE IS GIVEN IN THIS MEMORANDUM.

Prospective Members must look to their own tax advisors regarding the tax implications inherent in the Company and its operation, the income or deductions that the Company may potentially generate, and the impact the investment will have on their personal tax situations. The Company has no operating history, and potential income or deductions, if any, could only be based on the based on the Company's Forecast included as Exhibit D in this Memorandum, which is forward-looking information that is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. The Forecast was created using numerous assumptions set forth in the Forecast, which you should examine carefully. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in the Forecast will in fact transpire or prove to be accurate.

You must confer with your tax advisor to determine whether, if Company operations generate such tax loss items, you could use them to offset any distributions and/or other income.

- ***Members' tax returns***

The federal income tax information sent to each Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. Management will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by management in compiling the tax information to be sent to the Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Member for his or her individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

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 Class A 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:

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

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IV. USES OF OFFERING PROCEEDS AND SUMMARY OPERATING CASH PLAN

The Company's estimation of its allocation of the net Offering 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 Offering Proceeds. The Company's projected Use of the Offering Proceeds from this Offering and Summary Operating Cash Plan is described in the Offering, and cash flows are based entirely on the Financial Forecast included as Exhibit D, using the assumptions set forth therein. The Company may attempt to raise additional capital if the need arises.

	Notes	Maximum Offering		
Gross Offering Proceeds:	1	100.0%	$	10,000,000
Offering Commissions & Expenses; Custodian Fee Payments	2	-8.0%		(800,000)
Legal and Other Expenses	3	-1.0%		(100,000)
Land Parcel Acquisition Fee paid from Proceeds	14	-3.3%		(329,840)
Net Offering Proceeds to Working Capital	4	87.7%	$	8,770,160
Operating Period:				
Sources Of Cash		100.0%	$	80,409,860
Class A Members' Capital	1	12.4%		10,000,000
Class B Members' Capital	5	1.2%		1,001,000
Loan From USA BRA - Deferred Organization Costs	6	0.3%		250,000
Loan from USA/XYZ JV	7	0.6%		500,000
Loans from USA BRA	8	0.0%		-
Land Parcel Purchase Contract Assignments and Sales	9	72.6%		58,391,200
Reimbursables from New Build Affiliates	10	12.8%		10,267,660
Total Sources of Cash		100.0%	$	80,409,860
Uses Of Cash				
Organization Costs	11	-0.9%	$	(750,000)
Offering Related Costs	12	-1.3%		(1,050,000)
Program Administration Costs	13	-4.5%		(3,600,000)
Land Parcel Acquisition Fees and Entitlement Completion Fees	14	-4.1%		(3,295,428)
Land Purchase Contracts at Face	15	-45.4%		(36,494,500)
Land Parcel Entitlement Expenses	16	-12.9%		(10,402,892)
Discontinued Land Parcel Entitlement Costs	17	-0.3%		(240,000)
Loan Repayment - Principal and Interest	18	-1.1%		(860,417)
Distributions to Class A Members	19	-26.7%		(21,450,429)
Distributions to Class B Members	19	-2.8%		(2,266,194)
Total Uses Of Cash		-100.0%	$	(80,409,860)

See Exhibit D – "Financial Forecast" for more detailed information.

(1) The Class A Units are being offered on a best efforts basis up to a maximum of 10,000 Units for $10,000,000. Eligible Persons, as defined under "Plan of Distribution," may purchase Units at a Modified Class A Price equal to not less than $920 per Class A Unit.

(2) The Company plans to offer and sell Units through our members of management, who will not receive sales commissions or other compensation directly or indirectly related to their sales efforts. The Company may pay appropriately licensed Selling Agents a commission of up to 8% of the sales price of Units sold by them, subject to reduction as specified herein.

(3) These amounts reflect our estimate of Offering expenses, such as filing fees, legal, accounting and financial printing fees and promotion costs, exclusive of any Selling Commissions which may be payable to Selling Agents. If the Offering expenses are greater than the amounts indicated, the amount of proceeds available for investment will decrease, and if these expenses are less, the amount available for investment will increase. However, the longer our Offering continues, the more likely it is that we will incur increased printing and legal costs, such as costs of updating disclosures in supplemental Offering materials. Any unused funds apportioned to this category will be reapportioned to reserves. Our Advisor may pay certain expenses associated with marketing the Units; we may reimburse our Advisor for such expenditures.

(4) Working capital shall be applied to the execution of the Company's business plan.

(5) USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment. USA BRA will be credited with an additional $500,000 to its Capital Account for foregoing the first $500,000 in Entitlement Completion Fees due to it which allows the Company to retain that cash to accommodate any payments made to Class A Members under the Liquidity Feature. These costs are capitalized.*[1]

(6) See Note 5.

(7) Loan from the proposed USA RHC / Chanen JV is not employed in the Forecast.

(8) USA BRA has agreed to loan up to $500,000 to the Company for working capital to enable it to commence executing letters of intent and engaging in the Land Entitlement process on Land Parcels it contracts to acquire in the period preceding the receipt of initial Offering Proceeds.

(9) This reflects the Income forecasted to be received from the New Build Affiliates as Land Parcel Purchase Contracts are assigned or as Land Parcels owned by the Company are sold to New Build Affiliates.

(10) New Build Affiliates will reimburse the Company for specific amounts the Company spent during the Entitlement Period that otherwise would be paid out of each New Build Affiliate's construction period budgets.

(11) See Note 5. Capitalized Organization Costs are charged off to earnings in the final period of the Forecast.

(12) Reflects all Offering related expenses and marketing costs including costs paid directly from Offering Proceeds ($900,000) and other costs ($150,000) paid from operating cash flows that are specific to the marketing of the Offering.

(13) Reflects the monthly payments paid to the Advisor for conducting the business operations of the Company under the Company's business plan. Pursuant to the Advisory Agreement, USA BRA will be entitled to a Program Management Fee of $150,000 per month commencing in May 2014 and continuing through May 2015, and $75,000 per month thereafter until the last Land Parcel is sold or assigned.

(14) Reflects fees paid to the Advisor for arranging the acquisition of the Land Parcels and the assignment to the New Build Affiliates when each Land Parcel completes entitlement. The Acquisition Fee is 4% of the contract price of a Land Parcel and totals $1,459,780, $329,840 of which is paid from Offering Proceeds and the balance from Company earnings. The Entitlement Completion Fee is 4% of the sales price or the assignment value of each Land Parcel and totals $1,835,648, all of which is paid from Company earnings and none from Offering Proceeds. *[1]

(15) Reflects the purchase price of the Land Parcels as stated in the Land Parcel Purchase Agreements with the land owners/sellers.

(16) Reflects the amounts spent on entitlement of the Land Parcels during the entitlement period.

(17) Reflects expenses incurred on Land Parcels that do not proceed past preliminary due diligence review.

(18) Reflects repayment of principal and related interest expense on loans. (see Notes 6, 7 and 8)

(19) Reflects all Distributions made to the Class A Members and the Class B Members.

*[1] USA BRA contributed $1,000 in initial capital to the Company. The Forecast includes Class B Member Capital of $1,001,000 which is the result of the initial capital contribution and two non-cash events. USA BRA is granted a $500,000 Capital Account credit in lieu of taking the cash payment due it for organization period work and early operating stage payments made by USA BRA on behalf of the Company, and an additional $500,000 Capital Account credit in lieu of taking a cash payment due it for Entitlement Completion Fees which allows the Company to retain that cash to accommodate any payments made to Class A Members under the Liquidity Feature.

We intend to invest amounts in our working capital reserve, together with any other proceeds not invested in Land Parcels or used for other Company purposes, in temporary investments such as U.S. Government securities or similar liquid instruments.

V. THE COMPANY

Company Formation

The Company was formed on January 15, 2014 and has no operating history. The original Company name was USA Barcelona Land Company I, LLC. The name was changed to USA Barcelona Hotel Land Company I, LLC on February 25, 2014, to add clarity as to the nature of the Company's business.

About the Company

The Company has been formed to acquire Land Parcels, Entitle each Land Parcel, and then sell each Entitled Land Parcel to a New Build Affiliate. We intend that the New Build Affiliate will construct, own and operate a hotel on the Entitled Land Parcel. We have already vetted seven of the proposed Land Parcels as Qualified Land Parcels, and have generally identified them below under "Business Plan". We plan to select others from among a number of prospective Land Parcels currently being considered by the Company, as well as others that we may discover as we go forward. In addition, with each owner of a Qualified Land Parcel, we have established an understanding of mutually acceptable terms and conditions of purchase of the Land Parcel. Currently we own no Land Parcels nor do we have any signed purchase agreements, options or letters of intent to acquire any of 16 Qualified Land Parcels that we include in our Financial Forecast. However, we have established what we believe are mutually acceptable terms and conditions for the purchase of seven Qualified Land parcels with their respective owners, and we expect to have signed letters of intent for each of those Qualified Land Parcels by June 1, 2014. Information on Qualified Land Parcels is contained below under "Business Plan".

The Company has identified the select service hotel sector for its investment program for several reasons that are more fully described in the "Hotel Development Business Opportunity" section of this Memorandum. We plan to Entitle Land Parcels suitable for developing hotels with franchise brands from hotel companies such as Marriott, Hilton and Hyatt. Their select service hotel brands in the Upscale and Upper Midscale chain scale are as follows:

Marriott International, Inc.

Courtyard
Residence Inn
SpringHill Suites
Fairfield Inn & Suites
TownePlace Suites

Hilton Hotels Corporation

Hilton Garden Inn
Hampton Inn
Homewood Suites
Home 2 Suites

Hyatt Hotels Corporation

Hyatt Place
Hyatt House

Company Business Purpose

The Company has been formed to acquire Land Parcels, each of which we will seek to Entitle and sell to a New Build Affiliate that will construct, own and operate a hotel thereon. The tasks and obligations associated with the Entitlement of the Land Parcels and execution of the Company's business plan will include, but are not limited to, the following:

- Obtain contractual control of the Land Parcels to be acquired through letters of intent followed by formal Land Parcel Purchase Contracts.

- Perform due diligence, planning, design, construction budgeting, construction financing, franchise approval, and permitting to reach "Shovel-Ready" status.
- Secure the capital required to fund the Entitlement work for each Land Parcel.
- Arrange for the sale (or Land Parcel Purchase Contract assignment) of each Land Parcel to a New Build Affiliate.

The Company's business plan calls for each Land Parcel to be sold or assigned to a New Build Affiliate following its Entitlement. The sales price of each Land Parcel shall be based on the value established by an independent MAI appraisal valuation.

Entitlement activities include performing due diligence, coordinating planning and design, arranging construction and mini-perm financing, obtaining franchise approval and achieving all necessary approvals for a New Build Affiliate to obtain a building permit to build a hotel (essentially all the requirements needed to obtain permits to construct a hotel are accomplished in the Entitlement Process). The Entitlement stage adds considerable value to the Land Parcel and the profits realized from moving the Land Parcels to the New Build Affiliates are the source of Distributions to our Members.

The Company does not intend to acquire any Land Parcels, rather, we plan to control them through the Land Parcel Purchase Contracts and upon completion of the Entitlement process, sell or assign each Land Parcel to a New Build Affiliate. Whether we "sell" a Land Parcel, or "assign" to a New Build Affiliate the related transaction between the Company and the New Build Affiliate will be based on:

- ✓ For a Land Parcel acquired by the Company during the Entitlement Period, we will "sell" the Land Parcel to a New Build Affiliate a price equal to the appraised value of the Land Parcel at the time of the sale, or

- ✓ For a Land Parcel which the Company has not yet acquired, but controls under terms of the Land Parcel Purchase Contract, and for which we complete Entitlement, the Company will "assign" the Land Parcel Purchase Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Land Parcel at the time of assignment, and the amount due to the seller under the Land Parcel Purchase Contract.

The Company plans to make Distributions on a quarterly basis starting in mid-2015 in accordance with the Distribution procedure outlined in Section II under "Distributions". Upon the sale of all of its Land Parcels, the Company will conclude its business operations, settle all outstanding obligations and make a final liquidating Distribution.

Cash Management

We intend to use Proceeds from Land Parcel sales will be used to pay Company expenses, retire Company debt (if any), establish reserves and make Distributions to Members, as follows:

- ✓ To pay expenses of the Company.
- ✓ To retire principal and interest due on outstanding Company and SLP loans (if any).
- ✓ To establish cash reserves for the Company.
- ✓ To pay the Distributions to the Members.

Advisor

USA Barcelona Realty Advisors, LLC, will provide all the administrative services to the Company to include, but not limited to, the following services: (i) seek to obtain, investigate, evaluate and recommend Land Parcel investment opportunities, (ii) serve as advisor and consultant in connection with all policy decisions, and, (iii) serve the Company's day-to-day operations.

Advisory Agreement

The Company and Advisor will enter into an Advisory Agreement and a Land Parcel Acquisition/Entitlement Completion Agreement which will define duties provided to the Company and compensation to be received by our Advisor.

Advisor Capital Contributions and Loans to the Company

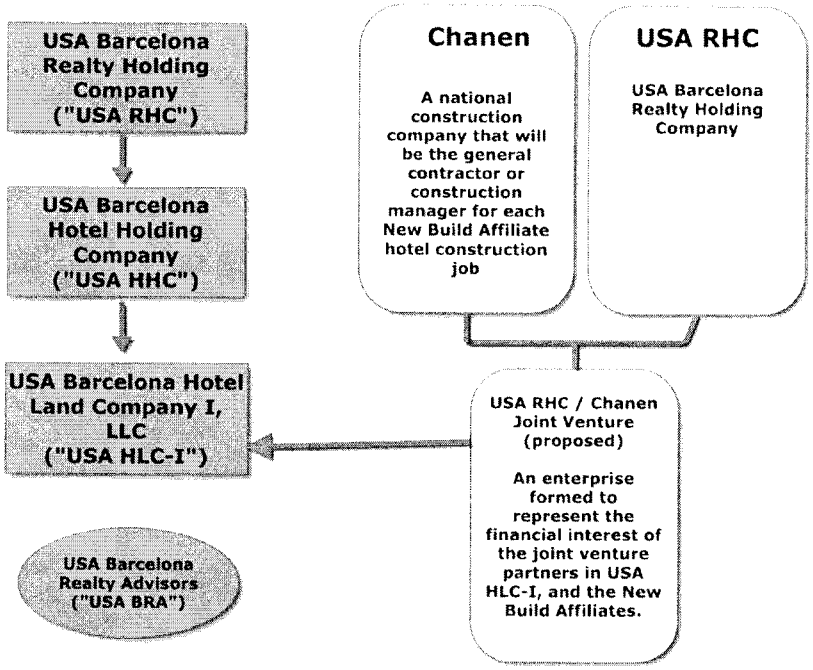
Our Advisor has agreed to contribute capital and made loans to the Company in the aggregate amount of $1,751,000. This is comprised of $750,000 in loans and $1,001,000 in capital contributions. These amounts are described in the following chart.

Description of Advisor's Capital Contributions and Loans	Capital Contribution	Non-prioritized Loans
USA BRA contributed $1,000 in initial capital to the Company.	$1,000	-
USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment.	$500,000	$250,000
USA BRA has agreed to loan up to $500,000 to the Company to enable it to commence executing letters of intent and engaging in the Land Entitlement process on Land Parcels it contracts to acquire in the period preceding the receipt of initial Offering Proceeds.	-	$500,000
Our Liquidity Feature will be funded by USA BRA taking equity in the form of Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company.	$500,000	-
Totals	$1,001,000	$750,000

Company Ownership and Control

The Company is owned ninety percent (90%) by its Class A Members and ten percent (10%) by its Class B Member(s). However, our Manager makes virtually all business decisions for the Company. The Class A Members voting rights are limited to (i) approving any matter that would materially alter their rights to receive Distributions, and (ii) removing the Manager. A Majority In Interest of the Class A Members must approve any action on which the Class A Members are entitled to vote.

The following chart shows the Company in the overall organization structure under our Parent Company, USA Barcelona Realty Holding Company ("USA RHC").



The pending relationship between USA RHC and Chanen Construction Company ("Chanen") is an important ingredient in the Parent Company Plan. The interplay between Chanen and the Company, during the Entitlement process of each Land Parcel is an essential factor in the smooth transition from Entitlement to construction. Chanen is a design/build company meaning they play a hands-on role in the Entitlement process so as to assure they are prepared in all respects to conduct the bidding, buying and management of the pre-construction phase on each New Build Affiliate's construction process. Further, the involvement of Chanen in the civil engineering, structural engineering and architectural design of the hotels plays a vital role in delivering a top quality finished hotel on time, on budget, and on specification.

Management of the Company

Except for the exercise of their approval rights set forth in Article 5 of the Operating Agreement, the Class A Members may not take part in the management of the affairs of the Company, or control the Company business, and the Class A Members may, under no circumstances, sign for or bind the Company. Subject to the limitations set forth in the Operating 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 Class A Member.

Limitation of Authority

Our Manager makes all the decisions for the Company other than decisions that require a vote of the Class A Members. 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. The Manager may be removed for Cause at any time upon vote of a Majority In Interest of the Class A Members.

Broad Industry Relationship of Principals

Our Parent Company has extensive long-standing relationships with hotel owners, management companies, franchisors, lenders, brokers and consulting companies. We think this broad set of relationships affords the Company high level access to numerous business opportunities.

Franchise Relationships

We intend that the New Build Affiliates will develop and own franchised hotels in the Upscale and Upper Midscale chain scale such as Courtyard by Marriott, Residence Inn and Springhill Suites by Marriott, Hilton Garden Inn and Homewood Suites by Hilton. To further diversify the Company's portfolio, the target will be upper midscale hotels with top-performing brands such as Fairfield Inn by Marriott, TownePlace Suites by Marriott, Hilton's Hampton Inn, and Hyatt's Hyatt Place and Hyatt house.

Before construction, each New Build Affiliate hotel will have a franchise license agreement between the New Build Affiliate and a franchise company providing for the payment of royalty fees and program fees to the franchisor as stipulated in the franchise 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.

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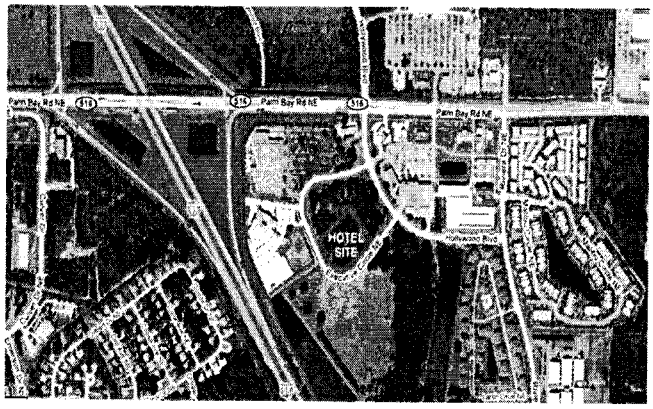
VI. BUSINESS PLAN

Through 2017, we anticipate that our Parent Company will primarily sponsor Land Parcel Entitlement and New Build Programs. Our Parent Company's rationale is based on the current and projected need for additional rooms supply in the select service sector of the hotel scale and the large value gain achieved through the creation of a hotel versus the acquisition of a Core Property hotel.

The Company's sole business focus is on executing the Hotel Land Parcel Entitlement Program. As Land Parcels are sold to the New Build Affiliates, our Advisor will act in the capacity of construction manager to oversee site development and construction of hotels by the New Build Affiliates. As hotels are constructed and begin operations, property management will be handled by strategically aligned management companies, which we refer to as SAM's. Currently, we expect that these management companies would include Pyramid Hospitality and Development Company, based in Scottsdale, Arizona and Concord Hospitality Enterprises, which is headquartered in Raleigh, North Carolina.



Why Hotel Development vs. Acquisition of Core Property Hotels

We have created the Company and designed this Offering as a part of the Parent Company's plan to deal with three primary questions we believe investors ask themselves when considering investing: (i) do I want to be in this industry, (ii) do I want to be in this industry with this management team, and, (iii) do I want to be in this industry with this management team, at this time?

Likely, an interested investor has reached this point in the Memorandum because he answered all three "yes". But to be clear, we pose the question: why do we elect to **build** rather than **buy** existing hotels? We make this election for two primary reasons, "market cycle timing" and the ability to "create value". While there may be some remaining existing Core Property acquisition opportunities, we have concluded that the institutional investor market has moved so heavily into the hotel space (over the past two to three years) as to drive cap rates down and prices up to the point where the top branded hotels represent a "bond" quality investment with no near-term upside. This is not a "value add" scenario.

We believe that the opportunity to acquire Core Properties and execute a "value add" is gone for the duration of this business cycle. But, demand continues to increase for new hotel rooms across many of the U. S. markets. Therefore, **we intend to build to create value**. That is the "why" behind our current and near-term direction.

We believe there are better investment returns to be achieved through the development of new hotels rather than acquiring existing hotels. We approach the matter of New Build in two steps. First, through the Hotel Land Parcel Entitlement Program (the subject of this Offering) followed by our Parent Company's New Build Program.

Overview of the Company's Hotel Land Parcel Entitlement Program Business Plan

- The Class A Units being offered in this Offering will be sold by members of management of our Company, registered investment advisors, broker-dealers and others ("Selling Agents") subject to applicable securities laws.
- The Hotel Land Parcel Entitlement Program involves land purchase(s) for new hotel construction, with focus on Marriott, Hilton and Hyatt brands in the select service space.

Our primary plan involves taking each Land Parcel through Entitlement, which we define as completing the following steps: due diligence, planning, design, construction budgeting, construction financing, franchise approval, and permitting - all necessary to arrive at being ready to begin construction, as we refer to as being "Shovel-Ready". At Shovel-Ready, we liquidate the Land Parcel to a New Build Affiliate that will construct, own and operate a hotel on the Land Parcel.

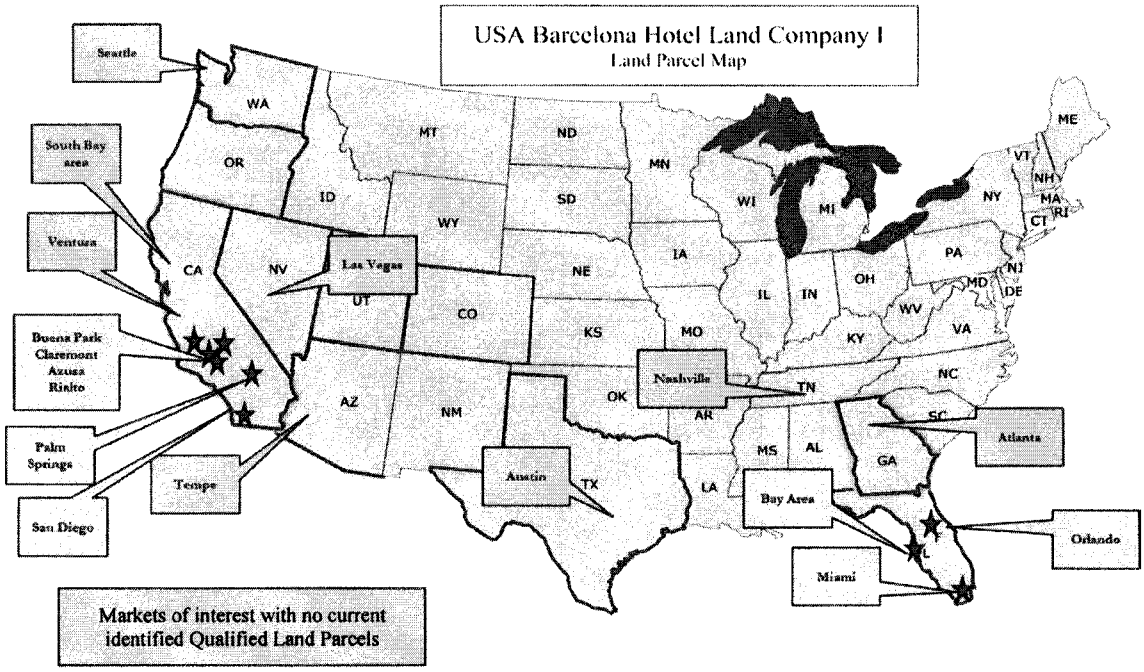
There are two scenarios when liquidating a Land Parcel. These are:

(i) For Land Parcels acquired by the Company during the Entitlement Period, we will sell to a New Build Affiliate; or

(ii) For Land Parcels that the Company have not yet acquired but continue to control under terms of the Land Parcel Purchase Contract, the Company will assign the Land Parcel Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Land Parcel established by an independent appraiser and the purchase price owed to the original Land Parcel owner under the Land Parcel Purchase Contract.

The New Build Affiliate to whom the Company has transferred the Land Parcel will pay additional consideration to the Company for amounts that have been paid by the Company during the Entitlement Process, wherein such costs represent costs the New Build Affiliate would otherwise pay as normal hotel construction period costs. These Refundable costs are discussed later in the Memorandum. See "Business Plan - Value Creation Resulting From The Entitlement Process".

Targeted "Qualified Land Parcel" Map



Currently Identified Qualified Land Parcels

As the map above shows, there are a number of Land Parcels, primarily in the Western United States, that have passed the Company's initial due diligence process, and are under consideration for purchase. We classify each of those Land Parcels as a "Qualified Land Parcel". Initial prospects comprised of dozens of high quality sites have been reduced to a smaller group of Qualified Land Parcels. Seven of the proposed Land Parcels that we consider Qualified Land Parcels are identified below. We do not have signed purchase agreements, options or letters of intent to acquire any Qualified Land Parcels. However, in that we wanted to coordinate the execution of purchase agreements, options or letters of intent with the Effective Date of the Offering, we have established what we believe are mutually acceptable terms and conditions for the purchase of those seven Qualified Land parcels with their respective owners, and we expect to have signed letters of intent for those Qualified Land Parcels by June 1, 2014. We intend to select others from among a number of Land Parcels currently being considered by the Company. For each Qualified Land Parcel, we have completed preliminary financial reviews and, in most cases, site visits with a representative of our selected franchisor. To date, Marriott, Hilton and Hyatt are the franchise brands, or "flags" we are considering.

Specific Qualified Land Parcels and other Land Parcels Under Current Consideration

Azusa, California –

107 room Home2 Suites by Hilton. The site is near Azusa Pacific University, and not far from The City of Hope Cancer Hospital.

Hesperia, California –

80 room Hampton Inn. In a rapidly growing area, on a high traffic location.

Buena Park, California –

128 room Hampton Inn & Suites. Centrally located in Orange County. The site is near a major theme park, Knott's Berry Farm.

Rialto, California –

136 room Hilton Garden Inn. The site is in a major new development that includes residential, industrial and retail projects.

Cathedral City, California –

101 room Hampton Inn & Suites. The property is on a major traffic artery and near a proposed new casino.

Madera Beach, Florida –

A "Dual Branded" hotel consisting of a 109 room Hampton Inn & Suites and an 84 room Homewood Suites by Hilton. The site is in a major tourist area on the Inter-coastal Waterway.

Claremont, California –

136 room Hilton Garden Inn. This site is near the Claremont College Campus, and is located within a new multi-use development.

We are currently evaluating other potential Land Parcels in: Tampa/ St. Petersburg/Sarasota, Florida – 2 sites; Boca Raton, Florida; Austin, Texas; Dallas–Fort Worth, Texas; Atlanta, Georgia – 2 sites; and San Diego, California – 2 sites.

To see the sequence of Land Parcels as they flow through the Forecast, see **"Sixteen Land Parcels and their Entitlement Periods".**

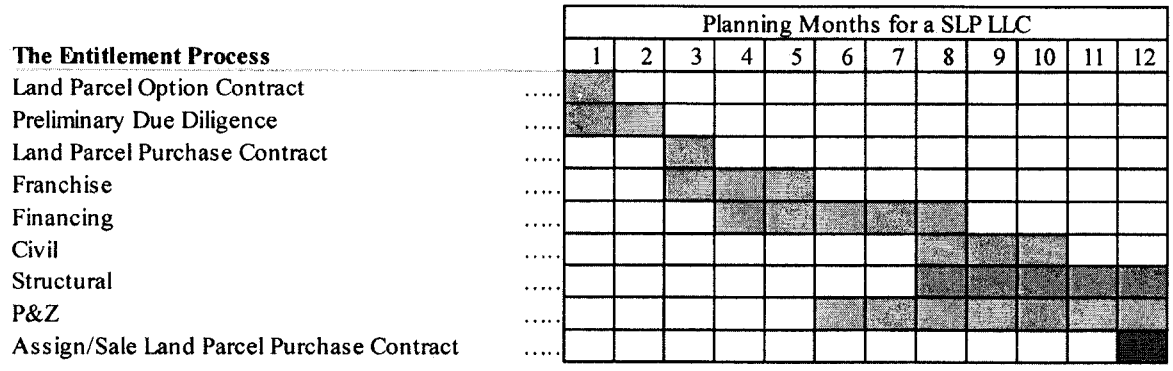
The Entitlement Process

The Company's business plan takes each Land Parcel through a series of value enhancing steps which, in aggregate, we refer to as the Entitlement Process.

- The Entitlement Process commences following the signing of a letter of intent with the land owner for the purchase of the Land Parcel. The Entitlement Process concludes when the SLP LLC has obtained all the necessary approvals to allow the construction of a hotel, which we refer to as Shovel-Ready.
- Financing for the Entitlement Period ("Entitlement Period") is provided approximately 10% by advances from our Parent Company and the balance from Offering Proceeds.
- Each Land Parcel will have an Entitlement Period budget that incorporates the following major line items, which are associated with steps in the Entitlement Process:
    - Land Parcel Contract executed between the Company or a SLP LLC and the land owner.
    - Preliminary Due Diligence – The initial 60 days under contract will involve numerous internal and third party contractor studies and confirmations.
    - Franchise – Hotel franchise application and franchisor approval obtained.
    - Financing – Lender approval obtained for construction and mini-perm financing.
    - Civil Engineering – all civil engineering work completed and submitted to appropriate municipal authorities for review and approval.
    - Structural and Design – all structural engineering and architectural work completed and submitted to appropriate municipal authorities for permit review and approval.
    - General Contractor engaged and final construction budget and construction schedule developed.
    - Planning & Zoning ("P&Z" in the chart below) approvals obtained.
- Based on successfully navigating a Land Parcel through these steps, it reaches "Shovel Ready" status.

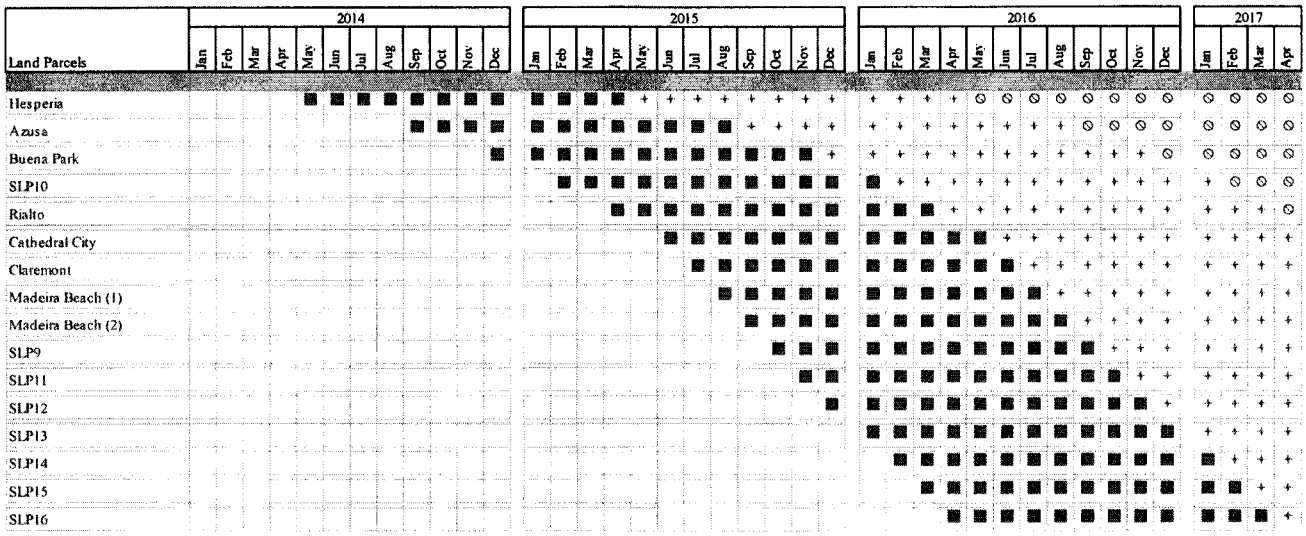
Executing the Hotel Land Parcel Entitlement Program

Our definition of "Fully Entitled" is to bring a Land Parcel to Shovel Ready status. Our definition of Shovel Ready is that the Land Parcel is ready to have building permits issued and is ready for construction. The Land Parcel Purchase Contract is structured to allow us to prepare a Land Parcel for our intended sale to a New Build Affiliate prior to closing on the Land Parcel purchase. The Land Parcel Entitlement Process has several steps. These steps and the associated timelines are described above and summarized in the chart below:



Each of the initial seven Qualified Land Parcels' letters of intent are being structured in a fashion so as to allow the Entitlement Process to follow a staggered start/completion sequence as demonstrated in the chart on the following page, entitled "Sixteen Land Parcels and their Entitlement Periods". It is assumed that the following seven planned Land Parcels will follow the schedule as presented in the chart.

Sixteen Land Parcels and their Entitlement Periods (based on assumptions contained in the Financial Forecast):



The above schedule demonstrates the Entitlement period schedule (the red rectangles) for each of the sixteen Land Parcels included in the Company plan. This schedule is a key factor in driving the Entitlement Period costs and revenues from Land Parcel sales incorporated in the Forecast model. Following the Entitlement Period, the following 12 months incorporates the construction period and thereafter is the operating period (to the extent this shortened schedule extends that far for a particular Land Parcel). The schedule in its full coverage through sale to the USA Barcelona REIT is available on request.

Six Steps To Entitlement

Step 1 - Execute a letter of intent with the land owner. This initial agreement with the land owner allows us to accomplish two basic matters: (a) have the time to conduct our initial due diligence, and (b) prepare a Land Parcel Purchase Contract.

Step 2 – Initial due diligence takes approximately two months. During this period we take a potential hotel site through "USA Barcelona Entitlement Boot Camp". Most will make it through, but not all. The following work conducted by third party specialists will be accomplished during this period:

- Land Parcel Title Report
- Market Feasibility Study (PKF *1, see below)
- Land Parcel Appraisal (HVS *2, see below)
- Comp Set Report (STR *3, see below)
- Environmental, Soils & Geo Tech Studies
- Franchise Exploration (not a formal application)
- Site Plan - Preliminary Design
- Traffic Study
- Utility Study

Step 3 - Based on the Land Parcel passing our acceptance on matters undertaken in Step 2, we proceed with the following:

- A formal application will be made with the targeted franchisor company. The approval process is normally in the 90 day range.
- Other processes are started in this 90 day period but no significant expenditures will be made until we have secured the targeted hotel franchise.
- **Note**: Significant work has been done with the desired hotel franchisor prior to going to the letter of intent stage with the land owner. This franchisor work includes a site visit with a representative of the targeted franchisor.

Step 4 - At such time as we are comfortable that the desired franchise agreement can be reached with the franchisor company, we will proceed with arranging financing for the construction of the hotel to be built on the Land Parcel.

- Construction / Mini Perm Financing.
- A firm commitment must be obtained before we will proceed to the expensive step of contracting for full civil engineering and hotel design.
- Our affiliate (Hotel Financial Strategies) works out front on each New Build Affiliate to arrange this financing.
- Receipt of a firm Financing Agreement triggers the 5th and 6th Step of Entitlement work.

Step 5 - When we have reached preliminary financing agreement with a construction lender (bank), we will engage a civil engineering company to design the site improvements and an architectural firm to prepare all required working drawings for the construction of the hotel.

- The civil engineering work also triggers the beginning meetings with the Municipality's planning and zoning departments as does meetings with architects for the hotel design.
- Our in-house Entitlement professionals work with our engineers, architects and Municipality's officials to pave the way to Planning & Zoning and preliminary building plan approvals.
- As we approach the 9th to 10th month in the Entitlement Process, we will make formal application to the Planning Department and on to Municipality for final approvals.
- On a parallel path, the architects are going through building plan review with the Municipality's building department.

Step 6 - Obtain all zoning and permitting approvals required for constructing and operating the hotel.

Value Creation Resulting From the Entitlement Process and Reimbursables

We believe the value created in the Entitlement of a Land Parcel falls in the range shown in the following chart (from 60% to 100%). Refundables include cash expenditures that we made to enhance the value of the Land Parcel during the Entitlement Process that typically are classified as "construction period costs". These refundable items are shown in the following chart under Land Deposits and Other Direct Costs:

Entitlement Period Activities	Low	High	Land Deposits	Other Direct Costs
Land Parcel Option Contract	0.0%	5.0%	$ 25,000	$ -
Preliminary Due Diligence *1	5.0%	5.0%	-	60,000
Land Parcel Purchase Contract	0.0%	5.0%	25,000	-
Franchise	10.0%	10.0%	-	82,500
Financing	10.0%	20.0%	25,000	-
Civil	10.0%	10.0%	-	68,700
Structural	10.0%	20.0%	-	275,000
P&Z	15.0%	25.0%	25,000	60,000
Entitlement Value Increase	60.0%	100.0%	$ 100,000	$ 546,200

1 (See Step 2 on preceding page)

Note: the Financial Forecast incorporates an anticipated 60% increase in Land Parcel value resulting from the Entitlement process. We feel this is a conservative increase based on the number of the Land Parcels in the USA HLC-I Fund that are located in Florida and California. Both of these States can be more challenging than most others due to expansion and environmental issues that are unique to many areas of those States.

The Company May Acquire One or More Land Parcels

The Company plans to maintain suitable cash reserves, derived from Offering Proceeds and Land Parcel sales, so as to close on a Land Parcel Purchase Contract if needed. We also intend to arrange a bank secured lending facility to be used for this purpose. This is the event that would result in the Company acquiring and owning a Land Parcel. The Company, if required, could execute other exit strategies such as a sale to a third party hotel developer.

Due Diligence Involves Coordination with Third Party Consultants

In the initial two months of our due diligence process on a Land Parcel, it is evaluated on several fronts, two of great importance are (i) the feasibility of a future hotel to operate at that site, and, (ii) for the "as is" value and the Entitled value of the Land Parcel. The following three companies are relied on for accurate reports on these matters of feasibility and value. Upon the signing of a letter of intent between the Company and a Land Parcel owner, a STR Comp Set report, PKF feasibility report HVS "as is" appraisal are key factors in our decision to proceed with the Land Parcel.

PKF Consulting & PKF Hotel Realty

*1 PKF provides a number of valuable market data resources including one we make extensive use of, Hotel Horizons Market Reports. The following is a list of the markets that PKF analyzes and reports on in its Hotel Horizons Market Reports

Hotel Horizons® Market Reports, March to May 2014, Forecast Period 2014 ~ 2018

Albuquerque	Columbus	Kansas City	Oahu	St. Louis
Anaheim	***Dallas***	Long Island	Oakland	Salt Lake City
Atlanta	***Denver***	***Los Angeles***	***Orlando***	***San Antonio***
Austin	Detroit	Memphis	Philadelphia	***San Diego***
Baltimore	Ft. Lauderdale	***Miami***	***Phoenix***	***San Francisco***
Boston	***Ft. Worth***	Minneapolis	Pittsburgh	***Seattle***
Charlotte	Hartford	***Nashville***	Portland	***Tampa***
Chicago	Houston	New Orleans	Raleigh-Durham	Tucson
Cincinnati	Indianapolis	New York	Richmond	***Washington, DC***
Cleveland	Jacksonville	Newark	Sacramento	***West Palm Beach***

Refer to our map entitled "Targeted Land Parcel Locations For The USA HLC-I Program" presented earlier herein. A strong correlation exists between where our Advisor has been conducting site selections for our consideration over the past two years and the markets contained in the PKF library of Hotel Horizon reports. Their research is a valuable resource for our Advisor and our Parent Company in reviewing Land Parcel acquisition proposals brought forward by our Advisor.

HVS

*2 The Company intends to employ HVS for its Land Parcel appraisal work. The HVS database of hotel information – the largest in the world – combined with its broad insight and extensive experience, enables HVS Consulting & Valuation Services to produce well-documented appraisal reports with fully supported value conclusions to hold up under intense scrutiny and achieve their intended results. HVS states that they have access to thousands of management agreements, franchise contracts, leases, mortgages and other related financial documents, allowing its team to provide thorough documentation for its conclusions.

STR

*3 We keep track of the national lodging picture through STR's weekly market reports and long term forecasts. We feel that STR is the best resource in the hotel industry for accurate look-backs and forecasting. Each Land Parcel put under contract has STR reports in its due diligence check list. Prospective subscribers are encouraged to do some basic research on STR and include its "Comp Set" reports. STR has many standard reports available for subscribers and non-subscribers of their service, including the following:

STAR Program, the benchmark suite which is used by the majority of hotel chains as well as many independently operated hotels. It enables a user to track a property's occupancy, ADR and RevPAR performance against their selected competitors. STAR reports are the monthly report card of how hotels are doing against their competitive set. We anticipate that these will be the most frequently used reports in evaluating how our hotel Properties are performing;

Trend Reports assist in researching a hotel development project or in buying and repositioning a property. Run on a one time basis, Trend Reports display up to six years of monthly performance data including occupancy, ADR, RevPAR, supply, demand and revenue;

Hotel Market Forecasts are an excellent resource for anticipating the future performance of a market's key metrics-occupancy, ADR, and RevPAR. The following two examples of reports are among those we pay ongoing close attention.

Weekly Report from STR Report (for the period February 25, 2014 - March 1, 2014).

The U.S. hotel industry posted positive results in the three key performance measurements during the week 23 February through 1 March 2014, according to data from STR.

In year-over-year measurements, the industry's occupancy increased 3.6 percent to 63.1 percent. Average daily rate rose 4.8 percent to finish the week at US$112.25. Revenue per available room for the week was up 8.5 percent to finish at US$70.88.

Among the Top 25 Markets, Orlando, Florida, reported the largest occupancy increase, rising 18.3 percent to 86.9 percent. Anaheim/Santa Ana, California, followed with a 14.4-percent increase in occupancy to 76.9 percent. Chicago, Illinois, fell 6.2 percent in occupancy to 54.7 percent, posting the largest decrease in that metric.

Two markets experienced ADR increases of more than 15 percent: New Orleans, Louisiana (+27.6 percent to US$177.50), and Orlando (+15.3 percent to US$125.96). Chicago fell 2.6 percent in ADR to US$104.70, ending the week with the largest decrease in that metric.

Five markets achieved RevPAR increases of more than 20 percent: New Orleans (+37.2 percent to US$128.48); Orlando (36.4 percent to US$109.42); San Diego, California (+27.8 percent to US$102.01); Anaheim/Santa Ana (+27.4 percent to US$101.48); and Nashville, Tennessee (+20.9 percent to US$81.60). Chicago (-8.6 percent to US$57.30) and Denver, Colorado (-6.1 percent to US$67.88) reported the largest RevPAR decreases for the week.

Two Year Outlook (published March, 4 2014, Smith Travel Research)

The STR/Tourism Economics forecast model indicates that RevPAR growth will slow to 5.3 percent in 2014 and 4.7 percent in 2015. This outlook is an extension of the predictions made by the companies last year.

STR and Tourism Economics predict revenue-per-available-room growth will continue to slow during the next two years, according to a new analysis of long-run lodging trends in relationship to the state of the economic cycle.

"Our forecasts for 2013 were more conservative than many analysts expected," said Jan Freitag, senior VP of strategic development at STR. "But we remained convinced that a shift to more moderate, post-recovery performance was under way."

STR/Tourism Economics forecasted RevPAR growth of 5.8 percent for 2013 compared to actual growth of 5.5 percent based on updated year-end figures released by STR this month. Demand expectations of 2.1 percent growth for the year compared favorably with an actual gain of 2.3 percent. Both indicators reflect a step down in the pace of increases from each of the previous two years.

Moving forward, the forecasting partnership expects further slowing as both demand and average daily rate converge with non-recessionary period growth averages.

"While the U.S. economy is gathering force, the lodging sector is on the back end of its recovery cycle," said Adam Sacks, president of Tourism Economics. "We expect RevPAR to continue to grow but not at the rates seen over the past four years."

While Oxford Economics, the parent company of Tourism Economics, expects U.S. gross domestic product to accelerate to 3.0 percent this year, the demand for lodging is forecast to grow 2.2 percent. STR/Tourism Economics expects this in the context of long-run relationships.

"Over the long term, lodging demand tends to expand more slowly than GDP. Since 1987, U.S. GDP growth has averaged 2.6 percent a year compared with lodging demand growth of 1.9 percent," said Aran Ryan, director of lodging analytics at Tourism Economics.

The forecasters also note that room nights per capita (based on working age population) and per employee reached historic highs in 2013, indicating that the surge in demand associated with the recovery has peaked and a more tempered expansion lies ahead.

VII. HOTEL DEVELOPMENT BUSINESS OPPORTUNITY

The Business Cycle Offers Opportunity

Since the decline of the national economy commenced in mid-2007, the real estate industry across most markets and product types suffered a 10% to more than 40% decline in values. This decline, together with severely restricted capital markets during the same period, depressed property values to pre-2007 levels. Annual construction starts for the lodging industry have nearly doubled since 2010 but are still 50% less than the 2007 peak. Consequently, our Parent Company sees an unprecedented opportunity to execute our New Build Program.

Another reason this business cycle presents opportunity is that selling prices for Core Properties are now higher than constructing a new select service hotel. Selling prices for the first half of 2013 soared to over $130,000 per room, up 15% over year-end 2012. That's the highest average selling price per room ever recorded by Lodging Eono*metrics*, exceeding the previous record of $119,000 set in 2007. These prices reflect near record-low interest rates, which always maximized prices and the fact that industry performance has nearly recovered to pre-recessionary peaks. The sellers today are reaping the benefits of a steadily improving hotel market during the first half of the recovery cycle and our Company will likewise benefit from constructing, rather than acquiring, select service hotels during the second half of the cycle.

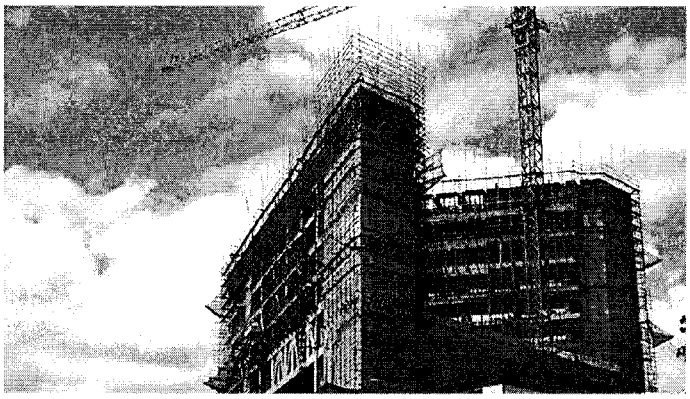
From the Entitlement Stage to New Build

Upon receipt of governmental approval of the Land Parcel, and the building department's approval of our building plans, the stage is set to build a hotel. However, the Company will not take that step. We intend to sell or assign the Land Parcel Purchase Contract to a New Build Affiliate. At this point we would receive payment for the land and reimbursement for specified costs that we have expended for matters that traditionally fall into the construction budget for a hotel. We refer to these cost recoveries as refundables ("Refundables").

The Entitlement Process is followed by hotel construction, which we refer to as the New Build Program. New Build Affiliates would acquire our fully entitled Land Parcels for prices based on independent appraisals, and we achieve final Liquidation upon the sale of our last Land Parcel. Our plan is that simple.

The New Build Program Business Plan and Chanen Constuction Company

The Company's business plan mandates that following its Entitlement each Land Parcel is to be sold or assigned to a New Build Affiliate. Entitlement includes (i) obtaining a franchise approval from Marriott, Hilton or Hyatt, (ii) completing site and building designs through working drawings, and (iii) obtaining all zoning approvals and required development and building permit approvals. In addition, the Company will (i) obtain a bank construction and mini-perm commitment, and (ii) in concert with our strategically aligned general contractor, Chanen Construction Company ("Chanen"), develop a development and construction budget and associated maximum cost contract.



We refer to an Entitled Land Parcel as being "Shovel-Ready", a term meaning ready for site development and hotel construction by a New Build Affiliate. The appraised value of the Entitled Land Parcel established by an independent appraiser will be used to set the selling price between the Company and a New Build Affiliate.

The Company would be paid for the Entitled Land Parcel by the New Build Affiliate based on the current value of the land as determined by an MIA appraisal, less amounts owed the seller on the Land Parcel Purchase Contract, which will be paid when the New Build Affiliate closes on the land. An additional payment is made to the Company by each New Build Affiliate for the Refundables and Entitlement Period costs incurred that relate to those items contained in the construction budget.

The Company intends to have a capital reserve that it could use if the Company needs to close on a Land Parcel Purchase Contract before we are ready to assign it to a New Build Affiliate.

- If at any of the feasibility steps, a Land Parcel fails to meet our requirements, we intend to terminate our acquisition of that Land Parcel. Otherwise, each Land Parcel would travel through the feasibility process to the point where all of our requirements are satisfied and all necessary contracts and permits are ready to be finalized. We refer to this step in the process as "Shovel-Ready".
- The anticipated maximum period for the Company's operations is 36 months.

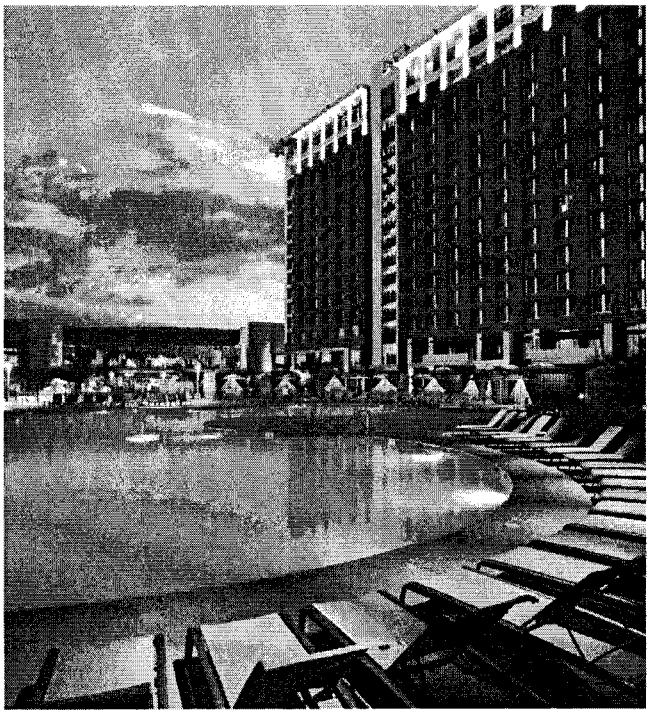
Selection of our General Contractor and associate in a proposed USA Barcelona/Chanen Joint Venture

Our Parent Company has reached agreement with Chanen Construction Company to coordinate with us in the Entitlement work and handle all site development and construction requirements of the New Build Affiliates. We feel this strategic alliance adds a great deal of quality to both the Company's investment Offering and the future offerings of the New Build Affiliates. Chanen's over 50 years of experience across a broad spectrum of major construction projects and specifically numerous major hotels and resorts undertakings for both their own account and as agents for others is a major benefit to our investors and our Company.

CHANEN
CONSTRUCTION COMPANY, INC.

Construction will be performed by Chanen Construction Company, Inc., an Arizona corporation, pursuant to a construction contract on the basis of cost of the work, plus a fee, with a guaranteed maximum price. A separate construction contract will be entered into for each project that goes from entitlement to construction.

Chanen Construction Company, Inc. ("Chanen") was founded in 1955 and is a leader in the U.S. in the construction industry. The company has substantial experience in the construction of hotels as shown below. Chanen started building hotels in the late 1950's building the first locations for Ramada Hotels. Chanen has delivered projects as general contractor, construction manager, or design builder in the USA with a concentration in the Southwest including Arizona, California, Nevada, Florida, Illinois, Alaska, and North Carolina.



Chanen will comply with the construction licensing requirements in each state in which a hotel will be built and will subcontract for all the work. A separate guaranteed maximum price will be issued for each hotel project.

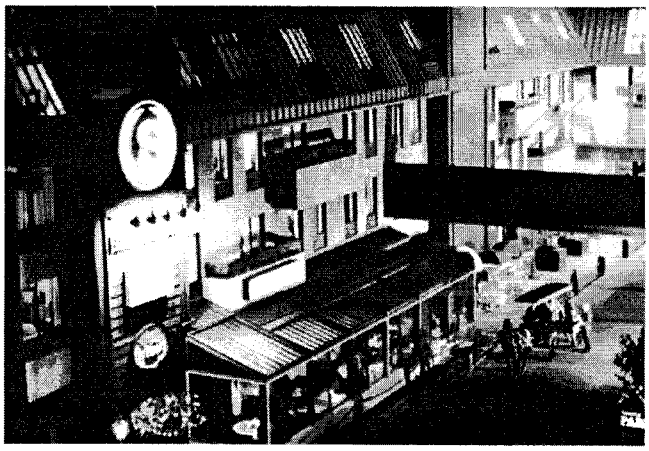
TALKING STICK RESORT
SCOTTSDALE, AZ

Chanen built the $450M, 497-key, 15-story Talking Stick Resort hotel, conference center, and spa that is part of a casino. The project includes a 240,000 sq. ft. gaming floor, a 750-seat showroom, a 13,000 sq. ft. spa and a 100,000 sq. ft. conference center. Additional amenities include 8-restaurants, 10-lounges, two multi-level parking garages, retail shops and many pools and water features.

The building is steel frame with an exterior palette of aluminum composite panels, glass, stone and exterior insulated finish system. The two parking structures are precast concrete. The project was built for the Salt River Pima-Maricopa Indian Community.

CIBOLA VISTA RESORT
PEORIA, AZ

The resort consists of separate small "cities" each of which have a courtyard that include spas, fountains, artwork, outdoor fire pits, sanctuaries, reflecting pools, and desert botanical gardens. Chanen Construction Company, Inc. built phase II of the project which consisted of 4-story hotel buildings with interconnected walkways and 128 hotel rooms.

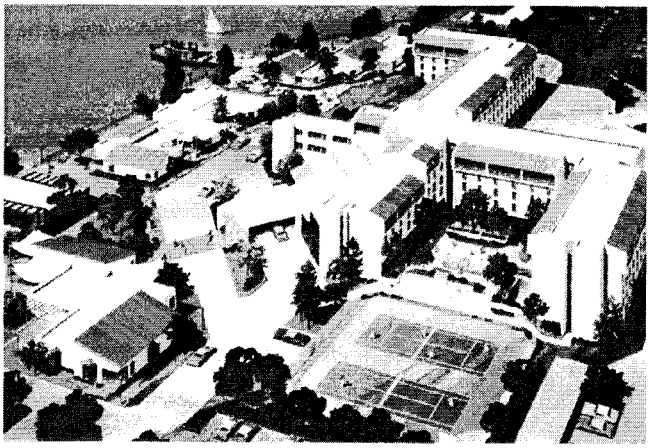


SHERATON AT FISHERMAN'S WHARF
SAN FRANCISCO, CA

The hotel, located near several San Francisco, California, landmarks, consists of 525 rooms, seven suites and 10,000 sq. ft. of meeting rooms including a 4,813 sq. ft. ballroom.

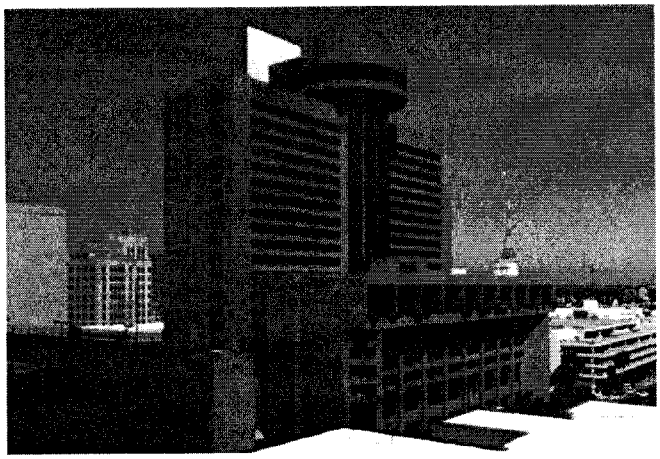
There are four separate buildings that are connected by pedestrian bridges at each level. This hotel frequently was recognized by Sheraton for its high average annual occupancy.

This project was developed, design-built and managed by Chanen. The $84 million hotel (at time of sale) was constructed using innovative structural engineering concepts, which were tested during the tragic 1989 earthquake, which it escaped unscathed



SHERATON AT ST. JOHN'S PLACE
JACKSONVILLE, FL

Chanen developed, built and owned this five-story, 350-room convention resort hotel. This hotel mirrored the wharf theme of Chanen's Sheraton at Fisherman's Wharf in San Francisco. The facility includes 17,139 sq. ft. of meeting rooms, a 10,180 sq. ft. ballroom, four restaurants and 20,000 sq. ft. of retail space. Located within the St Johns Place wharfside resort area, the hotel features modular meeting rooms which can form 13 different configurations ranging from 10,180 sq. ft. down to 393 sq. ft.. The elegant ballroom with its optional exterior entrance was designed to accommodate large social affairs and business conferences.



HYATT REGENCY PHOENIX
PHOENIX, AZ

This luxurious 26-story hotel in the heart of the Phoenix cultural center is a well-known icon of the city's downtown skyline. Chanen served as general contractor on this $27 million (at time of construction) landmark project that defines the downtown Phoenix skyline. The facility includes 27,000 sq. ft. of meeting rooms, including a 10,168 sq. ft. ballroom, a nine-story section containing an eight-story atrium, a four-story section including pool and garden and a 21-story tower with a revolving restaurant on the top floor. The revolving Compass Restaurant at the top of the hotel is a 25-year Phoenix favorite

TEXAS STATION GAMBLING HALL & CASINO
LAS VEGAS, NV

Chanen was the construction manager of this $96 million (at time of construction), hotel and casino complex in North Las Vegas, Nevada, working with Manuel Corrao as design-builder.

This facility includes a six-story, 200-room hotel and approximately 140,000 sq. ft. of public and support areas. Built on a 50-acre site, the project features a Texas theme with 1,500 slot machines, 30 table games, keno lounge, race and sports book area, poker lounge, six restaurants, a 12-screen movie theater, a food court, travel agency and arcade. This fast-track project was designed and constructed in 14 months.

BOULDER STATION
LAS VEGAS, NV

Chanen provided construction management for the $25 million (at time of construction), 58,435-sq.-ft. renovation of the Boulder Station Hotel and Casino.

Station Casinos is considered the "inventor" of the "locals" hotel-casino. With more than 10 locations, Stations dominates Nevada locals. The project included an 11-plex movie theater, a five-level, 1,865-space parking garage and 28,000 sq. ft. of casino space. Additional work consisted of an upgrade of the west entry casino, realignment of the ring road, widening of the northeast roadway, construction of a theater drop-off area, a covered walkway from the parking garage to the casino, sidewalks and landscaping

PROJECTS OVERVIEW – The depth of the experience at Chanen Construction Company is matched by the breadth of their work. Since 1955, they have built a vast variety of projects to serve industries as diverse as aviation and health care, education and gaming. With every project, their goal is to build structures that exceed the expectations of their clients and create lasting landmarks, from the ground up to the skyline above.

VIII. INVESTING IN THE LODGING INDUSTRY

According to Lodging Econo*metrics*, 2013 concluded the first leg of the new lodging real estate cycle. The period was characterized by near record low interest rates, a growing confidence in future operation trends, and the prospect for improved earnings. It was an opportune time for investors to sell and take profits on their stabilized assets acquired late last decade during the recessionary lows. Now that we are beyond the recovery phase, we perceive a greater opportunity ahead in the second leg of the lodging cycle, which should cause transaction activity to accelerate over the next few years. Since the new construction pipeline will not produce new supply additions of significance until later in the decade, we believe that it is an ideal time for attractive returns and capital appreciation for our New Build Program.

Why We Feel Hotels Are Sound Investments

- 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 to demand and changing market conditions.
- Hotels in the Marriott, Hilton and Hyatt brands enjoy industry branding. Such branding requires owners to constantly upgrade and periodically renovate the hotel to franchise standards to retain the franchise flag. This "franchise" control leads to a strong level of familiarity and consistency for hotel customers as to their lodging experience. While our focus will be on Marriott, Hilton and Hyatt brands, we have no limitation as to the brand of franchise or license with which the Fund's hotels will be associated.

Our Parent Company Plan calls for developing hotels that incorporate brands in the following chain scale segments:

- Upscale - Courtyard by Marriott, Residence Inn by Marriott, Springhill Suites by Marriott, Hilton Garden Inn, Homewood Suites by Hilton and Hyatt Place and Hyatt House by Hilton.
- Upper Midscale (this segment is without food & beverage outlets) - Fairfield Inn by Marriott, TownePlace Suites by Marriott, Hampton Inn, Hampton Inn & Suites and Home2 Suites by Hilton.
- Upper Upscale Hotels – There are no current plans to develop hotels that fit in this category.

Key Factors Behind Our Development of Select Service Hotels

- **Demand** - The recent global recession initiated many important changes for consumers, businesses and investors in every industry. The hospitality industry is no exception, with one of its most obvious and heavily reported trends being the widespread preference of business and leisure travelers for select service hotel accommodations. The highly regarded year-end 2013 Global Hospitality Insights (Top Thoughts for 2014) published by Ernst and Young, highlights "The rise of select service.....As the global economy and tourism recovery gains momentum, many travelers continue to show a recession-era preference for select-service hotels that offer a compelling value proposition by providing many full-service amenities at a lower price point. The convenience of select-service also fits the on-the-go lifestyle of today's business traveler and the fast-growing millennial population."

- **Travelers Accepting Amenities** – Select-service hotels are comparable to limited-service properties, but also offer a scaled down mix of amenities traditionally associated with full-service hotels, such as meeting space and casual dining. Because of the increasing acceptance and use by the traveling public, it is no surprise that investors and developers are favoring the select-service product as well, particularly due to the lower up-front capital requirements and the increased operating margins, helped by the efficiencies afforded through limited food and beverage operations and the absence of concierge and other services typical in this segment."

- **Favorable Development Cycle** - Development of select-service hotels is faster than full-service hotels, allowing the investor and developer to react more quickly to changing hotel market conditions, entering the market with new product on a quicker schedule. Sites are more easily identified because of size and location, obtaining entitlements is faster than full-service hotels, and the short construction cycle of 12 months allows a hotel to be operational in a shorter period of time to meet today's market demand.

The Hotel Industry Today

Steady Improvement in 2014 - The U. S. hotel business is expected to post another solid year of recovery and growth just as it has in the previous two years. A top hotel industry firm, Smith Travel Research (STR), projects for 2014 that revenue per available room ("RevPAR") will grow an average of 6% and average daily rate ("ADR") will increase approximately 4.6%. As the economy improves, those projections are expected to continue to increase for the next few years. Occupancy is on the rise also with averages across all hotel chain scales to be in the 65–70% range, and above 70% in the select service sector where we will concentrate.

New Construction - According to Lodging Econo*metrics*, at the end of July, 2013, more than 75,000 hotel rooms were under construction in the U. S., an increase of 23 percent from the previous year. However, projects underway represent only 1.5 percent of supply, lower than the long term average of closer to 2 percent. Annual hotel construction starts in 2013 have nearly doubled since the 2010 bottom, but are still 50% below the peak in 2007. Based on these figures, supply is lagging behind demand which bodes well for our Hotel Land Parcel Entitlement Program.

In 2014, according to STR, the upscale and upper-midscale segments combined represent 80% of the hotels forecasted to be built in the U. S., while Lodging Econo*metrics* estimates that select service pipeline to be closer to 90% of new hotels entering the market. Both market segments are included in our Parent Company Plan for New Build Affiliates with Marriott, Hilton and Hyatt flags. (See "Our Targeted Hotel Preferences" for review of Up-Scale and Upper-Midscale branding).

Increasing Values – Lodging Econo*metrics* reported that hotel sale transactions recorded their highest ever selling price per room in the first half of 2013. Those prices reflect the near record-low interest rates which we believe always maximizes prices and supports the fact that industry performance has nearly recovered to pre-recessionary peaks. Hotels appraised at time of sale by Global Hospitality Services (HVS) shows capitalization rates holding steady in the select service segment at 7.4% giving further evidence that the development of hotels in this segment is a sound business strategy.

Hotels as an Investment Platform

Our Parent Company believes that developing, and in select cases acquiring hotels, offers attractive growth and high total return opportunity. The success of our Parent Company with the hotel asset class will depend upon its ability to make prudent decisions regarding (i) selection of markets, (ii) site selections, (iii) brands, (iv) contractors, (v) management companies, and (vi) market cycle timing. Those decisions will be guided by the expertise of our Advisor and the oversight of our Parent Company's independent board members.

- **Our Parent Company has chosen to concentrate on Marriott, Hilton and Hyatt brands in the select service arena and with limited to no food and beverage**

  By narrowing our model to select service hotels with limited to no food and beverage our Parent Company also determined the costs of operations were reduced due to less labor required to operate these facilities. Less labor meant less Advisor staff overhead to "asset manage" and less demands on our management companies to operate. We believe that less food and beverage translates to more consistent returns. We also concluded that those select service hotels that were branded with the top flags generally experienced less volatility in down markets than hotels with lesser flags or no flags. Our research indicated that the excess demand that these brands enjoyed in the up-cycle that was pushed into the competition due to lack of availability came back to their brand of choice during those periods of less overall market demand.

- **Hotel Brands** - In evaluating the scale of properties that would represent our best investment opportunity, our Parent Company also validated that brand selection is equally important. We determined that selecting top brand hotels is critical in mitigating the impact of a down economy as well as for taking full advantage of an up economy. We also know that travelers tend to be more inclined to select certain well-known brands due to their frequent guest programs and consistency of product and service levels. Business and leisure travelers often cross over from one brand to another but generally stay in similar brands. For example, if their preferred Marriott is not convenient (location) or available (capacity), a Marriott oriented traveler will often cross over and stay at a similar Hilton or Starwood or Hyatt product.

Our Parent Company, through its New Build Affiliates, plans to develop, own and operate franchised hotels in the upscale chains that provide select service offering (minimal meeting space and food and beverage offerings), such as Courtyard by Marriott, Residence Inn by Marriott, Hilton Garden Inn, Homewood Suites, and Hyatt Place.

To further diversify its property Portfolio, our Parent Company intends to target hotels with top-performing brands such as Fairfield Inn by Marriott, SpringHill Suites by Marriott, TownePlace Suites by Marriott, Hampton Inn, and possibly, several key performing upper upscale hotels, such as full service Marriott and Hilton hotels.

- **Marriott, Hilton and Hyatt** - We further concluded that certain scale Marriott, Hilton and Hyatt (select service with limited or no food and beverage outlets) met our conservative approach to hotel investing as they each have established critical brand mass and deep market penetration. Hilton offers Hampton Inns, Hilton Garden Inn, Home2 and Homewood Suites. Marriott offers Courtyard by Marriott, Residence Inns, Fairfield Inns, SpringHill Suites and TownePlace Suites. Hyatt offers Hyatt Place and Hyatt house. All of these flags fit well within our "sweet spot" assuming their financial performance and due diligence meets our requirements. All offer strong frequent guest programs, strong "800 number", Global Distribution and internet brand contributions, and all are leaders in their respective brand segments. If our Parent Company elects to include any full service upper upscale hotels, our Parent Company would favor these three brands.

  Each of these brands brings superior occupancy and average daily rates ("ADR") opportunities and subsequent upside revenue per available room ("RevPAR") potential as market and economic conditions improve. Each has solid employee training and recognition programs and are viewed as good places to thus offering solid employee recruiting potential. Each of these select service hotels has a low full time employee ratio to available rooms which is important to maintaining consistent profit levels. They are also recognized for their superior service consistency. Each of these brands offers purchasing of supply discount opportunities that save owners money compared to prices available to non-branded hotels. The Hilton, Marriott and Hyatt brands are well recognized for their promotional programs in advertising and public relations which help reduce marketing costs to owners while keeping these brands as top of mind awareness for business and leisure customers.

Franchise Fee Analysis

- **Marriott** - Marriott franchise fees are generally 5.5% for royalty fees and 2.5% marketing fees for a total of 8.0% of gross room sales. If our Parent Company acquires a sufficient number of Marriott branded Properties, our Parent Company should be able to negotiate the royalty fee down to 5.0%. There are additional fees for Marriott Rewards at 1.9% of gross room sales on eligible stays. Reservation fees begin at 0.4% of gross room sales plus $3.15 per reservation made through the Marriott central reservation system. There are numerous other minor fees, many of which are optional, for training, sales support, revenue management, group leads and co-op advertising. While their fee structure is more expensive than most flags, Marriott consistently delivers superior results.
- **Hilton** - Hilton franchise fees are generally comprised of a 4.0% royalty fee for Homewood Suites and 5.0% royalty fee for Hilton Garden Inns and Hampton Inns, based on gross room revenue. Marketing/program fees are 4.0% for Homewood Suites and Hampton Inns and 4.3% for Hilton Garden Inns. Program fees include all brand marketing, all reservation and distribution fees (except travel agent commissions), and a standard configuration of computer hardware which includes the property management system and all support as well as a refresh of all hardware every 36 months. There are additional fees for HHonors frequent guest stays amounting to 3.6% of eligible room revenue. There are numerous other minor fees, many of which are optional, for training, sales support, revenue management, group leads and co-op advertising. Hilton delivers a strong brand contribution which also makes them a preferred brand for our business plan.
- **Hyatt** - Hyatt franchise fees are generally 5.0% of gross room revenue for royalty fee and 3.5% or gross room revenue for marketing fee. If our Parent Company acquires a sufficient number of Hyatt branded Properties, our Parent Company should be able to negotiate the total fees to a lower percentage of room revenue. The Hyatt Place and Hyatt house scale are increasingly strong players in their markets.

Hotel Property Sector Overview

The Company is focused on the select service sector, which consists of hotels that can be built with less capital and operated with fewer employees than those in the full service categories. Select service hotels historically produce less volatile results than full service hotels due to the lower fixed costs, but also lack the ability to generate higher revenue in busy periods due to their lack of banquet, meeting, and exhibit space.

Properties in this sector have a more modest return than full service hotel properties, but they also suffer less in downturns due to the lean nature of the operation. In short, these hotels are more likely able to meet the returns necessary to meet our investor obligations during the down portion of a business cycle.

Hotel Service Level Selection Overview

- **Luxury and Resort** - We researched the various hotel market segments/service levels to determine the best development opportunities at this point in the cycle. We quickly eliminated luxury and resort properties due to their intense capital needs and volatility associated with economic ups and downs. Both were more subject to the cyclical extremes of economic highs and lows. This segment has a high cost per room to enter the market, and as such our Parent Company did not deem them a good investment opportunity for the Company.

- **Full Service** - We then looked at full service hotels. While they were generally less volatile than luxury or resort properties, in the rapid decline of the previous cycle they suffered significant declines in valuation similar to resorts and luxury hotels. We do not totally rule out upscale full service hotels once market conditions are more stabilized. There could be a select situation where an upscale full service hotel fits into the Parent Company's near-term plans.

- **Select Service** - We then analyzed select service hotels with and without food and beverage outlets. Our analysis determined that this was the "sweet spot" in the investment opportunity model for a variety of reasons. First, the cost to invest in these hotels was more reasonable on a cost per room and per property basis. Second, the select service properties performed better than full service hotels in a down economy. This overall financial performance consistency fits the prime investment objectives of the last stage of the Parent Company's plan for a REIT.

- **Budget** - We also looked at budget hotel properties. While they posed some attraction due to their lower capital construction costs, the budget sector also has a narrower appeal to the overall hotel owner market which our Parent Company felt posed a downside risk (limited market) at liquidation.

Our Targeted Hotel Preferences

- Within the Upscale Hotels - Courtyard by Marriott, Residence Inn by Marriott, Springhill Suites by Marriott, Hilton Garden Inn, Homewood Suites by Hilton and Hyatt Place and Hyatt House by Hilton.

- Within the Upper Midscale Hotels (this segment is without food & beverage outlets) - Fairfield Inn by Marriott, TownePlace Suites by Marriott, Hampton Inn, Hampton Inn & Suites and Home2 Suites by Hilton.

- Upper Upscale Hotels - We have no current plans to develop hotels that fit in this category.

IX. ABOUT OUR ADVISOR – USA BARCELONA REALTY ADVISORS, LLC

The Experience of our Advisor's Management Team and its outside Advisors

USA Barcelona Realty Advisors, LLC ("USA BRA") will act as Advisor to the Company. Its management team has a combined experience which we believe to be significant and uniquely qualified to meet our business objectives. The Advisor has senior management experience in top tier public accounting firms, Fortune 100 corporations, investment banking organizations, public and private REITs, plus extensive experience in commercial real estate finance, development and acquisition in addition to property level and portfolio asset management.

The following Executive and Advisor chart shows the depth and breadth of the experience of the management team of USA BRA, and their advisors, which we feel qualifies them to properly manage the business plan laid out for the Company.

Executive/Advisor	Commercial Real Estate	Property Development and Ownership	Various Property and Asset Portfolio Management	Capital Formation and Financial Management	Hotel Property and Asset Portfolio Management
Executives					
Richard C. Harkins	42	21	9	36	13
George T. Simmons	23	16	18	9	-
Bruce Orr	24	22	11	8	17
Robert Kerrigan	17	10	-	17	-
Jeffrey S. Teets	25	20	20	18	11
Rodney Eaves	25	25	20	5	0
Patrick McDonough	27	20	20	20	-
Advisors					
Anthony Manos	20	15	15	6	13
Dawn Berry	23	9	10	-	10
Steven Gold	44	-	-	44	-
Total Yrs Of Experience	270	158	123	163	64

Having created and molded their team together over the past 24 months, we believe that the Advisor has the added advantage of selecting people who:

- helped create and are committed to our business strategies and goals,
- bring management skills from a variety of large organizations,
- are entrepreneurs, exhibiting the energy and drive necessary to start and sustain a new company,
- fit a culture suited for "team players"; and,
- desire to help build and collectively benefit from a successful enterprise.

USA BRA Organization

The Company will enter into an Advisory Agreement with USA BRA, which will, among other things,

- Seek to obtain, investigate, evaluate and recommend Land Parcel investment opportunities for the Company.
- Serve as Land Parcel investment advisor and consultant in connection with investment policy decisions made by management of the Company.
- Subject to the direction of management, supervise the Company's day-to-day operations.

USA BRA intends to be staffed at all times sufficient to fully serve the Company. USA BRA intends to obtain, "key-man" life insurance on the life of certain officers. USA BRA currently has four Executive Members, six outside advisors, three department managers and staff. The Advisor intends to expand staffing as required in order to service the Company and other Affiliates. USA BRA may make arrangements with third parties to provide services for day-to-day operations and for the purchase or sale of real estate for the Company. We intend that negotiations between the Company and USA BRA relating to Program Management Fees will address USA BRA's operating requirements and an appropriate allocation of its time devoted to activities associated with the Company vis-a vis its other business activities.

Reimbursements to USA BRA and its Affiliates

USA BRA will be reimbursed for certain direct costs incurred on the Company's behalf for acquiring Land Parcels, and for goods and materials obtained from entities that are not affiliated with USA BRA. Possible reimbursable costs and expenses include, but are not limited to, interest and other costs for money borrowed, taxes on property or business, fees for legal counsel and independent auditors engaged, expenses relating to investor communications, costs of appraisals, non-refundable option payments on Land Parcels not developed or acquired, and title insurance. These expenses also include ongoing accounting, reporting and filing obligations that are provided by USA BRA and payments made to third parties that are made by USA BRA. These expenses will not include any amounts for overhead of USA BRA. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to USA BRA will be subject to the overall limitation on operating expenses discussed under "Compensation", but the amount of reimbursement is not otherwise limited.

USA BRA may provide other services and be entitled under certain conditions to compensation or payment for those services. Those conditions are summarized under "Conflicts of Interest—Transactions with Affiliates and Related Parties".

Organizational and Offering Expenses

In general, the Company's total organizational and offering expenses, including selling commissions, will not exceed 15% of the amount raised in any securities offering made by the Company. Furthermore, the total of all acquisition fees and acquisition expenses paid by the Company in connection with the purchase of a Land Parcel arranged by USA BRA shall be reasonable and shall in no event exceed an amount equal to 6% of the contract price for the Land Parcel, unless a majority of the management of the Company approves the transaction as being commercially competitive, fair and reasonable. For purposes of this limitation, the "contract price for the Land Parcel" means the amount actually paid or allocated to the purchase, development, construction or improvement of the Land Parcel, exclusive of acquisition fees and acquisition expenses. Any organizational and offering expenses or acquisition fees and acquisition expenses paid in excess of the permitted limits shall be repayable to the Company by USA BRA immediately upon demand.

Cost-Sharing Arrangements and Reimbursements

USA BRA employs the officers, managers and staff that perform services for the Company under the Advisory Agreement between the Company and USA BRA. The compensation paid to USA BRA will be allocated among the various Funds that USA BRA intends to organize in a manner that is proportionate to the estimated amount of time devoted to activities associated with the Company. Our Company, USA HLC-I, as the first such Fund, will bear all such expenses initially. Any future allocation would be determined by negotiation between USA BRA and management of the Company. USA BRA's compensation and the sharing arrangement it will have with the future Funds is anticipated to permit USA BRA to attract and retain superior executives, managers and staff. Fees paid to USA BRA by the Company under the Advisory Agreement would include compensation for their officers, managers, staff, overhead and profit.

Fee Compensation

The "Chart of Fees Paid to USA BRA by the Company" below describes all the compensation, fees, reimbursement and other benefits which will be paid by the Company to USA BRA and its Affiliates for contracted services. It is anticipated that each member of their management team and certain staff members will provide certain services to the Company. These persons are all employed by USA BRA. USA BRA expects to pay its senior managers and staff from compensation received by it under an Advisory Agreement and Land Parcel Acquisition/Entitlement Completion Agreement with the Company.

Chart of Fees Paid to USA BRA by the Company

The Company's business plan is a distinctive program that requires a broad set of experiences and talents to be properly executed. The Company has engaged with its Advisor to execute this program. The following chart outlines the type of expenses that will occur and the compensation that will be paid for those services.

The compensation paid by the Company to its Advisor falls into two categories. First, fees paid that are tied to specific accomplishments, which include the Land Parcel Acquisition Fee and Land Parcel Entitlement Completion Fee. It is important to note that only the Land Parcel Acquisition Fee of $329,840 for the first four Land Parcels is paid from Offering Proceeds and the balance of those fees are paid from Company earnings. The Land Parcel Entitlement Completion Fee is paid entirely from Company earnings and none from Offering Proceeds.

The second types of payments are for work accomplished to establish the Company and for managing its ongoing operations. The Organization Fee is not paid from Company earnings, rather, it is paid through distributions to the Advisors Class B Member Capital Account and repayment of a loan made to the Company. The Program Management Fee is a monthly payment for services related to running the ongoing business of the Company which requires essentially the full time application of the Advisors officers and staff. These payments are paid from Offering Proceeds over the initial 12 months of the Company's operating period and from Company earnings thereafter.

Entity Receiving Fees	Type of Fees	Amount of Fee Compensation	Sources & Timing of Payments
	Organization Period		
USA BRA	Reimbursements for expenses incurred in the organization period of the Company.	Advisor incurred significant costs during the organization period of the Company to (i) identify and establish business relationships with land owners, construction companies, construction lenders and numerous companies that will provide services to the Company during the Land Entitlement process, and (ii) identity and negotiate for the purchase of Land Parcels that meet the Company's development requirements. USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid without priority from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment.	This is a non-cash charge to the Company and not a use of Offering Proceeds. The credit to USA BRA's capital account entitles it to Distributions in the normal course of events as Distributions are declared by the Managers. The loan portion of the fee charge will be paid from Revenues. The loan has no stated priority and the principal and interest on the loan will be paid from earnings.
	Acquisition Phase		
USA BRA	Acquisition Fee for acquiring Land Parcels for the Company.	Acquisition Fee – 4% of the purchase price of each Land Parcel arranged for purchase.	Only the initial four Acquisition Fees in the amount of $329,840 or 3.3% of Offering Proceeds are paid from Offering Proceeds. The balance is paid from earnings.

	Reimbursement allowance for real estate acquisition expenses.	Acquisition Expenses - Typical real estate acquisition expenses are estimated to be approximately .5% of the contract price of the Land Parcels.	
	Operations Phase		
USA BRA	Program Management Fee for managing the day-to-day operations of the Company.	Advisor will be paid a Program Management Fee of $150,000 a month commencing May, 2014 through May 2015 and $75,000 a month thereafter through the month in which the final Land Parcel sale or assignment occurs.	
USA BRA	Reimbursement for certain deposits and costs incurred on Company's behalf.	Not estimable, but subject to the limits described below under "The Advisory Agreement."	
USA BRA	**Land Parcel Sale or Assignment Phase** Entitlement Completion Fee for selling or assigning the Company's Land Parcels.	Entitlement Completion Fee - 4% of the sales price or the assignment value of each Land Parcel to a New Build Affiliate. USA BRA has agreed to take a $500,000 Capital Account credit in lieu of taking initial cash payments due it in that amount for Entitlement Completion Fees. This allows the Company to retain $500,000 in cash to accommodate any payments made to Class A Members under the Liquidity Feature.	No Land Parcel Completion Fees are paid from Offering Proceeds. All are paid from Earnings.

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Specific Amounts of Compensation Payable to USA BRA

Except as otherwise indicated in the previous table, the specific amounts of compensation or reimbursement payable to USA BRA will depend upon factors determinable only at the time of payment. Compensation payable may be shared or reallocated in USA BRA's sole discretion. However, compensation and reimbursements which would exceed specified limits or ceilings cannot be recovered by USA BRA through reclassification into a different category.

The Advisory Agreement

The Advisory Agreement between the Company and USA BRA will have a four year term and will be renewable for additional one year terms thereafter, if the Company has remaining business activity. The Advisory Agreement provides that it may be terminated at any time by a majority of the Company's Manager's Board of Directors, with or without cause, upon 60 days' written notice. USA BRA can terminate the Advisory Agreement with or without cause upon 60 days' written notice. However, in the event of any such termination at the election of USA BRA prior to December 31, 2015, USA BRA shall grant to the Company the right to re-acquire its percentage interest in the Company at a price equal to that paid by the Company's investors multiplied by 20% for each whole or partial year held by USA BRA.

In addition to such further liability or obligation of either party to the other due upon termination of the Advisory Agreement, if the Advisory Agreement is terminated without cause, or in the case of any determination by the Company to liquidate its assets other than in the normal course of business or wind-up its affairs, the Company shall pay USA BRA a termination fee ("Advisory Termination Fee") in an amount equal to one percent of the Company's gross asset value (without adjustment for depreciation or amortization). For the purpose of determining gross asset value, the Land Parcel purchase prices contained in the Land Parcel Purchase Contracts shall be used. The Advisory Termination Fee shall be paid within 30 days following the date that the notice of termination is given.

Under the Advisory Agreement, USA BRA undertakes to use its best efforts (i) to supervise and arrange for the day-to-day management of Company operations, and (ii) to assist the Company in maintaining a continuing and suitable Land Parcel investment and disposition program consistent with Company investment policies and objectives. Under the Advisory Agreement, generally, USA BRA is not required to, and will not, advise on investments in securities, *i.e.*, the temporary investment of offering proceeds pending investment of those offering proceeds in real property. It is expected that the Company's Manager's officers and directors will generally make decisions with respect to temporary investments.

Pursuant to the Advisory Agreement, USA BRA will be entitled to (i) a Program Management Fee of $150,000 per month commencing in May 2014 and continuing through May 2015, and $75,000 per month thereafter until the last Land Parcel is sold or assigned, (ii) an Acquisition Fee of 4% of the contract price of a Land Parcel, and (iii) an Entitlement Completion Fee of 4% of the sales price or the assignment value of each Land Parcel.

The Parent Company's operating agreement requires that their Board of Directors monitor USA BRA's performance under any Advisory Agreement with the Company and to determine at least annually that the amount of compensation the Company pays to USA BRA is reasonable, based on factors as the Managers Board of Directors deem appropriate, including:

- the success of USA BRA in selecting opportunities that meet the Company's investment objectives,
- the rates charged by other investment advisors performing comparable services supervising Companies,
- the amount of additional revenues realized by USA BRA for other services performed for a Company,
- the quality and extent of service and advice furnished to a Company by them,
- the performance of the investments for a Company, and;
- the quality of the investments for the Company in relation to any investments generated by it for its own account.

Unless the Board of Directors of our Parent Company concludes that a higher level of expenses is justified based upon unusual and nonrecurring factors which they deem sufficient, USA BRA must reimburse the Company for the amount of any excess operating expenses. It must make reimbursement within 120 days from the end of their fiscal year. USA BRA will be entitled to be repaid reimbursements in succeeding fiscal years to the extent actual operating expenses are less than the permitted levels. In determining that unusual and nonrecurring factors are present, our Parent Company's Directors will be entitled to consider

all relevant factors pertaining to their business and operations, and will be required to explain their conclusion in written disclosure to the investors. USA BRA generally would expect to pay any required reimbursement out of compensation received by them in the current or prior years. However, there can be no assurance that they would have the financial ability to fulfill their reimbursement obligations.

Land Parcel Acquisition/Entitlement Completion Agreement

A Land Parcel Acquisition/Entitlement Completion Agreement with USA BRA will be executed with the Company, under which USA BRA will agree to act as the Company's agent in connection with purchases and sales of Land Parcels. Under the Agreement, USA BRA is entitled to an Acquisition Fee of 4% of the acquisition price of a Land Parcel for each Land Parcel arranged for purchase by USA HLC-I. Under the Agreement, USA BRA is also entitled to an Entitlement Completion Fee of 4% of the sales price or the assignment value of each Land Parcel. Under the Land Parcel Acquisition/Entitlement Completion Agreement, USA BRA is not entitled to any real estate fee upon the sale of a Land Parcel to, or purchase of a Land Parcel from, another Fund unless approved by both Funds' boards of directors. The Agreement between the Company and USA BRA will have a four year term and will be renewable for additional one year terms thereafter, if the Company has remaining business activity. This discussion is only a summary of the material terms of the Land Parcel Acquisition/Entitlement Completion Agreement between the Company and USA BRA.

Land Parcel Acquisition and Entitlement Completion Fee Compensation

Under the Advisory Agreement, we will pay USA Barcelona Realty Advisors and its Affiliates Program Management Fee compensation, and under the Land Parcel Acquisition/Entitlement Completion Agreement, we will pay USA Barcelona Realty Advisors and its Affiliates Acquisition/Entitlement Completion Fee compensation. In addition, under each such agreement, and in exchange for the services rendered under each such agreement, we would reimburse USA Barcelona Realty Advisors with Reimbursement Compensation for certain payments it makes to its Affiliates. USA Barcelona Realty Advisors will use the Reimbursement Compensation received from us under the Advisory Agreement and the Land Parcel Acquisition/Entitlement Completion Agreement to pay its Affiliates, as determined to be appropriate in the sole discretion of USA Barcelona Realty Advisors.

Reimbursements to USA Barcelona Realty Advisors and its Affiliates

USA Barcelona Realty Advisors and its Affiliates will be reimbursed for certain direct costs incurred on our behalf for acquiring and Entitling our Land Parcels and for goods and materials used for or by us and obtained from entities that are not affiliated with USA Barcelona Realty Advisors and its Affiliates, although whenever possible we and USA Barcelona Realty Advisors and its Affiliates will attempt to have costs incurred on our behalf to be charged to us, rather than charged to USA Barcelona Realty Advisors and its Affiliates and thereafter reimbursed by us. Possible reimbursable costs and expenses include, but are not limited to, interest and other costs for money borrowed on our behalf, taxes on our property or business, fees for legal counsel and independent auditors engaged for us, expenses relating to Class A Member communications, costs of appraisals, non-refundable option payments on property not acquired, title insurance. These expenses also include ongoing accounting, reporting and filing obligations of ours that are provided to us by USA Barcelona Realty Advisors and its Affiliates and payments made to third-parties that are made by USA Barcelona Realty Advisors and its Affiliates on our behalf. These expenses will not include any amounts for overhead of USA Barcelona Realty Advisors and its Affiliates. In addition, there will be no "mark-up" of these expenses by either of these entities. Operating expenses reimbursable to USA Barcelona Realty Advisors and its Affiliates are subject to the overall limitation on operating expenses discussed under "Compensation", but the amount of reimbursement is not otherwise limited.

Subject to the conditions applicable generally to transactions between USA BRA and the Company, an Affiliate may render services to us in connection with the Company's financings or refinancing's and would be entitled to compensation for those services. As of the date of this Memorandum, there are no specific agreements for any of these services.

X. MANAGEMENT & ADVISORS se of Offering Proceeds or Revenues

Our Advisor is the only entity that has officers, directors, advisors and employees. Our Parent Company has officers, directors and outside advisors but does not have any employees. Our entire work needs are met by our Advisor under the direction of our Parent Company, USA Barcelona Realty Holding Company and our Manager, USA Barcelona Hotel Holding Company. We believe the combined experience of the executives, directors, management team and outside advisory group of USA Barcelona Realty Holding Company and our Advisor is substantial in their capabilities to conduct the business of the Company. In addition to their own capabilities, they have a large network of industry contacts, who can be enlisted as additional resources as required. These contacts represent potential contacts for forming strategic alliance relationships, Land Parcel acquisition opportunities and sourcing of financing.

We are a Manager Managed company. Our Manager, USA Barcelona Hotel Holding Company is wholly owned by our Parent Company. Richard Harkins and George T. Simmons are officers of our Manager and Parent Company and serve on our Parent Company's Board of Directors. They will be joined on the Board of Directors by a minimum of three outside directors. Mr. Harkins is President of our Company and other than Major Decisions, makes the day to day decisions for the Company. Major Decisions are made by our Manager and its Manager and are executed by our President. The other Advisors are instrumental in providing oversight and guidance to the Company. The following table sets forth the names and ages of those persons who comprise the Officers of the Company, our Manager and our Parent Company in addition to Advisors to the Company.

Person (Age)	Position	Affiliated Since
Richard C. Harkins (73)	President of the Company; President of our Manager, USA Barcelona Hotel Holding Company; President and of our Parent Company, USA Barcelona Realty Holding Company; and, President of our Advisor, USA Barcelona Realty Advisors.	May, 2009
George T. Simmons (74)	Executive Vice President of the Company; Executive Vice President of our Manager; Executive Vice President of our Parent Company; and, Executive Member and Chief Operating Officer of our Advisor.	July, 2009
Bruce Orr (60)	Executive Member of our Advisor.	April, 2010
Robert Kerrigan (76)	Executive Member of our Advisor.	October 2012
Jeffrey S. Teets (58)	Chief Financial Officer of our Parent Company, our Manager and our Advisor.	August, 2013
Patrick McDonough (62)	Vice President Retail Capital Markets of our Advisor.	November, 2013
Rodney L. Eaves (58)	Vice President Development & Construction Management of our Advisor.	February, 2013
Anthony Manos (52)	An independent advisor to our Advisor.	September, 2013
Dawn Berry (48)	An independent advisor to our Advisor.	June, 2010
Steven Gold (72)	An independent advisor to our Advisor.	August, 2009

Executive Management Team - Our Advisor's senior executives have extensive experience in investing, developing and managing various asset classes of commercial real estate. In addition, we have a number of advisors to the company, who collectively represent nearly 270 years of senior management experience, mostly in the hospitality and multifamily asset classes. (See "The Experience of our Advisor's Management Team and its outside Advisors")

Richard C. Harkins - President, Chief Executive Officer and Executive Member. Mr. Harkins has over 40 years of background in the real estate industry. His experiences include land acquisition, development, financing and executive management involving over 675 individual hospitality and multifamily properties. He has been the responsible executive for directing activities involving obtaining the debt and equity capital required for land acquisition, development and construction. He has directed the capital markets activities that resulted in arranging the equity financing for the aforementioned 675 properties. He

also has substantial experience in residential land development and development of daily fee golf properties. His experience includes tenures with Gulf Oil Real Estate Development Corporation, Cardinal Industries and numerous private venture real estate companies. Over the period 2002 through mid-2009 Mr. Harkins was in the creation and executive management of Arizona Village Communities Operating Company, Inc. ("AVC"), a land development, luxury community developer and real estate investment company, which ceased operations in 2009. He received an extensive education in electronics and electronic warfare systems and procedures while serving over nine years of active duty in the U.S. Navy and holds a BS Degree in Accounting from the University of Alabama. Other than a ten month consulting engagement with Pierce-Eislen, a nationally recognized market research firm focused in the apartment industry, during the most recent five year period, he has been fully involved in founding, organizing and the startup of USA Barcelona Realty Holding Company and its several Affiliates.

George T. Simmons - Executive Vice President, Chief Operating Officer and Executive Member. Mr. Simmons has over 25 years of background as an investor, developer and owner of individual office, retail and manufacturing properties, and as an investor and director of several private commercial real estate holding companies. Mr. Simmons was a director of AVC with Mr. Harkins. He also has over 35 years of senior executive experience in the semiconductor industry and is a founder of a semiconductor manufacturing company operating with multiple factory sites in Greater China. He holds a BS Degree in Engineering and Economics from the University of Nebraska. During the most recent five year period, Mr. Simmons was engaged in various start-up initiatives in healthcare and commercial real estate ventures, plus being heavily involved with Mr. Harkins in preparing to launch USA Barcelona Realty Holding Company.

Bruce Orr – Executive Member. Mr. Orr focuses on property research, analysis and acquisitions. He has a background in corporate finance and commercial banking. He earned his MBA from Pepperdine University and was trained in banking and finance while with Wells Fargo Bank Commercial. He has broad experience in corporate finance, mergers and acquisitions, ESOPs and real estate financing. Mr. Orr has worked within the hotel development industry as a consultant and Chief Operating Officer, and as an independent developer, has worked on a number of hotel projects in Southern California. Over the most recent five year period, Mr. Orr has been affiliated with a partnership, Development Net Co., to develop commercial real estate in Southern California, plus assisting with the preparation to launch USA Barcelona Realty Holding Company.

Robert Kerrigan – Executive Member. Mr. Kerrigan advises on financial matters. He is currently the President and sole shareholder of Personal Wealth Management Group, Inc. He holds a designation of Certified Wealth Consultant. For the past 45 years, Mr. Kerrigan 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 holds a BS Degree in Economics from the University of Wisconsin Oshkosh. During the most recent five year period, Mr. Kerrigan has been a Registered Representative and Personal Financial Advisor with FFEC, a broker-dealer organization headquartered in Scottsdale, AZ, plus being involved with the formation of USA Barcelona Realty Holding Company.

Jeffery S. Teets - Chief Financial Officer. Mr. Teets is a financial executive with over 25 years of broad experience in the operational and development aspects of fast growing real estate investment companies Mr. Teets has been successful in partnering finance and reporting with operations to drive long-term gains in business performance, revenues, company value and bottom-line profits has substantial experience in real estate development, acquisitions/ dispositions of properties and finance with Macerich/Westcor, a major real estate developer/manager of regional malls, retail centers and resorts. Prior to the acquisition of Westcor by Macerich, as Treasurer of Westcor, Mr. Teets was responsible for structuring the successful $1.5 billion merger of various Westcor operations into a public REIT infrastructure. He has a public accounting background with Ernst & Young, holds a BS Degree in Accounting from Michigan State University and is a Certified Public Accountant. During the most recent five year period, Mr. Teets performed in the capacity of interim CFO for several commercial real estate companies and as a financial consultant involved with due diligence on acquisition targets, financial structuring and strategic tax planning.

Patrick McDonough - Vice President, Retail Capital Markets. Mr. McDonough has a senior management background in development, acquisition and management of office and healthcare properties. He was most recently the top executive in a regional services organization, Sedona Real Estate Group, advising clients on various aspects of commercial real estate development, acquisition and asset management. Patrick also has substantial senior executive tenure in the health care industry. He holds a BS Degree in Finance from the University of Scranton. During the most recent five year period, Mr. McDonough was involved with a variety of commercial real estate projects as Managing Director of Sedona Real Estate Group, LLC in Carefree, AZ.

Rodney L. Eaves - Vice President, Development & Construction Management. Mr. Eaves began his career in the architectural and design field. That experience ultimately led him into the construction industry, when in 1983 he joined the Kiewit Corporation, one of the largest construction companies in North America, as an architectural coordinator. Over a 30-year span Mr. Eaves participated in and managed numerous commercial projects that included construction developments in the transportation, education, hospitality and sports industries. In 2012, he retired as President and Area Manager for the Kiewit Western division of the Kiewit Corporation. Mr. Eaves served on the board of directors of the Precast Concrete Institute. He is a native Phoenician and graduated from the University of Arizona with a BS in Architecture. During the most recent five year period, Mr. Eaves was employed by the Kiewit Corporation and was separately involved as a principal in several personally financed real estate development projects.

Advisors to Management

Anthony Manos – Mr. Manos is Chief Investment Officer at Corton Partners. He formerly served as Senior Vice President of Development & Acquisitions at the Irvine Company and was responsible for the development/acquisition of the company's shopping center portfolio and the redevelopment of Fashion Island and Irvine Spectrum regional malls. He also was on the development and planning team for the five-star Pelican Hill Resort. Mr. Manos served as the Senior Vice President and Head of the West Coast Operations for Brookfield Properties' portfolio of 8,000,000 square feet of office and mixed use properties valued at over $3.0 billion. As Executive Vice President of Mixed Use Development and Operations for Westfield Corporation, he was responsible for the selection and entitlement of their hospitality sites throughout the U.S. Mr. Manos has worked as a consultant and is a Certified Public Accountant, starting his career at Deloitte Haskins & Sells. He holds a BS Degree in Accounting and Finance from the University of Southern California.

Dawn Berry - Ms. Berry is President and Chief Executive Officer of Pyramid Hospitality and Development Company and has over 20 years' experience in the hospitality industry. Her expertise includes executive management of hotels in focused service, full service, destination resort hotels and franchise brand management ranging from 125 to 2,200 guest rooms in urban, suburban and destination markets across the U. S. During her six year prior role as Vice President of Brand Management for Hilton Garden Inn, she earned the JD Power Award for brand experience during five of her six years, and was a contributing member in taking the brand from 58 to 310 properties. She holds a BS Degree in Business from the University of Wisconsin. Over the past five years Ms. Berry has been the President and Chief Executive Officer of Pyramid Hospitality and Development Company.

Steve 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 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. Mr. Gold has been a Director of the public REIT Commonwealth Equity Trust, served as Chairman of Center Financial and was an Adjunct Professor at UCLA Business School. He specializes in the financing of major real estate developments and originates many joint ventures for developers with institutional partners. He holds a BS Degree in Business and a MBA, both from UCLA. Over the past five years Mr. Gold has been Managing Director for Hotel Financial Strategies.

XI. CONFLICTS OF INTEREST

General Conflicts

We may be subject to various conflicts of interest arising from our relationship with USA BRA, with future Funds managed by USA RHC and their management. USA BRA intends to provide advisory services only to Funds, their Affiliates and subsidiaries, and to other Funds sponsored by USA RHC, so that conflicts with USA RHC will be minimized. In addition, their management may have conflicts of interest in allocating time and attention among us and other Funds engaged in similar activities, which may be organized by members of their management in the future.

USA RHC and its management are restricted from engaging for their own account in business activities of the type conducted by the Company. Occasions may arise when interests conflict with those of one or more of USA RHC's management or other programs organized by them. Subject to certain limitations in our articles of incorporation and the Advisory Agreement, USA BRA and their management are accountable to the Company, other future Funds and Affiliates under advisory or other contracts.

USA BRA will assist the Company and Affiliates in acquisition, organization, servicing, management and disposition of investments.

Conflicts Related to Fees, Compensation and Economic Benefits Paid to USA RHC and USA BRA

The receipt of various fees and other economic benefits by USA RHC and USA BRA or management may result in potential conflicts of interest for persons who participate in decision making on behalf of the Company and any future Funds under contract and these other entities (or, in the case of management, on behalf of themselves individually). USA RHC and USA BRA also may be subject to conflicts of interest arising from their relationship with Affiliates and their management.

Policies to Address Conflicts

USA RHC and USA BRA will also be subject to the various conflicts of interest described in this section. They intend to implement policies and procedures to try to ameliorate the effect of potential conflicts of interest. They will endeavor to enter into contracts designed to ensure that these contracts are not less favorable to us than would be available from an unaffiliated party.

Transactions with Affiliates and Related Parties

Transactions conducted by USA BRA must be in all respects fair and reasonable to the Company's Members. If any proposed transaction involves the purchase of Land Parcels, the purchase must be on terms not less favorable than those prevailing for arm's-length transactions concerning a comparable Land Parcel, and at a price no greater than the cost of the asset to the seller unless it is determined that substantial justification for the excess exists. Examples of substantial justification might include, without limitation, an extended holding period for capital improvements by the seller, which would support a higher purchase price. USA BRA will receive compensation for providing many different services. Fees payable and expenses reimbursable will be subject to the general limitation on operation expenses.

Interlocking Board of Directors

Richard Harkins and George T. Simmons concurrently serve as Executive Members of USA BRA and will serve on the board of directors of USA HHC, the Manager of the Company. There may be future instances where our Land Parcels are in the same markets as Land Parcels owned by future Funds for which USA HHC is the manager and USA BRA is Advisor. However, we do not believe that any of USA HHC's director's service as a director in a future Fund owning Land Parcels in the same markets will present a material conflict of interest. Directors will endeavor to act in the best interests of the Company and any future Fund.

The following chart shows the common management and board membership of the Company and any future Fund and two of the Executive Members of USA BRA:

Chart - Interlocking Management and Board of Directors

Affiliate Company	Person	Title	Person	Title
USA Barcelona Realty Holding Company	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President
USA Barcelona Hotel Holding Company	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President
USA Barcelona Hotel Land Company I	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President
USA Barcelona Realty Advisors	Richard Harkins	President & CEO	G. Thomas Simmons	Executive Vice President

Competition for Management Services

USA BRA's management may at times owe certain duties to entities which conflict with their advisory duties to us. Their management may in the future organize additional Funds which may compete with us and may, as a director or officer of those Funds, owe duties to those Funds, which may conflict with duties to the Company and any future Fund.

Competition between Funds That May Be Organized by USA HHC

Future competing activities of USA HHC may involve conflicts of interest. USA HHC may from time to time become aware of properties of different types available for sale that could be purchased by a future Fund. USA HHC would expect to recommend the possible acquisition of a particular Land Parcel that might be available for purchase to one Fund or another Fund based upon their respective business plans, the markets in which the companies already own properties, the type of Land Parcel involved and other relevant considerations, but there can be no assurance that these types of considerations will eliminate any potential conflict of interest presented by this situation.

Funds that may be formed by USA HHC, may in certain circumstances compete with one another in seeking to dispose of Land Parcels. This could occur when a potential purchaser of Land Parcels has an interest in Land Parcels owned by more than one of these companies. We believe that the magnitude of this potential risk will be lessened by certain factors, including that the companies will differ in certain aspects in the sectors and locations of the assets they hold and will often, at any given time, be in different stages of their business or development plans. However, there is no assurance that a prospective purchaser would not make an attractive offer to more than one of these companies. The board of directors of the Fund to whom such a potential offer might be made would have to carefully evaluate all terms of the offer in light of that particular Fund's overall business plan, including possible future alternative disposition or liquidation options.

In addition, we expect that by the time USA HHC seeks to develop or acquire Properties for a given Fund, no other future Fund organized by USA HHC will be seeking to acquire Land Parcels at the same time. Therefore, as a general proposition, we would not expect Funds to compete with other Funds sponsored by USA HHC. Thus, we do not expect there to be any direct conflict between the interests and the interests of any similar Fund organized by USA HHC during the efforts to develop Land Parcels. However, USA HHC plans as described in this Memorandum are not yet memorialized in any binding, written agreement with any future Fund.

As noted above, notwithstanding USA HHC's proposal that any given Land Parcel acquisition phase will not coincide with the offering of interests in or the Land Parcel acquisition activities of any other Fund organized by USA HHC, it is not possible to provide the same protection against potential conflicts of interest with respect to the sale or other disposition of Land Parcels. USA HHC believes that a Fund's ultimate Land Parcel portfolio will be distinguishable to a degree from the property portfolios of Funds that may in the future be organized by USA HHC. In addition to the differences in the actual assets these various companies own, they may own different mixes of types of assets (for example, the distribution of assets within the categories of hotels (such as extended-stay hotels as compared with full-service hotels) and/or the identity of the hotel franchise involved, and there may be differences in the mix of locations of the assets of the various companies. In addition, since Funds will be, or were, organized at a different time, Funds will, at any point, be in different stages of business and development plans. We believe that, as a general rule, Funds organized earlier will tend to seek to dispose of their properties earlier than Funds organized later. However, there can be no assurance that this principle would always apply, and there can be no assurance that a potential purchaser of Land Parcels might not express an interest in Land Parcels or hotels owned by more than one of the Funds that may be organized by USA HHC. As noted, the boards of directors of the Funds involved would have to carefully

evaluate all terms of any offer in light of the companies' overall business and development plans, but potential conflicts with respect to the possible disposition of Land Parcels that may be organized by USA HHC may not be subject to complete elimination.

Although any given Funds operational phase may overlap with the operational phases of other future Funds that may be organized by USA HHC, and it is possible that any disposition and liquidation phase could coincide or partially overlap with the disposition and liquidation phase of such future Fund, certain factors will tend to ameliorate the effect of the resulting potential conflicts of interest associated with these factors.

With respect to our disposition and liquidation phase, and the disposition and liquidation phases of other related programs, insofar as such matters are within their control, we would expect USA HHC take steps and implement procedures to minimize potential conflicts between programs. Thus, for example, we would expect that they engage third-party investment advisors to recommend when and how they should seek to dispose of its Funds assets or engage in some other liquidation or "exit" strategy. We would expect USA HHC endeavor to avoid having a situation where they are simultaneously engaged in a conflicted attempted disposition or liquidation strategy where this would present a potential conflict of interest. This might mean, for example, that they would defer disposition of a Fund's assets or other "exit" strategy until after another previously organized Fund had implemented its disposition or exit strategy. However, depending upon the facts, the amelioration of potential conflicts of interest could take other forms. For example, it is possible that two Funds could simultaneously be offered for sale in a proposed single transaction. This could occur, for example, if our ultimate size is relatively small and simultaneous sale of two or more Funds to a single Purchaser could maximize benefits to the Members of all Funds involved.

USA RHC's executive team members and management are sensitive to the various potential conflicts of interest associated with the simultaneous operation of multiple Funds with similar investment objectives, policies and strategies. In analyzing potential conflicts of interest, they will consider factors of the type discussed in this section of the Memorandum, their legal obligations to their Members, and the advice of independent experts, including investment advisors, auditors and legal counsel. However, Members must assume that not every potential conflict of interest can be eliminated. For example, they do not necessarily control their disposition or "exit" phase. A third-party Member could make unsolicited offers for our Land Parcels and another program at the same time. In such event, as noted, the boards of directors of the Funds involved would have to carefully evaluate all terms of any offer in light of the respective companies' overall business and development plans, including the stage of development of the Fund, its current plans for ongoing continued operations, the likelihood of alternative exit strategies in the future, the advice of third-party advisors and other factors. USA RHC's management believes that the policies and procedures described in this section to ameliorate potential conflicts of interest are sufficient to adequately safeguard the interests of the Members.

In connection with evaluating potential conflicts of interest involving USA HHC's officers and directors, prospective investors should also note that use of the same management personnel for the Company and other Funds may result in certain cost efficiencies and advantages in management experience and expertise that might not be present if we and other Funds organized or owned by USA HHC had its own distinct set of officers and other management personnel. This is because their officers and management personnel have experience working for several different companies involved in similar businesses, and the cost of employing these persons would be spread among multiple companies.

USA HHC and USA BRA may be entitled to fees and benefits from future Funds that USA HHC may organize when those future Funds dispose of their assets. The fee structure between USA HHC and USA BRA may not be the same as the fee structure between future Funds and USA HHC and USA BRA. There is no agreement with USA HHC and USA BRA limiting its ability to form Funds in the future that may limit the type and amount of compensation payable to USA HHC and USA BRA by any companies that USA HHC may organize.

XII. PLAN OF DISTRIBUTION

The Offering

The Class A Units are being offered on a "best efforts", no minimum Offering basis. The Class A Units are being offered by officers 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 ("Selling Agents") subject to applicable laws, may receive fees or commissions of up to 8% of the sales price of Class A Units sold. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

Sales commissions on Class A Unit sales will be paid from Offering Proceeds within three business days from the time Offering Proceeds are received by the Company from escrow. We anticipate that an additional 1% (up to $100,000) 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, legal, printing, mailing, and accounting fees. After deduction of those expenses, all other Offering Proceeds will be used by the Company to pursue the business plan outlined in this Memorandum. See "Planned Use of Offering Proceeds".

The Class A Units are offered to Accredited Investors only at $1,000 per Class A Unit, with a minimum purchase of 100 Class A Units for $100,000. No prospective investor should assume that the per-unit prices reflect the intrinsic or realizable value of the Class A Units or otherwise reflect our value, earnings or other objective measures of worth.

USA Barcelona Realty Advisors, its Affiliates and assigns, may purchase Class A Units in this Offering without Commissions at the Modified Price on the same terms and conditions as other Eligible Persons. If USA Barcelona Realty Advisors, Affiliates and assigns purchase any Class A Units, they will be permitted to vote on any matters submitted to a vote of holders of the Class A Units. Any purchase of Class A Units in this Offering must be for investment, and not for resale or distribution.

We expect to terminate this Offering when all of the Units offered by this Memorandum have been sold or March 31, 2015 (whichever occurs sooner); provided, we may at our discretion extend the Offering for up to an additional 180 days in order to sell all 10,000 Units, or such lesser amount as we may elect.

This is our initial offering of Class A Units. There is no market for any of our Class A Units. The initial Offering Price for the Class A Units is arbitrary and was determined on the basis of our proposed capitalization, .market conditions and other relevant factors.

Who May Purchase – Accredited Investors Only

Each investor who desires to purchase Units must be an "Accredited Investor" within the meaning of Rule 501 of Regulation D, promulgated under the Securities Act, and will be required to complete and sign a Subscription Agreement in the form included in this Memorandum as Exhibit A. In addition to requesting basic identifying information concerning the investor, such as his or her name and address, the number of Units subscribed for, and the manner in which ownership will be held, the investor is required to make a series of representations to us set forth in the Subscription Agreement.

We ask for these representations to help us determine whether you have received the disclosure materials pertaining to the investment, qualify as an Accredited Investor, meet certain suitability requirements we have established, and understand what you are investing in. Should a dispute later arise between you and us concerning matters that are the subject of any representation, we would expect to rely upon your making of that representation in the Subscription Agreement if you later claim

"Accredited Investor" has the meaning given in Rule 501 of Regulation D, promulgated under the Securities Act.

(a) The following natural persons are "Accredited Investors":

(i) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase, exceeds $1,000,000 (excluding the value of that person's primary residence); or,

(ii) 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.

(b) The following entities are defined as "Accredited Investors":

(i) 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 "sophisticated person" within the meaning of Rule 506(b)(2)(ii) of Regulation D;

(ii) Any entity in which all of the equity owners are "Accredited Investors"; or,

(iii) Other entities defined in Rule 501 of Regulation D.

These standards impose minimum income and net worth standards which we believe are reasonable considering our planned business activities, our method of making the Offering under Regulation D and the risks associated with a purchase of the Class A Units. These risk factors include the potential income tax implications to Investors, the lack of liquidity in the Class A Units, potential variances in cash Distributions to Investors, our use of leverage, and the risks generally inherent in the real estate industry. See the discussion of "Risk Factors" in this Memorandum.

Modified Price for Eligible Persons

The following persons ("Eligible Persons") may purchase Class A Units at a Modified Price of not less than $920 per Class A Unit: (a) our Affiliates, including management, employees, officers and directors of the Company or the Advisor, or of the Affiliates of either of the foregoing entities (and the immediate family members of any of the foregoing persons), and any plan established exclusively for the benefit of such persons or entities; (b) A registered principal or representative of a Selling Agent (and the immediate family members of any of the foregoing persons); (c) a client of an investment adviser registered under applicable securities laws; and (d) a person investing in a bank trust account for which the decision-making authority has been delegated to the bank trust department (other than any registered investment advisor that is also registered as a securities dealer, with the exception of clients who have "wrap" accounts which have asset based fees with such dually registered investment advisor/ securities dealer). For purposes of this paragraph, "immediate family members" means such person's spouse, parents, children, grandparents, grandchildren and any such person who is so related by marriage such that this includes "step" and "in law" relations as well as such persons so related by adoption. The amount of net proceeds to the Company from the sale of Class A Units with full Selling Agent Commissions will be the same as from the sale of Class A Units at a Modified Price without Commissions.

Selling Agents that have a contractual arrangement with their clients for the payment of fees on terms that are inconsistent with the acceptance of all or a portion of the Commissions may elect not to accept all or a portion of their compensation in the form of Commissions for Units that they sell. In that event, such Units shall be sold to the investor net of some or all of the 8% Commissions at a per Unit purchase price as low as not less than $920 per Class A Unit.

Escrow Account

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company. The Offering will continue until March 31, 2015 unless the Company elects to extend the Offering for up to an additional 180 days. We will not charge fees on funds returned if we determine to terminate the Offering. The escrow account will pay earnings to investors from the date the investors' funds are received until the date of the initial Closing. We will remit the aggregate interest pro rata to the Subscribers.

Closings will be held at least monthly during the Offering Period as Subscriptions are received and accepted. The final Closing will be held shortly after the termination of the Offering Period or, if earlier, upon the sale of all the Class A Units or whatever lesser amount as determined by the Company. It is expected that after the initial Closing, we will accept Subscriptions of Class A Units no later than the last day of the calendar week following the week in which their Subscriptions are received. Funds received during the Offering but after the initial disbursement of funds will be held in the escrow account until the next Closing, and then disbursed to us. After the initial Closing, investors' funds will be held in the escrow account pending each applicable Closing.

The account will pay earnings to investors from the date the investors' funds are received until the date of the initial Closing. We will remit the aggregate interest pro rata to the subscribers. After the initial Closing, investors' funds will be held in the escrow account pending each applicable Closing.

Accepting Subscriptions

In no event are we required to accept the subscription of any prospective investor, and no Subscription shall become binding on us until a properly completed Subscription Agreement prepared and executed by the prospective investor has been accepted by us. Subscriptions will be revocable by us by written notice delivered to the Subscriber at least five days before the initial Closing and each subsequent Closing. It is expected that after the initial Closing, we will accept Subscriptions of Class A Units no later than the last day of the calendar week following the week in which their Subscriptions are received. The final Closing will be held shortly after the termination of the Offering Period or, if earlier, upon the sale of all the Class A Units or whatever lesser amount as determined by the Company. Funds received during the Offering but after the initial disbursement of funds will be held in the escrow account until the next Closing, and then disbursed to us.

We will require each Investor to review and complete a Subscription Agreement in which the Investor will represent that he or she meets the applicable suitability standards described in the Subscription Agreement. The form of the Subscription Agreement is attached as Exhibit A. We rely on the representations made by the Subscriber in the Subscription Agreement in assuring adherence to this suitability.

Any purchase of Class A Units in this Offering must be for investment, and not for resale or distribution.

This is our initial offering of Class A Units. There is no market for any of our Class A Units. The initial Offering Price for the Class A Units is arbitrary and was determined on the basis of our proposed capitalization, market conditions and other relevant factors.

The Company is offering the Class A 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 Class A Units directly by the Company. Fees up to 8% ($800,000) may be paid by the Company on Class A 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 state securities laws.

Sales commissions on Class A Unit sales will be paid from Offering Proceeds within three business days from the time Offering Proceeds are received by the Company from the escrow agent. An additional 1% ($100,000) 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, legal, printing, mailing, and accounting fees. After deduction of those expenses, all other Offering Proceeds will be used by the Company to pursue the business plan outlined in this Memorandum. The Company is offering the Class A Units on a "best efforts" basis. See "Planned Use of Offering Proceeds".

There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

The Company is Offering Accredited Investors an opportunity to purchase an aggregate amount of 10,000 Class A Units at $1,000 per Class A Unit. Purchasers must purchase a minimum of one hundred (100) Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion.

We expect to terminate the Offering on March 31, 2015 or when all of the Class A Units offered by this Memorandum have been sold (whichever occurs sooner), unless extended by us for up to an additional 180 days ("Offering Period"), in order to achieve the Maximum Offering of 10,000 Class A Units or such lesser amount as we may elect.

XIII. PRINCIPAL AND MANAGEMENT UNIT HOLDERS

Upon completion of the Maximum Offering, beneficial ownership of our Class B Units that will be held by our Advisor and Manager are indicated in the table below. Each person named in the table has sole voting and investment powers as to the Class B Units and shares those powers with his/her spouse, if any.

Title of Class	Name of Beneficial Owner	Address of Beneficial Owner
Class B Units	USA Barcelona Realty Advisors, LLC	7025 North Scottsdale Road, Suite 160 Scottsdale, AZ 85253
	USA Barcelona Realty Holding Company, LLC	7025 North Scottsdale Road, Suite 160 Scottsdale, AZ 85253

Percentage of All Issued & Outstanding Class A Units and Class B Units	Percentage	Number
Under the Maximum Offering of Class A Units, total Units will be issued to the following:		
Total Units (including Class A Units and Class B Units)	100.00%	11,111
Class A Units (issued to Class A Members)	90.00%	10,000
Class B Units	10.00%	1,111
Class B Units will be issued, as follows:		
USA Barcelona Realty Advisors, LLC (and assigns)	4.00%	444
USA Barcelona Hotel Holding Company, LLC (and assigns)	6.00%	667

XIV. FEDERAL TAX CONSIDERATIONS

Accredited 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 Members, and the impact of owning Class A 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 Class A 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 Class A 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 Class A 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 Member in light of his personal investment circumstances or to certain types of Class A 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 Member. Accordingly, a prospective Member is urged to consult his or its own tax advisors regarding an investment in the Company and its consequences.

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

XV. 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.

XVI. REPORTS TO CLASS A MEMBERS

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 the Company, together with a description of any new agreements. We also intend to send to our Class A Members 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 Class A Members also have the right to obtain other information about the Company.

XVII. FINANCIAL STATEMENTS

The unaudited Financial Statements for the Company at April 30, 2014, 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 commencing with the year ending December 31, 2014.

XVIII. TERMS OF THE OFFERING

The Company's Operating Agreement authorizes the Company to issue and sell up to 10,000 Class A Units. See "Exhibit B, Operating Agreement". We expect to terminate the Offering when all of the Class A Units offered by this Memorandum have been sold or March 31, 2015 (whichever occurs sooner), unless extended by us for up to an additional 180 days ("Offering Period"), in order to achieve the Maximum Offering of 10,000 Class A Units or such lesser amount as we may elect.

Offering fees and commissions of up to 8% may be paid by the Company where sales are made by securities dealers and other Selling Agents legally authorized to receive such compensation. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. The Company will not pay offering commissions or custodian fees relating to Class A Units sold at the Modified Price. Regarding purchases of Class A Units by IRAs, if applicable, the Company will pay a one-time fee to the associated IRA custodian of up to $500, which payment will be deducted from any commissions otherwise due on the sale of the associated Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period.

The Class A Units sold under the Offering will be offered directly by members of management of the Company, for which no commission or other compensation related directly or indirectly to their sales efforts, will be paid. Class A Units may also be offered through members of Financial Industry Regulatory Authority ("FINRA"), registered investment advisors and others, subject to applicable securities laws, to Accredited Investors as defined in Rule 501(a) of Regulation D. The Company's estimation of its allocation of the net Offering 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 Offering Proceeds.

Offering Expenses in an amount up to 1% of Offering Proceeds may be paid for legal, accounting, escrow printing and other related expenses. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. Offering Proceeds 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 Operating Agreement. ("Exhibit B – Operating Agreement").

XIX. RESTRICTIONS ON TRANSFERABILITY

There will be no public market for the Class A Units, and there will be significant restrictions on the transferability of the Class A Units.

The Class A 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 Class A Units and is not required to register them or to make any exemptions from registration available.

The Questionnaire and Subscription Agreement contains substantial restrictions on the transferability of the Class A Units. No transfer of Class A 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 Class A Units will bear legends similar to the following:

THE CLASS A UNITS 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.

XX. SUBSCRIBER INFORMATION AND QUALIFICATIONS

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

- An executed copy of the Questionnaire and Subscription Agreement (Exhibit "A"), with all blanks properly completed for the purchase of a minimum of 100 Class A Units for $100,000, or in such other amount as approved by the Company;
- Payment of the applicable Purchase Price or Modified Price made payable to "USA Barcelona Hotel Land Company I, LLC".

All as set forth in the instructions located in the Subscription Instructions for Class A Units included in Exhibit A.

The Questionnaire and Subscription Agreement shall be tendered to the Escrow Agent. Upon acceptance by the Company, Subscribers for the Class A Units will be admitted to the Company as Class A Unit Members, and payment for the Class A Units shall be delivered to the Company.

Accredited Investor Confirmation

Regulation 506(c) requires issuers raising money through offerings under Regulation D where they generally solicit to verify that their investors are "Accredited Investors". Before accepting a Subscriber's application to invest in our Class A Units, we must take "reasonable steps" to establish our belief that the Subscriber is an "Accredited Investor". Subscribers have optional ways they can provide us with such information, as described in Exhibit A – Questionnaire and Subscription Agreement.

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 Operating 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 Class A 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.

Other Information Available

The following is currently available upon request:

1. Financial Forecast Statements, by month.
2. Specified Land Parcel, detailed information schedule.
3. Master Planning Schedule, sixteen land parcel forecast.
4. Land Parcel "nine-steps" Entitlement Period planner.
5. Advisory Agreement with USA BRA.
6. Additional information on Chanen Construction Company. Also see www.Chanen.com.

The following is available based on specific broker dealer request:

Third Party Due Diligence Report on (prepared based on Broker Dealer request; allow 45 days):

i. USA Barcelona Realty Holding Company.
ii. USA Barcelona Hotel Land Company I, LLC Offering.

XXI. HOW TO SUBSCRIBE

Any qualified Offeree who wishes to purchase Class A Units should proceed to **Section XXIV. INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS.**

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XXII. DEFINED TERMS

"Accredited Investor" has the meaning given that term in Rule 501 of Regulation D, promulgated under the Act.

"Acquisition Fee" means a fee payable to USA Barcelona Realty Advisors equal to 4% of the gross purchase price (including any debt assumed or incurred in connection with the purchase of the Land Parcel) of each Land Parcel purchased by the Company.

"Act" means the United States Securities Act of 1933, as amended.

"Additional 5% Distribution" means a Distribution made after the 8% Priority Distribution that shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is cumulative.

"Administration Agreement" means the agreement between USA BRA and the Company setting forth the terms by which USA BRA provides management services to the Company.

"Adjusted Capital Account" means the Initial Capital Account less Distributions received as Return Of Capital Distributions.

"ADR" means average daily rate of hotel rooms.

"Advisor(s)" means USA Barcelona Realty Advisors, LLC and USA BRA.

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

"Advisory Termination Fee" means the fee due USA BRA upon termination of the Advisory Agreement.

"Affiliate" means (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) any Person owning or controlling 10% 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" 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.

"Agreement" means the Operating Agreement, by and among the Members and the Company, as it may be amended, modified or supplemented from time to time.

"Capital Account Credit" means an amount granted to USA Barcelona Realty Advisors by the Company for organization period work contributed to the Company, including the work included the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters.

"Capital Contribution" means a contribution of money, property or services made by a Member to the Company.

"Catchup Distribution" means a Distribution made to make up any unpaid and accrued Cumulative Distributions from prior periods.

"Cause" means, with respect to any Manager, any of the following: (i) conviction of a felony or conviction of a misdemeanor which in the determination of the Members adversely affects the Company or the ability of the Manager to perform its duties hereunder; (ii) misappropriation of Company funds or other acts of dishonesty with respect to the Company; (iii) such Manager's breach of this Agreement in any material respect; (vi) the failure of such Manager to diligently, substantially and satisfactorily perform the Manager's duties under the Operating Agreement.

"Chanen" means Chanen Construction Company.

"Class A Units" means the 10,000 Class A Member Units of the Company being offered in the Offering.

"Class A Member" means a Member owning Class A Units.

"Class B Member" means a Member owning Class B Units, which initially shall be USA HHC, the Company's Manager, and USA Barcelona Realty Advisors, the Company's Advisor.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company" means USA Barcelona Hotel Land Company I, LLC.

"Core Property" means a mature performing hotel property with a proven track record.

"Cumulative Distributions" means total Distributions made with respect to any Units are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and due (i) to the Class A Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be paid in full prior to the payment of any other Distributions to any Member

"Distribution" means any payment of cash or other value made to a Member with respect to a Unit.

"8% Priority Distribution" in any period means a Distribution made after any Catchup Distributions, and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% annual return on their Initial Capital Accounts; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative.

"Escrow" means a bank account at Alliance Bank of Arizona where all accepted Subscriber funds will be held until the Company accepts the Subscription, at which point the Escrow funds are released to the Company.

"Eligible Person(s)" has the meaning given that term in Section XII - Plan of Distribution.

"Entitle" and "Entitlement" means, for a Land Parcel, performing due diligence, coordinating planning and design, arranging financing, obtaining franchise approval and obtaining governmental approvals needed for the construction and operation of a hotel on a Land Parcel.

"Entitlement Completion Fee" means a payment due USA BRA from the Company based on four percent (4%) of the sales price or the assignment value of each Land Parcel.

"Entitlement Period" means the period from the date the Company contractually controls a Land Parcel to the date we declare it Shovel-Ready by obtaining the necessary building permits to construct a hotel.

"Entitlement Process" means the process through which we undertake the activities necessary to bring a Land Parcel to a point of being Shovel-Ready and ready for hotel construction. These activities include sourcing the site, performing due diligence, coordinating planning and design, arranging financing, obtaining franchise approval and achieving all necessary approvals to obtain a building permit to build a hotel.

"ERISA" means Employee Retirement Income Security Act.

"Executive Committee" means the Executive Members of the Company.

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

"Face Amount" means $1,000 per Class A Unit.

"Final Distribution" means the fourth Distribution and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

"Final Distribution Option" means at the time the Company determines to make the Final Distribution, each Class A Member will have the following choices:

1. Accept a cash payment for the full amount of the Final Distribution,

2. Forego a cash payment for the Final Distribution in full and receive investment units in a New Build Affiliate that will be specified by the Company; or,

3. Split the Final Distribution amount into (i) a partial cash payment and (ii) the balance in units in the specified New Build Affiliate.

"FINRA" means the Financial Industry Regulatory Authority.

"Financial Forecast" and "Forecast" means the Company's forecast of business activities under its business plan as contained in Exhibit D.

"Fund(s)" means an entity designed to obtain equity capital through securities offerings, the proceeds of which will be used to develop and acquire, on a leveraged or unleveraged basis, hotels and other qualified real estate properties.

"Hotel Land Parcel Entitlement Program" means the program that the Company undertakes to contract to acquire Land Parcels and obtain the Entitlements which includes sourcing the site, performing due diligence, coordinating planning and design, arranging financing, obtaining franchise approval and achieving all necessary approvals to obtain a building permit to build a select service hotel.

"Initial Capital Account" means the purchase price paid for Units in cash, property or any Capital Account Credit.

"IPO" means initial public offering.

"IRA" means an individual retirement account that provides tax advantages for retirement savings in the United States.

"Land Parcel" means a vacant parcel of land that the Company will consider suitable for the construction of a select service hotel.

"Land Parcel Acquisition/Entitlement Completion Agreement" means that agreement that the Company will execute that states USA BRA will act as the Company's agent in connection with the acquisition and Entitlement of Land Parcels.

"Land Parcel Purchase Contract" means a contract between the Company and an owner of a Land Parcel setting forth the terms and conditions of purchase of the parcel of land by the Company.

"Liquidity Feature" means a feature that the Company intends to create to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

"LLC" means a limited liability company.

"Majority In Interest" means a simple majority of Units of a Class of Members in the Company.

"Manager" means USA Barcelona Hotel Holding Company, LLC or any other Person elected as a manager of the Company.

"Manager Managed" means a limited liability company that is managed by its' manager and not its' members.

"Maximum Investment Period" means the length of time starting with the Effective Date and ending with the month in which the last Land Parcel is sold.

"Members" mean all members of the Company, including the Class A Members and the Class B Members.

"Memorandum" means this Confidential Private Placement Offering Memorandum dated May 5, 2014.

"Modified Price" means a price per Class A Unit to be sold to an Eligible Person with reduced or no selling fees or commissions, where that provides net proceeds to the Company of not less than $920 per Class A Unit.

"New Build Affiliate" means a single purpose limited liability company that acquires a Land Parcel Purchase Contract from the Company with the intent of constructing, owning and operating a hotel to be built on the Land Parcel.

"New Build Program" means a Company program where, following the Entitlement Process conducted by the Company, an Affiliate (in this case a New Build Affiliate) acquires a Land Parcel owned or controlled by the Company and proceeds to develop a hotel on the Land Parcel.

"Offeree" means a person to whom an Offering is made.

"Offering" means the offering of 10,000 Class A Units made by this Memorandum.

"Offering Period" means that period during which the Class A Units may be offered for sale which is up to and including March 31, 2015 plus an additional 180 days if so determined by the Company.

"Offering Price" means the price for one Class A Unit of $1,000, as offered under the Offering.

"Offering Proceeds" means funds raised under the Offering.

"Operating Agreement" means the Operating Agreement for the Company.

"Parent Company" means USA Barcelona Realty Holding Company, LLC.

"Parent Company Plan" means the business plan of USA Barcelona Realty Holding Company, LLC., which incorporates the Company's Hotel Land Parcel Entitlement Program as Step 1 of its 4 Step plan.

"Person" means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

"PIG(s)" means passive income generator.

"Program Management Fee" means the fee USA BRA will receive from the Company to manage the Company's day-to-day operations.

"Purchaser(s)" mean subscribers who purchase Class A Units.

"Purchase Price" means $1,000 per Class A Unit, or a lesser Modified Price (if sold to an Eligible Person) of not less than $920 per Class A Unit.

"Qualified Land Parcel" means a Land Parcel under consideration for purchase by the Company that has passed the Company's initial due diligence process.

"Questionnaire And Subscription Agreement" means those documents contained in Exhibit A of the Memorandum.

"Refundable(s)" means certain Entitlement Period costs expended by the Company on a Land Parcel that are to be repaid to the Company by a New Build Affiliate at the time the New Build Affiliate acquires the Land Parcel from the Company (the New Build Affiliate may acquire the fee interest in a Land Parcel owned by a Company controlled SLP LLC or acquire, through assignment, the contractual interest the Company has in a Land Parcel).

"REIT" means a Real Estate Investment Trust.

"Return of Capital Distribution" means this Distribution shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero.

"RevPAR" means revenue per available room for a hotel.

"Selling Agent" means any registered securities dealer or other person authorized under applicable laws to receive commissions or similar compensation relating to the offer and sale of Units.

"SLP LLC" and "Single Land Parcel LLC" means a limited liability company that is formed to contract to acquire one Land Parcel.

"Shovel-Ready" means a Land Parcel that received all required permit development and construction approvals, financing commitments and franchise commitment (as applicable) and is ready to enter the construction stage.

"Stabilization" means reaching an occupancy percentage that ceases to increase year over year.

"Subscriber" means a person who subscribes to acquire Class A Units offered under the Offering.

"Subscription(s)" and "Subscribed" means the event of a Subscriber submitting his Subscription Agreement to the Company.

"Subscription Agreement" and "Questionnaire and Subscription Agreement" means the agreement under which an investor Subscribes to acquire the Company's Class A Units.

"Unit" means a Unit of Class A Member interest or Class B Member interest in the Company, representing a stated increment of value of equity ownership of the Company.

"Unit holder" means a person who owns Class A Units or Class B Units.

"USA HLC-I" means the Company.

"USA HHC" and ""HHC" means USA Barcelona Hotel Holding Company, LLC.

"USA RHC" and "RHC" means USA Barcelona Realty Holding Company, LLC.

"USA RHC/Chanen" means the proposed joint venture between USA Barcelona Realty Holding Company, LLC and Chanen Construction Company.

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XXIII. 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 or Patrick McDonough concerning the terms and conditions of the Offering, 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.

Other Information Available

The following is currently available upon request:

1. Financial Forecast Statements, by month.
2. Specified Land Parcel, detailed information schedule.
3. Master Planning Schedule, sixteen land parcel forecast.
4. Land Parcel "nine-steps" Entitlement Period planner.
5. Advisory Agreement with USA BRA.
6. Additional information on Chanen Construction Company. Also see www.Chanen.com.

The following is available based on specific broker dealer request:

Third Party Due Diligence Report on (prepared based on Broker Dealer request; allow 45 days):

i. USA Barcelona Realty Holding Company.
ii. USA Barcelona Hotel Land Company I, LLC Offering.

To request specific additional information, please contact:

Investor Relations Department

Patrick McDonough

USA Barcelona Realty Advisors, LLC

7025 North Scottsdale Road, Suite 160

Scottsdale, Arizona 85253

Phone: 480-625-3969 (for Offering information)

EXHIBIT A –SUBSCRIPTION DOCUMENTS

INSTRUCTIONS FOR COMPLETING SUBSCRIPTION DOCUMENTS:

USA BARCELONA HOTEL LAND COMPANY I, LLC

10,000 Class A Units

Confidential Private Placement Memorandum dated May 5, 2014.

Minimum Purchase of 100 Class A Units at $1,000 per Class A Unit ($100,000)

The following Subscription Documents are for the use of investors interested in subscribing for Class A Units of USA Barcelona Hotel Land Company I, LLC (the "Company"). Prospective investors should do all of the following:

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

____ A. CHECK all appropriate categories in Section 1 on page S-3 under which you qualify as an Accredited Investor.

____ B. COMPLETE Section 2, "Accredited Investor Verification" on page S-4, indicating the method you will use to verify your status as an Accredited Investor.

____ C. COMPLETE all information on pages S-6 and S-7, including the total amount of Class A 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.

____ D. INITIAL EACH PAGE of the Questionnaire and Subscription Agreement with the same instrument. Your initials reflect the fact that you have read and understand the Questionnaire and Subscription Agreement, particularly the Representations and Warranties in Paragraph 3.

____ E. DATE and SIGN the Questionnaire and Subscription Agreement on page S-8. If Class A Units will be registered in joint ownership, such as husband and wife, both must sign.

2. **DELIVER** all Subscription documents to:

USA Barcelona Hotel Land Company I, LLC
Attention: Investor Relations Department
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

3. **PAYMENT must be made by bank wire.** Subscription proceeds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. To avoid delays in the processing of your incoming wires, please include the following information:

Bank Name:	Alliance Bank of Arizona 2901 N. Central Avenue, Suite 100 Phoenix, AZ 85012
Bank Routing Number:	Contact Company for this Information (480) 625-4355
Account Name:	USA Barcelona Hotel Land Company I Escrow
Beneficiary Address:	7025 N. Scottsdale Road, Suite 160 Scottsdale, AZ 85253
Beneficiary Account Number:	Contact Company for this Information (480) 625-4355

4. **YOU WILL RECEIVE**: Upon acceptance of your Subscription by the Company, your escrowed funds will be distributed to the Company, and you will receive a copy of your accepted Questionnaire and Subscription Agreement which evidences your ownership of Class A Units subscribed for. We will issue certificates to you indicating your ownership of Class A Units purchased.

Questionnaire and Subscription Agreement

USA BARCELONA HOTEL LAND COMPANY I, L.L.C.

CLASS A UNITS

USA Barcelona Hotel Land Company I, L.L.C.
7025 N. Scottsdale Road, Suite 160
Scottsdale, Arizona 85253

Gentlemen:

You have informed the undersigned (the "Purchaser") that USA BARCELONA HOTEL LAND COMPANY I, L.L.C., an Arizona limited liability company (the "Company") wishes to raise up to Ten Million Dollars ($10,000,000) from various persons such as me by selling 10,000,000 of its Class A Member Units ("Units") at a price of $1,000 per Unit in an offering (the "Offering") which is designed to comply with Rule 506(c) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

I understand that one purpose of this Questionnaire and Subscription Agreement is to solicit certain information regarding the Purchaser's financial and business status to determine whether the Purchaser is an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meets the suitability criteria established by the Company for the purchase of Units.

The Company will keep the answers to this Questionnaire and Subscription Agreement as confidential as possible. However, the Purchaser acknowledges that the Company will use this Questionnaire and Subscription Agreement, and other documents submitted, to verify and support a reasonable belief that the Purchaser is an Accredited Investor, and agrees that the Purchaser's answers may be shown to such persons as the Company deems appropriate to determine the Purchaser's status as an Accredited Investor, including the Securities and Exchange Commission and state securities boards and commissions.

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 Questionnaire and Subscription Agreement and the Articles of Organization and Operating Agreement for the Company (collectively, the "Company Documents"). 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.

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

_____
Initials

This Questionnaire and Subscription is one of a number of such subscriptions for Units. By signing this Questionnaire and Subscription Agreement, I offer to purchase from the Company the principal amount of 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 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.

___ Manager of the Issuer

Any Manager or other executive 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 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:

_____

_____

_____

_____

_____

_____
Initials

2. Accredited Investor Verification-Natural Person.

___ I am a natural person who is an Accredited Investor, and I submit the with this Questionnaire and Subscription Agreement the following information, which the Company may rely upon to verify that I am an Accredited Investor:

(a) ___ ***Income***. I qualify as an accredited investor on the basis of income, and I have attached: (a) Internal Revenue Service forms reporting that my annual income for the two most recent years was greater than $200,000 as an individual, or $300,000 when combined with my spouse; **and** (b) my written representation I reasonably expect to reach that same income level during the current year.

(b) ___ ***Net Worth***. I qualify as an accredited investor on the basis of net worth, and I have attached the following types of documentation dated within the prior three (3) months: (a) *with respect to assets*: bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments and appraisal reports issued by independent third parties; **and** (b) *with respect to liabilities*: a consumer report from at least one of the nationwide consumer reporting agencies; **and** (c) my written representation certifying that I have disclosed all liabilities necessary for the Company to make a determination that my net worth, or joint net worth with my spouse, exclusive of the value of my personal residence, is greater than $1,000,000, which qualifies me as an accredited investor.

(c) ___ ***Third Party Verification***. I have attached written confirmation from: (a) a registered broker-dealer, (b) an investment advisor registered with the Securities and Exchange Commission, (c) a licensed attorney in good standing under the laws of the jurisdictions in which such person is admitted to practice law, **or** (d) a certified public accountant who is duly registered and in good standing under the laws of such person's residence or principal office: which certifies that that third party has taken reasonable steps to verify my status as an Accredited Investor within the past three (3) months, and has determined that I am an Accredited Investor.

(d) ___ ***Investor in Prior Offering***. I certify that I purchased securities as an Accredited Investor in a Rule 506 offering conducted by the Company prior to September 23, 2013, that I continue to hold such securities, and that I currently qualify as an Accredited Investor.

3. 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 Units, (ii) can bear the economic risk of losing the entire amount of my investment in 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 ___, or 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 Company's Offering Memorandum dated May 5, 2014 (the "Offering Memorandum"). All documents, records and books pertaining to the Company and the 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 other authorized representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Units.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that the Company was recently formed, 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 number of 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.

_____
Initials

(g) I further understand that the Company's sole business will be to act to purchase, entitle, and develop Land Parcels (as defined in the Offering Memorandum) for new hotels, and that the Company's business involves substantial risks, including those set forth under "Risk Factors" in the Offering Memorandum.

(h) Other than as set forth in the Offering Memorandum, 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 Units based solely upon my own investigation and evaluation.

(i) I understand that no 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 Units are registered under the Act, I may re-offer or resell my Units only to Accredited Investors or pursuant to an exemption from registration.

(j) The 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 Units to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Units by anyone but me.

(k) I am aware of the following:

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

(ii) My interest in the 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 Units for investment nor any recommendation or endorsement of the Units.

(l) Except as set forth in the Offering Memorandum, 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 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 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 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.

4. Transferability. I understand that I may sell or otherwise transfer my Units only: (a) if registered under the Securities Act; or (b) 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 Units. Any certificates or other documents representing my Units will be contain a restrictive legend reflecting this restriction as set forth in the bold legend on the first page of this Questionnaire and Subscription Agreement, and stop transfer instructions will apply to my Units.

_____
Initials

5. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 3 above, and I will indemnify and hold harmless the Company, its officers, managers and representatives involved in the offer or sale of the 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 Questionnaire and Subscription Agreement.

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

7. Termination of Subscription Agreement. If this subscription is rejected by the Company, then this 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 Questionnaire and Subscription Agreement.

8. Miscellaneous.

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

(b) This 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.

9. Ownership Information. Please print here the total principal amount of Units to be purchased, and the exact name(s) in which the Units will be registered:

TOTAL PRINCIPAL AMOUNT: $ _____

TOTAL NUMBER OF CLASS A UNITS ($1,000 PER UNIT): _____

NAME(S): 1) _____

2) _____

SOCIAL SECURITY #(S): 1) _____

2) _____

Ownership shall be taken in the 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

_____
Initials

(i) Trustee(s)/Custodian _____

(ii) Trust Date _____

(iii) Name of Trust _____

(iv) For the benefit of _____

(v) 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: (_____) _____

[Signatures on Following Page]

_____
Initials

10. 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:

USA BARCELONA HOTEL LAND COMPANY I, L.L.C.

By:_____

Its:_____

DATED: _____, 201__

EXHIBIT B – OPERATING AGREEMENT

OPERATING AGREEMENT
OF
USA BARCELONA HOTEL LAND COMPANY I, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made and entered into effective as of January 15, 2014 (the "Effective Date"), by and among **USA Barcelona Hotel Land Company I, LLC,** an Arizona limited liability Company (the "Company" or "USA HLC-I"), those persons ("Person(s)") listed on Schedule 1 hereto, and each other Person who becomes a Member of the Company according to the terms of this Agreement and the Arizona Limited Liability Company Act (the "Act"), as the Members of the Company, and **USA Barcelona Hotel Holding Company, LLC,** as the Manager of the Company.

ARTICLE I
FORMATION, NAME, PURPOSE

1.1 Formation. The Company was formed by filing its Articles of Organization (the "Articles") with the Arizona Corporation Commission under the Act on January 15, 2014. The Manager shall cause articles of amendment to the Articles to be filed with the Arizona Corporation Commission from time to time.

1.2 Intent. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. It is also the intent of the Members 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 the Company is USA Barcelona Hotel Land Company I, LLC.

1.4 Known Place of Business. The known place of business of the Company shall be at 7025 North Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. The known place of business may be changed to any other place within the State of Arizona at the discretion of the Manager.

1.5 Purpose.

(a) The Company is being formed to contract to acquire, through its Single Land Parcel LLC Affiliates ("SLP LLC(s)"), entitle land parcels, and sell or transfer entitled land parcels, and do all functions necessary or appropriate to carry out those activities. We intend to sell each entitled land parcel to an Affiliate entity that would construct, own and operate a hotel thereon that would be franchised by a leading brand franchise company, such as Marriott, Hilton, Hyatt or possibly others. The Company's SLP LLCs may be organized as Arizona limited liability companies or other types of entities.

(b) No Member acting in the Member's capacity as a Member or Manager, if applicable, 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 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 Members. The name and address of each Member of this Company are set forth on Schedule 1 hereto, as such schedule may be amended from time to time pursuant to this Agreement.

1.8 Agent for Service of Process. The name and business address of the agent for service of legal process on the Company in Arizona is National Registered Agents Inc., 2390 E. Camelback Road, Phoenix, AZ 85016. The Company's agent for service of legal process may be changed at the discretion of the Manager.

1.9 Definitions. Capitalized words and phrases used but not defined in this Agreement shall have the meanings set forth in Appendix A, Defined Terms.

ARTICLE II
CAPITALIZATION OF THE COMPANY; LOANS; FEES AND OTHER PAYMENTS DUE AFFILIATES

2.1 Issued Class A Units; Authorized.

(a) The Company is authorized to issue up to ten thousand (10,000) Class A Member Units ("Class A Units"), and one thousand one hundred eleven (1,111) Class B Member Units ("Class B Units"). The Manager has approved the issuance of the Class A Units and Class B Units ("Units") to the Members and in the amounts shown on Schedule 1, and the Company is authorized to issue additional Class A Member Units and Class B Units upon the approval of the Manager.

(b) Class A Units and Class B Units shall have the rights, preferences and privileges set forth herein. Furthermore, the Manager may adopt, from time to time, a resolution or resolutions providing for the issuance of additional Class A Units, in one or more classes, with such powers, designations, preferences, and privileges, and qualifications, limitations or restrictions thereof as shall be set forth in the resolution or resolutions adopted by the Manager. Schedule 1 shall be amended from time to time to reflect the addition of new Members and any adjustments of the membership interests.

2.2 Initial Capital Contributions.

(a) Each Class A Member has made the initial Capital Contributions ("Initial Capital Contribution(s)") to the Company set forth on Schedule 1. In exchange for each Class A Member's Initial Capital Contribution to the Company, such Class A Members were issued Class A Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

(b) Each Class B Member was issued the Class B Member Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

2.3 Additional Capital Contributions.

In the event the Company is authorized by the Members to raise additional capital through the sale of any new class of Member Unit ("New Issue Unit"), existing Class A Members and Class B Members shall have the first opportunity to acquire such number of New Issue Units that will result in their economic interest in the Company remaining the same after all New Issue Units are sold as was their economic interest before the New Issue was sold.

2.4 Credits to Capital Accounts.

(a) Capital Accounts. An individual Capital Account will be established and maintained for each Member on the books of the Company.

(b) Organization Services. **USA Barcelona Realty Advisors LLC** ("USA BRA") shall have credited to its Class B Member Capital Account the amount of $500,000 for services rendered to the Company pertaining to the organization of the Company.

(c) Other Authorized Payments And Fees. The Advisor may elect to have amounts due to it under agreements between USA BRA and the Company, other than credits to its Capital Account under Section 2.4(b) above, classified as Member loans ("Member Loans").

2.5 Manager Loans. If the Manager determines that the business of the Company requires funds, in addition to the capital contributed by the Members, the Company may borrow money from the Manager, and the Manager may make one or more loans to the Company to enable the Company to meet its obligations ("Manager Loans"). The Company shall repay Manager Loans from the net cash flow ("Net Cash Flow") of the Company as otherwise allowed under this Agreement. Manager Loans shall be repaid in chronological order of their respective origination dates beginning with the earliest origination date. The Manager Loans will bear an annualized 10% rate of interest.

2.6 Withdrawal or Return of Capital Contributions. Except as otherwise expressly provided for in this Agreement: a) no part of the Capital Contributions of any Member may be withdrawn except as otherwise approved in writing by all non-defaulting Members ("Non-Defaulting Member"), b) Class A Members will have the opportunity to either take the Distributions from the Company as they occur or forego one or more Distributions in exchange for investment units in a SLP LLC, and c) otherwise, no Member shall be entitled to demand or to receive property other than cash in return for its Capital Contributions to the Company.

2.7 No 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 on funds contributed as a Capital Contribution.

2.8 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 Members 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, Net Income and Net Loss shall be allocated as follows:

(a) Net Income. Net Income for the fiscal year ("Fiscal 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 Fiscal Years equals the aggregate Net Loss allocated (in the same amounts, but in reverse order) to the Members 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 Fiscal 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 Fiscal Years equals the aggregate Net Income allocated to the Members pursuant to Section 3.1(a) in the same amounts but in the reverse order of priority.

(2) Second, to the Members according to their Capital Accounts.

3.2 Tax Allocation Provisions:

(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 Fiscal 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 Agreement.

(3) Minimum Gain Chargeback. Notwithstanding anything herein to the contrary, if in any Fiscal Year there is a net decrease in Company Minimum Gain ("Company Minimum Gain") for such year and, if necessary, for subsequent years, each Member 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 Member

pursuant to Section 3.2(b)(2), Members Nonrecourse Debt Minimum Gain shall be charged back to such Member 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 Fiscal 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 Member has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member 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 Member 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 Member 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 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 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 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 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 Fiscal 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 President reasonably determines that such allocations are likely to be offset by subsequent allocations pursuant to Section 3.2(b)(3) of this Agreement.

(4) The Manager shall have reasonable discretion, with respect to each Fiscal 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 Fiscal 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 §1.704-2(f)(4), to the Internal Revenue Service for a waiver of the Minimum Gain chargeback requirement under Regulations §1.704-2(f)(1).

ARTICLE IV
DISTRIBUTIONS

4.1 Distribution of Net Cash Flow. Except as otherwise provided in Article IV, commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the Fiscal Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Fiscal Year, the Company shall make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

4.2 Establishment of Initial Capital Accounts

(a) Each Class A Member's capital account ("Capital Account") is initially established in the amount of the purchase price paid for the Class A Units. We refer to that amount as the "Initial Capital Account".

(b) Each Class B Member's Capital Account is initially established in the amount of the purchase price paid for the Class B Units plus any applicable Capital Account Credits granted by the Company for amounts due for organization period work. USA BRA. Our Advisor, shall make an initial capital contribution of $1,000. Additionally, USA BRA has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various entitlement related services to be provided to the Company and other associated matters. Accordingly, on the Effective Date, USA BRA's Class B Member Capital Account will be credited in the amount of $500,000. USA BRA may receive additional Class B Member Capital Account Credits if it waives fees due it from the Company.

4.3 Capital Account Adjustments for the purpose of computing Distributions

(a) For the purpose of computing Distribution amounts due to the Class A Units (including the Class A Units and the Class B Units), each Member's capital account shall be reduced by Distributions received as Return Of Capital Distributions.

(b) In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution, the 5% Additional Distribution and the Return Of Capital Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

(c) Cumulative Distributions ("Cumulative Distributions") means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

4.4 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 Member as a result of the recognition of Company income by such Member, to the extent such Member 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 Member 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 such Member pursuant to Section 4.1.

ARTICLE V
RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Liability for Company Obligations. Except as otherwise provided in the Act, no Member shall be personally liable for the debts, obligations and liabilities of the Company whether arising in contract or tort, under a judgment, decree or order of a court or otherwise.

5.2 Authority of Members. No Member shall take part in the control of management of the Company's business except to the extent of the rights and powers of a Member provided under this Agreement. Unless a Member is a Manager, or is delegated the authority of an Proper Officer as set forth in Section 6.3, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purposes.

5.3 Meetings and Minutes.

(a) Call and Place. Meetings of the Members, or a specific class of Member, for any purpose or purposes, may be called by either a majority-in-interest ("Majority-In-Interest") of a class of Member or the Manager by giving written notice to the Members, or a specific class of Member, in the manner provided in Section 5.3(b). Meetings may be held at any place within or without the State of Arizona as determined by the Manager. The Members may participate in a meeting of the 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 Members, unless waived by attendance at the meeting or by written consent, must be given by written notice at least fourteen (14) days before the date of the meeting, or hand delivered, emailed or sent by facsimile at least ten (10) 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 Member at a meeting constitutes waiver of notice of the meeting; provided, however, that no such waiver will occur if the 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-In-Interest of Members, represented in person or by proxy, will constitute a quorum at a meeting of the Members.

(e) Voting. Class A Members and Class B Members voting rights are limited to the following:

(1) 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. A vote of the Majority-In-Interest of the Class A Members is required for any such approval.

(2) 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 B Members economic rights. 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 Manager has control of the Company through its exclusive right to approve all Major Decisions (as defined in Section 6.4 below).

(f) Majority Vote Required for Action. Other than as stipulated in 5.5(e), there are no matters on which the Class A Members and Class B Members have a right to vote.

(g) Conduct. At any meeting of the Members, the Manager may adopt such rules for the conduct of the meeting as they deem appropriate.

5.6 Action Without a Meeting. Any action that may be taken at a meeting of the Members, requiring a vote of a class of Members entitled to vote thereon, may be taken without a meeting if a Majority-In-Interest so agree in writing, and a consent in writing setting forth the action so taken is signed by a Majority-In-Interest of the class of Members entitled to vote thereon. Any action that may be taken at a meeting of the Members requiring a vote of the Members may be taken without a meeting if all of the Members so agree in writing, and a consent in writing setting forth the action so taken is signed by all of the Members.

5.7 No Delay. Each Member agrees not to unreasonably delay its response to any action or decisions proposed by the other Members, requiring approval by a Majority-In-Interest, and each Member agrees to make itself available at reasonable times and on reasonable notice.

5.8 Restrictions on Withdrawal. No Member may withdraw from the Company unless such withdrawal is approved in the same manner as a permitted transfer of a membership interest in accordance with the provisions of Section 9.2(a). Any Member withdrawing in violation of this provision shall be treated in the same manner as a Defaulting Member and be immediately expelled in accordance with Section 7.7. 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 Members shall have the right to continue the Company.

ARTICLE VI
MANAGEMENT

6.1 Management of the Company. Subject to the approval requirements for Major Decisions, the right, authority and duty to manage, control and conduct the business and affairs of the Company shall be vested in the President, and in such other Proper Officers who may be named by the Manager. The President, and such other Persons to whom such authority and duties are delegated, are sometimes referred to in this Agreement as "Proper Officers". The Proper Officers, in connection with the management of the Company's business, shall have any and all rights and powers of a manager under the Act, all of the rights and powers which are necessary for or convenient or incidental to the accomplishment of the Company's purpose and the conduct of the Company's business. Unless otherwise provided in this Agreement, all actions, approvals and other authorizations of the Manager may be undertaken only by Proper Officers elected by the Manager. The Manager will have sole authority to manage, control and conduct the business and affairs of the Company, as provided in this Article VI.

6.2 Removal of the Manager. The Manager may be removed with cause ("Cause") at any time upon vote of a Majority-in-Interest of the Class A Members. Cause means with respect to any Manager any of the following: (i) conviction of a felony or conviction of a misdemeanor which in the determination of the Members adversely affects the Company or the ability of the Manager to perform its duties hereunder; (ii) misappropriation of corporate funds or other acts of dishonesty with respect to the Company; (iii) such Manager's breach of this Agreement in any material respect; (vi) the failure of such Manager to diligently, substantially and satisfactorily perform the Manager's duties under the Operating Agreement.

6.3 Proper Officers. The Manager may, from time to time, delegate to one or more Persons (including any Proper Officer of the Company and including through the creation and establishment of committees) such authority and duties as the Manager may deem advisable. In addition, the Manager may assign titles and delegate certain authority and duties to Persons as further described below. The salaries or compensation, if any, of the Proper Officers of the Company shall be fixed from time to time by the Manager. Any delegation pursuant to this Section 6.3 may be revoked at any time by the Manager. The Manager hereby names Richard C. Harkins as the initial President. The President, and such other Proper Officers as the Manager may elect from time to time, shall have the following authority and duties as Proper Officers of the Company:

(a) The President shall oversee the day-to-day activities of the Company, make all decisions other than Major Decisions or other decisions that have been delegated to other Proper Officers, and carry out Major Decisions which are made by the Manager. The President shall devote such part of his time to the 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 neither the President nor any other Proper Officer shall be required to devote his or her entire time or attention to the business, affairs and purpose of the Company.

(b) Each Proper Officer shall in good faith, but at the sole cost and expense of the Company, use the Proper Officer'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 Agreement, including, but not limited to, the matters described below. Each Proper Officer, 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 any Proper Officer may possess, he or she 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 Agreement) the following rights and powers:

(1) Protect and preserve the titles and interest of the Company Assets;

(2) 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;

(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 Members in a Company account or accounts in a bank or banks determined by the President;

(7) Make distributions periodically to the Members in accordance with the provisions of this Agreement;

(8) Insure or cause the Company Assets and the Company to be insured in such amounts and against such risks as the President 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 Agreement;

(10) Perform other obligations provided elsewhere in this Agreement to be performed by the President;

(11) Enter into and execute agreements and related documents in connection with the Company's assets;

(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 Proper Officers, in their reasonable discretion, shall deem reasonably necessary to meet anticipated Company expenses; and

(15) Enter into and execute such additional agreements or other documents on behalf of the Company as the Proper Officers reasonably deem necessary to effectuate the foregoing.

6.4 Major Decisions. Notwithstanding any other provision hereof, no Proper Officer acting pursuant to the authority delegated to him in Section 6.3, shall take any action or incur any obligation binding on the Company within the scope of any of the following actions (the "Major Decisions") unless such action is expressly authorized elsewhere in this Agreement or until the Major Decision has the approval of the Manager. 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 Agreement;

(c) Develop or 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;

(e) Amend in any material respect, or waive any material rights in, any agreement the entering into of which was a Major Decision;

(f) Dissolve or wind up the Company except as otherwise provided in this Agreement or authorize any act that would make it impossible to carry on the ordinary business of the Company;

(g) 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;

(h) Extend the term of the Company;

(i) Consent to, or file for any bankruptcy, custodianship, receivership or trusteeship of the Company;

(j) Make any distributions of property in kind by the Company or accept any contributions by any Company of property other than cash;

(k) Admit any other Members to the Company except as otherwise provided herein or redeem membership interests;

(l) Determine any Agreed Value;

(m) Authorize any Additional Capital Contributions;

(n) Adopt or modify each budget hereafter approved by the Members;

(o) Incur any liability or obligation not contemplated in a Budget except de minimis amounts incurred in the ordinary course of business;

(p) 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;

(q) Cause the Company to settle any lawsuit that materially affects the ability of the Company to carry on its business as contemplated by this Agreement;

(r) Enter into any transaction with a Member of the Manager or Affiliate of a Member of the Manager at a cost to the Company of $50,000 or more; and

(s) Authorize the increase of Class A Units in any class of Units or the creation of an additional class of membership interests.

At the time the President requests approval of any Major Decision, the President shall furnish to the Manager such information as is reasonably necessary for the Manager 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.

6.5 Other Business Ventures. The Members agree that none of the Members of the Manager shall be in violation of the duty of loyalty to the Company if he or she engages in or possesses an interest in any other business venture of any nature and description, independently or with others, whether such ventures are competitive with the Company or otherwise. The Members further agree that neither the Company nor the Manager shall have any right by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom.

6.6 Managers' Duty of Care. The Manager shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Manager reasonably believes to be in the best interests of the Company. The Manager shall cause the Company to conduct its business, operations and affairs separately from those of the Manager or any of its respective Affiliates.

6.7 Liabilities of the Manager.

(a) No Manager shall be liable, responsible, or accountable in damages or otherwise to any other Member for any act done or omitted by such Manager, within the scope of the authority conferred on such Manager by this Agreement or by law, except for acts of active negligence, fraud, or breach of the fiduciary duty of the Manager.

(b) The Company shall indemnify, defend and hold harmless the Manager for, from and against all loss, damages, liabilities and expenses (including, without limitation, attorneys' fees and court costs and expert witness fees) incurred by the Manager, whether individually or jointly, arising out of acts or omissions committed or alleged to have been committed while acting as the Manager for or on behalf of the Company; provided that with regard to the act or omission involved, the Manager's actions, or failure or refusal to act were not fraudulent or actively negligent or in breach of the Manager's fiduciary duty to the Company. Any indemnification extended pursuant to this Section 6.7 shall be paid from, and limited to, the assets of the Company, and no Manager shall have any personal liability on account thereof.

6.8 Indemnification of Agents. The Company shall indemnify, defend and hold harmless against any liability, claim, action, damage or expense (including, attorney's fees, costs of court and expert witness fees) any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including arbitration) by reason of the fact that he is or was a Member, Proper Officer, Manager or advisor to the Manager, deemed manager, or managing agent of the Company or is now serving or has served, at the request of the Company, as Manager, director, Proper Officer, employee or other agent of the Company or another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such Persons being referred to herein after as an "agent"), such indemnity to be extended to the fullest extent permitted by applicable law; provided that no indemnity shall be extended to any Member, employee or agent of the Company who has engaged in any intentional or willful wrong doing or fraud, or breach of this Agreement. The Manager shall be authorized, on behalf of the Company, to enter into indemnity agreements from time to time with any Person entitled to be indemnified by the Company hereunder, upon such terms and conditions as the Manager adopts.

6.9 Actions of the Manager. The Manager may act through meetings, written consents, committees or any other Person or Persons to whom authority and duties have been delegated by the Manager.

6.10 Resignation. The Manager may resign 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 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 Member.

6.11 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.

6.12 Meetings. The Manager shall not be required to hold regular meetings but shall hold meetings as required to provide guidance to the Proper Officers and to make Major Decisions. Meetings may be held at the principal office of the Company or at other mutually agreed places. Any Manager may call a special meeting upon three (3) days' notice to the other Members. However, in case of emergency, reasonable notice of a special meeting shall suffice.

(a) Quorum. There shall be a quorum of the Members if a majority of the Members are present, in person or by proxy. However, if at the date, time and place stipulated in the notice of a meeting of the Members a quorum is not present, such meeting shall be deemed to have been called for the fifth (5th) business day following such date and at the same time and place. Each notice of a meeting of the Members shall include an itemized agenda prepared by the Manager calling the meeting.

(b) Minutes. The Members shall prepare minutes of all meetings of the Members and shall distribute copies of such minutes to all Members within five (5) days after the meeting. The minutes shall be the official record of the decisions made by the Manager. The Members acknowledge that personnel employed by the Company may be required to attend a meeting of the Manager, but no such personnel shall have a vote at the meeting.

(c) Telephone. Members may participate in a meeting of the Manager by means of telephonic communication or other means whereby each Member can hear each of the other Members, and such participation in the meeting shall constitute presence in person at the meeting.

(d) Action Without a Meeting. The Manager, in lieu of deciding any matter at a meeting or by telephone conference, may act by instrument in writing signed by all of the Members.

6.13 Compensation of Proper Officers and Members. The Proper Officers and Members shall receive reasonable compensation as set forth below for the performance of their services as Proper Officers and Members (collectively, the "Guaranteed Payments"), provided that all Members approve such compensation for the Proper Officers and each Manager. All Members must approve any increase in the compensation payable to the Proper Officers and any Manager pursuant to the Agreement. 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 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 ("Non-Contributing Member"). If a Member becomes a Non-Contributing Member, the Manager shall immediately give written notice of such fact to each Member and for a period of five (5) business days after the date of such notice each other Member 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 Member, the funds required from the Non-Contributing Member (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 (a "Contributing Member") shall lend the funds to the Non-Contributing Member in proportion to their respective percentage interest ("Percentage Interest"). At the expiration of the five (5) day period, the Manager shall advise each Member indicating a desire to make a Contribution Loan of the amount such Member is to advance to the Company and the date on which the funds are due and payable to the Company. 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 President 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.

7.2 Default. If no Member 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 ("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 membership interests.

(b) The Non-Contributing Member hereby grants a security interest in its membership interests to the Contributing Member(s) who advances a Contribution Loan(s) and irrevocably appoints the Contributing Member(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 Member(s). If there is more than one Contributing Member, each Contributing Member's security interest in the Non-Contributing Member's membership interests 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 the Contribution Loans to such Non-Contributing Member. Copies of any such documents shall be mailed to the Non-Contributing Member.

7.4 Defaulting Members. If any Contribution Loan (which shall include all reasonable attorney fees, interest, and costs incurred by the Contributing Member(s)) 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 Member and the Contributing Member(s) shall have, with respect to the Non-Contributing Member and his membership 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 membership interest. A Non-Contributing Member whose membership interest is foreclosed upon and sold shall remain liable to the Company and the Contributing Member(s) 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.

7.5 Loan Repayment. Until such time as a Non-Contributing Member becomes a Defaulting Member, any Contribution Loan shall remain in place and shall bear interest and be repaid as provided above. Until any such Contribution Loan is repaid in full, any distributions which would otherwise be payable to the Non-Contributing Member shall be paid to the Contributing Member(s) 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 right to vote on any 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 Member against a Defaulting Member, the Company and/or any Non-Defaulting Member 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 performance, or for the appointment of a receiver or specific master, in the discretion of the Company and/or such Non-Defaulting Member.

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 Agreement.

8.2 Audit. The books of the Company shall not be audited unless upon a vote of a majority of 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, or the President acting pursuant to the authority delegated to him in Section 6.3, shall cause the preparation for filing of all federal, state and local Company tax returns at the Company's expense, and shall make such tax elections and determinations as appear to be appropriate. Such tax returns shall be prepared by the President or an independent public accounting firm to be designated by the Manager. The Manager, or the President acting pursuant to the authority delegated to him in Section 6.3, shall endeavor to deliver to each Member its Form K-1 and any other required tax information by March 1 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 President. Check signing and other authority to transact business with respect to the accounts shall be vested with the President.

8.6 Tax Matters Partner. The President 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 a majority 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.

ARTICLE IX
RESTRICTIONS ON TRANSFERABILITY

9.1 Restrictions on Transfer of Interests. No Member shall sell, assign, pledge, hypothecate, encumber or otherwise voluntarily transfer by any means whatsoever ("Transfer") any membership 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), except as permitted pursuant to Section 9.2.

9.2 Permitted Transfers. Members may transfer any membership interest or any portion thereof if:

(a) the Manager shall have consented to such Transfer, and the Member shall have paid to the Company a transfer fee of five hundred dollars ($500) to cover administration expenses associated with the Transfer;

(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.

9.3 Special Provision Respecting Transfers Upon Bankruptcy.

(a) Upon bankruptcy of a Member, the Company then then 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 membership interest of such Member. The total purchase price for such Member's membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

9.4 Substitute Member. No Person taking or acquiring, by whatever means, the membership interest of any Member shall be admitted as a substitute Member in the Company (a "Substitute Member") without satisfying the following conditions:

(a) The Manager shall have consented to the substitution;

(b) The Person to whom the Transfer is to be made shall execute a signature page to this Agreement, agreeing to be bound by the provisions hereof, and if such Person is married, causes his or her spouse to sign a spousal consent, both in forms acceptable to the Manager; and

(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).

9.5 Termination of the Company for Tax Purposes. Notwithstanding anything to the contrary contained in any other provision of this Agreement, the sale or exchange of all or any part of a membership interest in the capital and/or the profits of the Company may not be made (and will be null and void) if the membership interest sought to be sold or exchanged, when added to all other membership 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.

9.6 Restraining Order. If any Member shall at any time Transfer or attempt to Transfer all or any part of its membership interest in violation of the provisions of this Agreement, then the Company, or 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 Section 29-785 of the Act;

(b) a unanimous vote of the Members to dissolve;

(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 Company Assets, unless such seizure is discharged within one hundred twenty (120) days thereafter; or

(d) December 31, 2044.

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 Company Assets shall be distributed to the Members in the same manner as provided in Section 3.1. 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 Member 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 President 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 Member 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 Company 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 Member shall look solely to the Company Assets 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 Member 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 Company Assets 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 11.1 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 Member violating this provision, reasonable attorney's fees, costs and other damages those non-violating Members and the Company incur in connection therewith.

ARTICLE XII
GENERAL

12.1 Notices. All notices and other communication required or permitted to be given pursuant to this 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 Member may change 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 12.1.

12.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

12.3 Controlling Law. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Arizona.

12.4 Provisions Severable. If any provision of this 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.

12.5 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 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.

12.6 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.

12.7 Execution in Counterparts. This Agreement may be executed in any number of original or electronic counterparts, all of which taken together shall constitute one and the same instrument.

12.8 Amendment. This Agreement may be amended only by an agreement in writing executed by all Members.

12.9 Attorney's Fees. If any party institutes a suit or other proceeding against any other party in any way connected with this 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.

12.10 Number of Days. Unless the subject provision references "business days," in computing the number of days for purposes of this 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 Agreement, all days shall be counted except Saturdays, Sundays, and holidays.

12.11 Captions. Captions are not intended to convey any meaning or be a part of this Agreement but are merely used for assistance in identifying paragraphs and Sections.

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

Manager:

USA Barcelona Hotel Holding Company, LLC

By: _____
Richard C. Harkins, its President

Members:

By: _____
Richard C. Harkins

By: _____
George T. Simmons III

Appendix A

DEFINED TERMS

Whenever used in this Agreement, the following terms shall have the following meanings:

"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 initial Capital Contributions made pursuant to Section 2.1.

"Additional 5% Distribution" means this Distribution shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative.

"Adjusted Capital Account Balance" means each Member's Adjusted Capital Account Balance immediately preceding the Return of Capital.

"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" 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 Members, 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 3.2 (a) or Paragraph 3.2 (b), 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 President 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 Membership Interest greater than the Membership 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 Membership 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 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).

"Agreement" means this Operating Agreement, by and among the Members and the Company, and as may be 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 Members.

"Articles" means the Articles of Organization filed by the Company.

"Basic Regulatory Allocations" mean the 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 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.

"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:

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 Article II of the Operating Agreement; 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 (a)(iii) 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 (a)(iii) and (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 Capital Accounts, the Capital Accounts 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 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), the Capital Accounts 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 Capital Accounts, would be allocated among all the Members under the terms of this Agreement, assuming that, in the case of an adjustment pursuant to Paragraph (b)(i) or (b)(ii) , 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), 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); and

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 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 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 Membership Interest, the Capital Account of the transferor Member that is attributable to the transferred Membership Interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a Membership 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 Members (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.

"Catchup Distribution" means if at any time all accrued Cumulative Distributions from prior periods have not been made, the first distribution shall be the Catchup Distribution; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

"Cause" means with respect to any Manager any of the following: (i) conviction of a felony or conviction of a misdemeanor which in the determination of the Members adversely affects the Company or the ability of the Manager to perform its duties hereunder; (ii) misappropriation of corporate funds or other acts of dishonesty with respect to the Company; (iii) such Manager's breach of this Agreement in any material respect; (vi) the failure of such Manager to diligently, substantially and satisfactorily perform the Manager's duties under the Operating Agreement.

"Class A Units" means the 10,000 Class A Member Units authorized by the Company.

"Class B Units" means the 1,111 Class B Member Units authorized by the Company.

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

"Company" means USA Barcelona Hotel Land Company I, LLC.

"Company Asset(s)" means, at any particular time, the Land Parcels and any other assets or property, tangible or intangible, choate or inchoate, fixed or contingent, of the Company.

"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).

"Contributing Member(s)" means a Member who has made a Contributing Loan to the Company.

"Contribution Loan" has the meaning set forth in Section 7.3.

"Cumulative Distributions" means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

"Defaulting Member" means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Members are Non-Defaulting Members.

"Distribution" means the cash payments made to Members.

"Effective Date" means the effective date of the Operating Agreement which is January 15, 2014.

"8% Priority Distribution" means the Distribution shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative.

"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.

"Final Distribution" means the fourth Distribution and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

"Fiscal Year" means the accounting year of the Company ending December 31 of each year, unless the Manager establishes a different year.

"Guaranteed Payment(s)" means the payments authorized to be made to the President and Proper Officers as stipulated in the Operating Agreement, Section 6.13(a).

"Initial Capital Account" means the purchase price paid for Units plus any Capital Account Credit.

"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.

"Major Decisions" has the meaning of those decisions set forth in Section 6.4.

"Majority-In-Interest" means a simple majority of a Class of Members in the Company.

"Manager Loan(s)" means if the Manager determines that the business of the Company requires funds, in addition to the capital contributed by the Members, the Company may borrow money from the Manager, and the Manager may make one or more loans to the Company to enable the Company to meet its obligations.

"Member(s)" means each Person who becomes a Member under the terms of this Agreement and each Person who may become a Substitute Member.

"Member Loans" means any loans made to the Company by Members.

"Member(s) Nonrecourse Debt" means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

"Member(s) 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).

"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 Fiscal 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.

"New Issue Units" means additional Units authorized by the Company for the purpose to raise additional capital through the sale of any new class of Members Units.

"Non-Contributing Member" has the meaning set forth in Section 7.1.

"Non-Defaulting Member" means any Member that is not a Defaulting Member.

"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 §1.704-2(c) and in the order determined in accordance with Regulations §1.704-2(j)(2).

"Nonrecourse Regulatory Allocations" mean the 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.

"Offer" means a bono fide offer from a third party to purchase all, or a portion of, membership interests.

"Percentage Interest" means the percentage interest of each Member in this Company set forth in Schedule 1.

"Person" means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

"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.

"Proper Officer(s)" means the President, and such other Persons to whom the Members delegate authority and duties to conduct the business and affairs of the Company.

"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.

"Regulatory Allocations" consist of the "Basic Regulatory Allocations," and the "Nonrecourse Regulatory Allocations.

"Return of Capital Distribution" means that Distribution shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero

"SLP LLC" means a limited liability company intended to acquire and Entitle a single Land Parcel.

'Substitute Member" means the transfer of membership interest to a Permitted Transferee under the terms outlined in Section 9.4 of the Operating Agreement.

"Tax Matters Partner" means the President of the Company who will act as the Partner for the Company for federal income tax purposes.

"Transfer" means the sale, assignment, pledge, hypothecation, or encumbering of any membership interest in the Company.

"Unit" means a unit of measurement the Company will use for purposes of determining a Member's Percentage Interest at any point in time and for purposes of determining voting rights.

"Unit holder" means a person who owns Class A Units or Class B Units.

"USA BRA" means USA Barcelona Realty Advisors, LLC.

"USA HLC-I" means the Company or USA Barcelona Hotel Land Company I, LLC.

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Schedule 1-
LIST OF MEMBERS

EXHIBIT C – COMPANY BALANCE SHEET

USA Barcelona Hotel Land Company I, LLC
Balance Sheet

As of April 30, 2014	Notes	April 30, 2014
Assets		
Cash	1	$ 1,000
Capitalized Organization Costs	2	750,000
Working Capital Commitment from USA BRA	3	-
Total Assets		751,000
Liabilities and Members Equity		
Liabilities		
Payable to BRA for Organization Period Services	2	250,000
Loan from BRA		-
Total Liabilities		250,000
Members Equity		
Retained Earnings		-
Class A Members		-
Class B Member	1, 2	501,000
Total Members Equity		501,000
Total Liabilities And Members Equity		$ 751,000

Note 1 – The Class B Member made an initial capital contribution of $1,000.

Note 2 – USA BRA has charged the Company $750,000 for this organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the Financial Forecast for assumed timing of repayment.

Note 3 – USA BRA has agreed to make working capital loans, as needed by the Company, in an amount up to $500,000. Any such loans will be repaid on a non-priority basis plus 10% interest. Currently no funds have been advanced to the Company by USA BRA under this agreement. Also, USA BRA will be credited with an additional $500,000 to its Capital Account for foregoing the first $500,000 in Entitlement Completion Fees due to it which will allow the Company to retain that cash to accommodate any payments made to Class A Members under the Liquidity Feature. Under the Forecast, this event(s) will not occur until mid-2015. Accordingly, the amount(s) is not reflected in the Balance Sheet.

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`EXHIBIT D – FINANCIAL FORECAST

- For the Period 2014 through 2017 –

Contents of the Financial Forecast:

Statements of Cash Flows

Statements of Operations

Balance Sheets

Notes to the Financial Forecast Statements

The information contained in this Financial Forecast is entirely forward-looking information that is not based on historical operating results of our Company. The Forecast was created using numerous assumptions set forth below, which you should examine carefully. The Forecast is subject to known and unknown risks, uncertainties, and other factors, many of which are beyond our control, and could cause the actual results to vary materially from those contemplated in the Forecast. In light of the risks, assumptions and uncertainties involved, we can give no assurance that the forward-looking information in this Forecast will in fact transpire or prove to be accurate.

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

- Our ability to raise capital sufficient for us to conduct business according to our plans.
- Risks associated with the hotel industry, including competition, increases in employment costs, energy costs and other operating costs, or decreases in demand caused by events beyond our control including, without limitation, actual or threatened terrorist attacks, any type of flu or disease-related pandemic, or downturns in general and local economic conditions.
- The availability and terms of financing and capital and the general volatility of securities markets.
- Our ability to acquire desirable future Land Parcels on a favorable basis, and to obtain a satisfactory price when we liquidate the fully Entitled Land Parcels.
- Risks associated with the real estate industry, including environmental contamination and costs of complying with the Americans with Disabilities Act and similar laws.
- Interest rate increases.
- Our ability to maintain sufficient liquidity and our access to capital markets.
- The effect of changing economic conditions in the United States.
- Our relationships with franchisors.
- We have included a Financial Forecast incorporating Company operations for the period 2014-2017. Our Financial Forecast is based on many assumptions, as enumerated in this Exhibit. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN THE FINANCIAL FORECAST

Organization

USA Barcelona Hotel Land Fund I, LLC (the "Company") is an Arizona limited liability company. The Company, which has no operating history, was formed to contract to acquire land in selected metropolitan areas in the United States and Canada. Initial capitalization occurred on April 30, 2014 when USA Barcelona Realty Advisors, LLC. contributed $1,000 in paid in capital. The Company's fiscal year is the calendar year. The Balance Sheets includes the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated.

Significant Accounting Policies

Consolidation. Our consolidated financial statements include the accounts of the Company and our wholly owned subsidiaries. All inter-company transactions, balances and profits have been eliminated in consolidation. In addition, we evaluate our investments in partnerships and joint ventures for consolidation based on whether we have a controlling interest, including those in which we have been determined to be a primary beneficiary of a variable interest entity ("VIE") or meets certain criteria of a sole general partner or managing member in accordance with the consolidation guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC").

The application of these accounting principles requires management to make significant estimates and judgments about our rights and our venture partners' rights, obligations and economic interests in the related venture entities. For example, under this pronouncement, there are judgments and estimates involved in determining if an entity in which we have made an investment is a VIE and if so, if we are the primary beneficiary. This includes determining the expected future losses of the entity, which involves assumptions of various possibilities of the results of future operations of the entity, assigning a probability to each possibility and using a discount rate to determine the net present value of those future losses. A change in the judgments, assumptions and estimates outlined above could result in consolidating an entity that should not be consolidated or accounting for an investment on the equity method that should in fact be consolidated, the effects of which could be material to our the financial statements.

Start-Up Costs. Start-up costs are capitalized as incurred.

Use of Estimates. The preparation of the financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results will differ from those estimates.

Investments in Land Parcels. Land Parcels acquired by the Company will be stated at cost and will include real estate brokerage commissions paid to and other due-diligence costs reimbursed to USA Barcelona Realty Advisors.

The Company will record impairment losses on real estate used in the operations if indicators of impairment are present, and the undiscounted cash flows (cash inflows less associated cash outflows) estimated to be generated by the respective Properties are less than their carrying amount. Impairment losses are measured as the difference between the asset's fair value, and its carrying value.

The Company accounts for acquisitions utilizing the purchase method, and accordingly, the results of the acquisition of real estate are included in the Company's results of operations from the date of acquisition. All liabilities assumed in connection with an acquisition of Land Parcels are marked to market at the date of the acquisition using a market interest rate in effect at that date for similar debt agreements with similar maturities. The resulting premium or discount is amortized into interest expense over the life of the related debt agreement using the effective interest method.

Investments in Unconsolidated Entities. The equity method of accounting is applied with respect to investments in entities for which we have determined that consolidation is not appropriate and we have significant influence. We record equity in earnings of the entities under the hypothetical liquidation at book value method of accounting. Under this method, we recognize income in each period equal to the change in our share of assumed proceeds from the liquidation of the underlying unconsolidated entities at book value. Under this method, in any given period, we could be recording more or less income than actual cash distributions received and more or less than what we may receive in the event of an actual liquidation.

Mortgages and Other Notes Receivable. Mortgages and other notes receivable are recorded at the stated principal amounts net of deferred loan origination costs or fees. A loan is considered to be impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the note. An allowance for loan loss is calculated by comparing the carrying value of the note to the estimated fair value of the underlying collateral. Increases and decreases in the allowance due to changes in the measurement of the impaired loans are included in

the provision for loan loss not to exceed the original carrying amount of the loan. Interest income on performing loans is accrued as earned. Interest income on impaired loans is recognized as collected. The estimated fair market value of the underlying loan collateral is determined by management using appraisals and internally developed valuation methods. These models are based on a variety of assumptions. Changes in these assumptions could positively or negatively impact the valuation of our impaired loans.

Derivative Instruments and Hedging Activities. We may utilize derivative instruments to partially offset the effect of fluctuating interest rates on the cash flows associated with our variable-rate debt. We intend to follow established risk management policies and procedures in our use of derivatives and do not enter into or hold derivatives for trading or speculative purposes. We will record all derivative instruments on the balance sheet at fair value. On the date we enter into a derivative contract, the derivative is designated as a hedge of the exposure to variable cash flows of a forecasted transaction. The effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income (loss) and subsequently recognized in the statement of operations in the periods in which earnings are impacted by the variability of the cash flows of the hedged item. Any ineffective portion of the gain or loss is reflected in interest expense in the statement of operations. Determining fair value and testing effectiveness of these financial instruments requires management to make certain estimates and judgments. Changes in assumptions could have a positive or negative impact on the estimated fair values and measured effectiveness of such instruments could in turn impact our results of operations.

Accounting for Land Parcel Acquisitions. For each Land Parcel acquisition, we record the fair value of the land, and any assumed liabilities on contingent purchase consideration. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair values are determined based on incorporating market participant assumptions, discounted cash flow models and our estimates reflecting the facts and circumstances of each acquisition.

Acquisition Fees and Costs. We will expense, rather than capitalize, acquisition fees and costs in accordance with existing accounting requirements. The expensing to operations procedure causes a decrease in cash flows from operating activities, as compared to when acquisition fees and costs were included in cash flows from investing activities, but are now treated as cash flows from operating activities. The characterization of these acquisition fees and costs to operating activities in accordance with GAAP does not change the nature and source of how the amounts are funded and paid. We will capitalize acquisition fees and costs incurred in connection with the making of loans, simple asset purchases and other permitted investments.

Fair Value of Non-Financial Assets and Liabilities. For non-financial assets and liabilities such as real estate, intangibles, investments in unconsolidated entities and other long-lived assets, including the incorporation of market participant assumptions, Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement dated. We will generally determine fair value based on incorporating market participant assumptions, discounted cash flow models and our management's estimates reflecting the facts and circumstances of each non-financial asset or liability.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. These estimates include the allocation of costs and the assessment of the collectability of accounts receivable, use and recoverability of inventories, useful lives for amortization periods, and recoverability of goodwill, among others. Actual results could differ from those estimates.

Goodwill and Other Intangible Assets. Goodwill and identifiable intangibles which consists of leasehold advantages, recorded in connection with the Land Parcel purchase transactions, are accounted for in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets.

Leasehold Advantage. Is amortized on a straight line basis over the life of the land leases (if any), which range from 22 – 33 years. A leasehold advantage exists when the selected property pays a contracted rent that is below current market rents. The value of a leasehold advantage is calculated based on the differential between market and contracted rent, which is tax effected and discounted to present value based on an after-tax discount rate corresponding to each Land Parcel.

Capitalized Interest. We will capitalize interest expense during the period of Land Entitlement of Land Parcels.

Cash and Cash Equivalents. We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash. "Restricted cash" consists of cash held as collateral to provide credit enhancement for select Land Parcel obligations related to Land Parcel Purchase Contracts deposits made in the form of Company or Affiliate Promissory Notes.

Income Taxes. Our SLP LLCs will account for income taxes under SFAS No. 109, Accounting for Income Taxes, which prescribes an asset and liability approach. Under the asset and liability method, deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense (benefit) is the tax payable (refundable) for the period and the change during the period in deferred tax assets and liabilities. This approach will be used to determine the components of income taxes for the select Properties based on the specific identification of assets and liabilities.

2. OFFERING OF UNITS

Description of the Offering

The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. Purchasers must purchase a minimum of 100 Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit.

Who May Invest. Only Accredited Investors may purchase Class A Units. In general, natural persons must have a minimum annual income of at least $200,000, or a net worth of $1,000,000. See "Plan of Distribution - Investor Qualifications".

Risk Factors. The Class A Units being offered involve a high degree of risk. Prospective investors, prior to making an investment, should carefully consider the risks and speculative factors inherent in and affecting the business of the Company. See "Risk Factors".

Net Offering Proceeds. Estimated net proceeds of the Offering are $9,100,000. See "Planned Use of Offering Proceeds"'

Subscription Payment. Subscribers fund their Class A Unit Purchase Price by paying 100% of the amount subscribed at Subscription.

Exempt Offering. The Class A Units are being sold in an exempt offering to Accredited Investors pursuant to exemptions from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended, Regulation D 506(c) adopted thereunder, and applicable state laws.

Plan of Distribution. The Class A Units are being offered by the members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Other persons who assist in sales, including registered investment advisors, licensed securities dealers and others ("Selling Agents") subject to applicable state securities laws, may receive fees or commissions of up to 8% on sales of Class A Units. We also intent to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of than $920 per Class A Unit.

Commissions; Sales to Eligible Persons. The Company may pay fees and commissions of up to 8% of the price of Class A Units sold in this Offering where sales are made by licensed securities dealers and others ("Selling Agents") authorized to receive such amounts under applicable securities laws. The Company's estimated allocation of the net Offering 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.

Additionally, regarding purchases of Class A Units by IRAs, the Company may 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 Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period, and any unused funds apportioned to this category will be reapportioned to Company Working Capital. We also intend to sell Class A Units to Eligible Persons, including certain clients of registered investment advisors, at a Modified Price of not less than $920 per Class A Unit.

Maximum legal, accounting, printing and other expenses associated with the Offering are estimated to be $100,000 and will be paid from Offering Proceeds.

Escrow. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member at which time the escrowed funds will be distributed to the Company.

Allocations. 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 his or her respective Capital Account as provided in the Operating Agreement. See Exhibit B, Operating Agreement.

Voting. The Class A Members voting rights are limited to (i) any matter that would materially alter their Distribution rights, and (ii) the removal of the Manager for Cause. A Majority In Interest of the Class A Members must approve any action on which the Class A Members are entitled to vote. See Exhibit B - Operating Agreement.

Class A Member Tax Returns. The federal income tax information sent to each Class A Member by the Company following the close of each calendar year will be based in certain cases on interpretations of data compiled from the books and records of the Company. Management will endeavor in good faith to adhere to current income tax regulations, interpretations and precedents and will consult with independent public accountants and tax counsel to the extent deemed appropriate by management in compiling the tax information to be sent to the Class A Members. However, the amounts of income, gain, loss, deductions, credits or allowances reported by each Class A Member for his individual income tax returns on the basis on such tax information might, in the event of an audit, vary from the amounts ultimately determined or allowed by the IRS or by the courts.

Liquidity Feature

The Company intends to create a Liquidity Feature to be funded by USA BRA receiving Class B Member Units in lieu of cash payment of the first $500,000 of Land Parcel Entitlement Completion Fees which become due from the Company. Effective May 1, 2015, a Class A Member suffering a financial hardship may petition the Company to acquire its Class A Units. If the Parent Company's board of directors, in its sole discretion, determines that a hardship is genuine, and if the Liquidity Feature reserve is adequate, the Company will purchase up to $50,000 of the Member's Class A Units at 92% of the Initial Capital Contribution paid for those Units. This Liquidity Feature would be limited to $50,000 for any one Member, and $500,000 in aggregate.

Advisor's Capital Contributions

Our Advisor, USA BRA, has made an initial capital contribution of $1,000. Additionally, USA BRA has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,001,000 for the $1,000 cash capital contribution and the two $500,000 Capital Account credits.

Distributions

Each Class A Unit holder's capital account ("Capital Account") will be initially established in the amount of the purchase price paid for the Class A Units. We refer to that amount as the "Initial Capital Account".

Each Class B Unit holder's Capital Account will be initially established in the amount of the purchase price paid for the Class B Units plus any applicable Capital Account Credits ("Capital Account Credits") granted by the Company for amounts due for organization period work. USA Barcelona Realty Advisors ("USA BRA"), our Advisor, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided

to the Company and other associated matters. Accordingly, USA BRA's Original Capital Account Balance will be credited in the amount of $500,000.

In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

Distribution of Net Cash Flow. Commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the fiscal year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each fiscal year, the Company shall make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first Distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first Distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second Distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth Distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

Cumulative Distributions means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

3. CLASS B MEMBER CAPITAL ACCOUNT CREDITS

Advisor's Capital Contributions

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000 for these Capital Contributions.

USA Barcelona Hotel Land Company I, LLC

Statements of Cash Flows	Notes	2014	2015	2016	2017
Cash flows from operating activities:					
Income from Sale of SLP's to New Build Affiliates	7	$ -	$ 8,841,600	$ 35,501,600	$ 14,048,000
Payment from New Builds for Refundables	8	-	1,584,360	6,656,200	2,011,600
Company Administration Expense	13	(1,200,000)	(1,275,000)	(900,000)	(225,000)
Organization Costs	9	(750,000)	-	-	-
Total Cash flows from operating activities:		(1,950,000)	9,150,960	41,257,800	15,834,600
Cash flows from investing activities					
Land Entitlement Costs:					
DD Step 1	16	(285,108)	(1,090,615)	(554,250)	-
Franchise	16	(211,358)	(1,028,315)	(849,800)	-
Financing	16	(175,525)	(855,434)	(1,458,015)	-
Civil	16	(88,025)	(440,467)	(642,682)	-
Structural	16	(65,165)	(578,645)	(477,450)	-
P&Z	16	(151,487)	(1,389,100)	(2,471,525)	-
Permit Application	16	-	-	-	-
Land Closing	16	-	(5,220,220)	(20,635,305)	(8,165,400)
Legal	10	(75,000)	-	-	-
Printing, Escrow, Accounting	10	(25,000)	-	-	-
Marketing	11	(150,000)	-	-	-
Not Used	na	-	-	-	-
Sales Commissions	10	(480,000)	(320,000)	-	-
Discontinued Land Parcel Entitlement Costs	12	(80,000)	(120,000)	(40,000)	-
Land Parcel Location and Acquisition Fee	14	(221,040)	(794,740)	(444,000)	-
Land Entitlement Completion Fee	15	-	-	(1,273,728)	(561,920)
		(2,007,709)	(11,837,537)	(28,846,754)	(8,727,320)
Cash flows from financing activities					
Class A Members	1	6,000,000	4,000,000	-	-
Loan From USA BRA - Deferred Organization Costs	2	250,000	-	-	-
Class B Members	3	501,000	353,664	146,336	-
Loan from Joint Venture	4	-	-	-	-
Available	na	-	-	-	-
Bank Land Loan	5	-	-	-	-
USA BRA Loan	6	500,000	-	-	-
Advances from USA BRA - Principal	17	-	-	(500,000)	-
Advances from USA BRA - Interest	17	-	-	(108,333)	-
Loan From Joint Venture - Principal	17	-	-	-	-
Loan From Joint Venture - Interest	17	-	-	-	-
Bank Land Loan - Principal	17	-	-	-	-
Bank Land Loan - Interest	17	-	-	-	-
Loan From USA BRA - Deferred Organization Costs - Principal	17	-	-	(250,000)	-
Loan From USA BRA - Deferred Organization Costs - Interest	17	-	-	(43,750)	-
Class A Members	18	-	(2,364,323)	(7,723,198)	(11,365,043)
Class B Members	18	-	(118,897)	(130,130)	(2,021,366)
Total Cash flows from financing activities		7,251,000	1,870,444	(8,609,076)	(13,386,409)
Net change in cash and cash equivelants		3,293,291	(816,132)	3,801,970	(6,279,129)
Cash and cash equivelants, beginning of period		-	3,293,291	2,477,159	6,279,129
Cash and cash equivalents, end of period		$ 3,293,291	$ 2,477,159	$ 6,279,129	$ -

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USA Barcelona Hotel Land Company I, LLC

Statements Of Operations	Notes	2014	2015	2016	2017
Income					
Income from Sale of SLP's to New Build Affiliates	7	$ -	$ 8,841,600	$ 35,501,600	$ 14,048,000
Payment from New Builds for Refundables	8	-	1,584,360	6,656,200	2,011,600
Total Income		-	10,425,960	42,157,800	16,059,600
Expenses					
Offering Costs					
Legal	10	75,000	-	-	-
Printing, Escrow, Accounting	10	25,000	-	-	-
Marketing	11	150,000	-	-	-
Expensing Of Organization Costs	na	750,000	-	-	-
Sales Commissions	10	480,000	320,000	-	-
Discontinued Land Parcel Entitlement Costs	12	80,000	120,000	40,000	-
Company Administration Expense	13	1,200,000	1,275,000	900,000	225,000
Land Parcel Location and Acquisition Fee	14	221,040	794,740	444,000	-
Land Entitlement Completion Fee	15	-	-	1,273,728	561,920
Land Entitlement Costs:	16	976,669	10,602,797	27,089,026	8,165,400
Advances from USA BRA - Interest	17	-	-	108,333	-
Organization Period Loan from USA BRA - Interest	17	-	-	43,750	-
Loan From Joint Venture - Interest	4	-	-	-	-
Bank Land Loan - Interest	17	-	-	-	-
Total Expenses		3,957,709	13,112,537	29,898,838	8,952,320
Net Income		$ (3,957,709)	$ (2,686,577)	$ 12,258,963	$ 7,107,280

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USA Barcelona Hotel Land Company I, LLC
Balance Sheets

	Notes	2014	2015	2016	2017
Assets					
Cash		$ -	$ 2,477,159	$ 6,279,129	$ -
Other	9	750,000	750,000	750,000	-
		-	-	-	-
Total Assets		4,043,291	3,227,159	7,029,129	-
Liabilities And Members Equity					
Liabilities					
Bank Land Loan	17	$ -	-	-	-
Payable to BRA for Organization Period Services	2	$ 250,000	250,000	-	-
Loan from BRA	6	$ 500,000	500,000	-	-
Loan from Joint Venture	4	$ -	-	-	-
Total Liabilities		750,000	750,000	-	-
Members Equity					
Class A Members	1				
Beginning Capital Account Balance		-	6,000,000	7,635,677	(87,521)
Capital Contributions	1	6,000,000	4,000,000	-	-
Less: Distributions	18	-	(2,364,323)	(7,723,198)	(11,365,043)
Ending Equity		6,000,000	7,635,677	(87,521)	(11,452,564)
Class B Members					
Beginning Capital Account Balance		-	1,251,000	1,485,767	1,501,973
Capital Contributions	3	1,251,000	353,664	146,336	-
Less: Distributions	18	-	(118,897)	(130,130)	(2,021,366)
Ending Equity		1,251,000	1,485,767	1,501,973	(519,393)
Retained Earnings:					
From Prior Period			(5,619,351)	3,631,190	11,971,957
From Current Period		(3,957,709)	(1,024,935)	1,983,487	-
Total Retained Earnings		(3,957,709)	(6,644,286)	5,614,677	11,971,957
Total Equity		3,293,291	2,477,159	7,029,129	-
Total Liabilities & Equity		$ 4,043,291	$ 3,227,159	$ 7,029,129	$ -

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Notes to the Financial Forecast Statements

The Forecast computer model uses the following chart to correlate numbered calendar months to program months.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1	2	3	4	5	6	7	8	9	10	11	12
2015	13	14	15	16	17	18	19	20	21	22	23	24
2016	25	26	27	28	29	30	31	32	33	34	35	36
2017	37	38	39	40	41	42	43	44	45	46	47	48

Note 1 – Class A Members' Capital

The Maximum Offering of Class A Units is $10,000,000. The Forecast incorporates the maximum amount of capital that can be raised with these funds being received over the period June 2014 through May 2015. Amounts shown in thousands ($000).

Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
$ -	$ -	$ -	$ -	$ -	$ 1,500	$ 750	$ 750	$ 750	$ 750	$ 750	$ 750

Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
$ 750	$ 750	$ 750	$ 750	$ 1,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -

In running sensitivity analysis of the minimum amount of capital required to execute the business plan, it was determined that $5,500,000 of total capital, funded over the period June 2014 through September 2014 would be sufficient to execute the Company's business plan. The Forecast incorporate $11,001,000 of capital, $1,001,000 from the Class B Members and $10,000,000 from the Class A Members. The actual amount raised will be dependent on several factors, mainly, staying on schedule with the Entitlement program and the possible need to close on Land Parcel Purchase Contracts prior to the assignment to New Build Affiliates.

Note 2 – USA BRA Loan

The Class B Members are comprised of the Manager, USA Barcelona Hotel Holding Company, LLC and our Advisor, USA Barcelona Realty Advisors, LLC ("USA BRA"). USA BRA has charged the Company $750,000 for organization period work and has agreed to contribute $500,000 of the amount as Class B Capital and loan the balance of $250,000 to the Company to be repaid from operating revenues. The loan will bear 10% interest. See the statements in the Forecast for assumed timing of repayment.

Note 3 – Class B Member Capital

As stated in Note 2, USA BRA has contributed $500,000 of the organization period reimbursements owed to it by the Company as Class B Member Capital. Additionally, in order to create a Class A Member hardship Liquidity Feature, USA BRA has agreed to waive receipt of payment of the first $500,000 of Land Parcel Entitlement Completion Fees (approximately the initial three Land Parcel transfers to New Build Affiliates) and instead accept a credit to its Class B Member Capital Account for those amounts. Total USA BRA Capital Accounts credits will be $1,000,000.

Note 4 – No loan is assumed in the Forecast.

Note 5 – Bank Land Loan

No loan is assumed to be employed in the Forecast. However, in the event the Company is required to acquire a Land Parcel, a Bank Land Loan may be employed at no more than 65% of the cash required to effect a closing on the Land Parcel.

Note 6 – USA BRA Cash Loan

In addition to the loan made to the Company as described in Note 2, USA BRA has agreed to loan to the Company $500,000 to enable the Company to commence its business operations prior to receiving any Proceeds from the Offering. In the event the Company receives Proceeds from the Offering in May 2014, the amount of the USA BRA loan would be diminished accordingly.

Note 7 – Income from sale of SLPs to New Build Affiliates

The Forecast calls for Land Parcels to be put under letters of intent on the schedule shown below. Resulting from that timing, it is assumed each Land Parcel will take 12 months to entitle and then be sold or assigned to a specific New Build Affiliate. That sequence of events leads to the timing of income from Land Parcel sales and assignments, as follows (dollars in the chart are shown in thousands):

Land Parcel	Land Parcel Contract Signing	Land Parcel Sale	Land Parcel Purchase Contract Amount	Sales Price to New Build Affiliate	Profit on Sale of Land Parcel
SLP 1 - Hampton Inn & Suites - Buena Park, CA - 128 keys	Dec 14	Nov 15	$ 2,496	$ 3,994	$ 1,498
SLP 2 - Home2 Suites by Hilton - Azusa, CA - 107 keys	Sep 14	Aug 15	1,926	3,082	1,156
SLP 3 - Hilton Garden Inn - Claremont, CA - 136 keys	Jul 15	Jun 16	2,822	4,515	1,693
SLP 4 - Hampton Inn & St. - Cathedral City, CA - 101 keys	Jun 15	May 16	1,465	2,343	879
SLP 5 - Hampton Inn - Hesperia, CA - 80 keys	May 14	Apr 15	1,104	1,766	662
SLP 6 - Hilton Garden Inn - Rialto, CA - 136 keys	Apr 15	Mar 16	1,904	3,046	1,142
SLP 7 - Homewood Suites - Madeira Beach, FL - 93 keys	Aug 15	Jul 16	1,860	2,976	1,116
SLP 8 - Hampton Inn & St. - Maderia Beach, FL - 107 keys	Sep 15	Aug 16	2,140	3,424	1,284
SLP 9 - TBD - TBD, TBD - 107 keys	Oct 15	Sep 16	1,498	2,397	899
SLP 10 - TBD - TBD, TBD - 136 keys	Feb 15	Jan 16	2,720	4,352	1,632
SLP 11 - TBD - TBD, TBD - 131 keys	Nov 15	Oct 16	2,620	4,192	1,572
SLP 12 - TBD - TBD, TBD - 142 keys	Dec 15	Nov 16	2,840	4,544	1,704
SLP 13 - TBD - TBD, TBD - 116 keys	Jan 16	Dec 16	2,320	3,712	1,392
SLP 14 - TBD - TBD, TBD - 136 keys	Feb 16	Jan 17	2,720	4,352	1,632
SLP 15 - TBD - TBD, TBD - 148 keys	Mar 16	Feb 17	2,960	4,736	1,776
SLP 16 - TBD - TBD, TBD - 155 keys	Apr 16	Mar 17	3,100	4,960	1,860
Totals			$ 36,495	$ 58,391	$ 21,897

Note 8 – Payment from New Build Affiliates for Refundables

Refundables include cash expenditures that we made to enhance the value of the Land Parcel during the Entitlement Process that typically are classified as "construction period costs".

Single Land Parcels	Month Received		Amount Received
SLP 1 - Hampton Inn & Suites - Buena Park, CA - 128 keys	23	X	$ 545,700
SLP 2 - Home2 Suites by Hilton - Azusa, CA - 107 keys	20	X	515,160
SLP 3 - Hilton Garden Inn - Claremont, CA - 136 keys	30	X	855,700
SLP 4 - Hampton Inn & St. - Cathedral City, CA - 101 keys	29	X	580,350
SLP 5 - Hampton Inn - Hesperia, CA - 80 keys	16	X	523,500
SLP 6 - Hilton Garden Inn - Rialto, CA - 136 keys	27	X	869,300
SLP 7 - Homewood Suites - Madeira Beach, FL - 93 keys	31	X	665,750
SLP 8 - Hampton Inn & St. - Maderia Beach, FL - 107 keys	32	X	662,300
SLP 9 - TBD - TBD, TBD - 107 keys	33		514,800
SLP 10 - TBD - TBD, TBD - 136 keys	25		516,400
SLP 11 - TBD - TBD, TBD - 131 keys	34		664,400
SLP 12 - TBD - TBD, TBD - 142 keys	35		668,800
SLP 13 - TBD - TBD, TBD - 116 keys	36		658,400
SLP 14 - TBD - TBD, TBD - 136 keys	37		666,400
SLP 15 - TBD - TBD, TBD - 148 keys	38		671,200
SLP 16 - TBD - TBD, TBD - 155 keys	39		674,000
Total Amount of Refundables Payments Received From New Build Affiliates			$ 10,252,160

x" - A Land Parcel specified in the Offering. The economics for all unspecified Land Parcels are based on actual prospective Land Parcels under consideration by the Company.

Note 9 – Organization Costs

These costs are capitalized and charged to earnings in the final period in the Forecast. Also see Note 2.

Note 10 – Offering Costs

Legal - Offering Expenses in an amount up to 1% of Offering Proceeds may be paid by the Company for legal, accounting, escrow, printing and other related expenses. $75,000 has been allocated to Legal expenses associated with the Offering.

Printing, Escrow and Accounting Expenses – $25,000 has been allocated to this classification of Offering Costs

Sales Commissions - The Company is offering and selling, to Accredited Investors only, up to 10,000 Class A Units at $1,000 per Class A Unit. There is no minimum Offering. Each Subscriber's funds will be placed in an escrow account at Alliance Bank of Arizona in Phoenix, Arizona until the Company accepts the Subscriber as a Class A Member. Purchasers must purchase a minimum of 100 Class A Units at $1,000 per Class A Unit ($100,000), except that we may permit investments of a lesser amount in our discretion. We also intend to sell Class A Units to Eligible Persons, who may include our Affiliates, at a Modified Price of not less than $920 per Class A Unit. The Class A Units are being offered by members of management of the Company on a "best efforts" basis, who will receive no compensation related to their sales activities. Offering fees and commissions of up to 8% of the Subscription Purchase Price may be paid by the Company on Class A Units sold in this Offering where sales are made by securities dealers and other Selling Agents legally authorized to receive such compensation. If costs, fees or expenses of the Offering exceed the percentages of Offering proceeds allocated for those items, the Manager may pay any excess amounts from its own funds. The Company will not pay offering commissions or custodian fees relating to Class A Units sold at the Modified Price. Regarding purchases of Class A Units by IRAs, if applicable, the Company will pay a one-time fee to the associated IRA custodian of up to $500, which payment will be deducted from any commissions otherwise due on the sale of the associated Class A Units. Offering commissions on Class A Unit sales and IRA custodian payments will be paid from Offering Proceeds based on sales of Class A Units accepted by the Company during the Offering Period.

Note 11 – Marketing of the Offering

From Company operating revenues and proceeds from loans made to the Company, this is an allowance for costs associated with marketing the Offering through the broker dealer community and for other costs otherwise associated with promoting the Offering such as general solicitation related costs, as allowed under Section 4(a)(2) of the Act, Rule 506(c).

Note 12 – Discontinued Land Parcel Entitlement Costs

An allowance is made in the Forecast for costs associated with Land Parcels that do not make it through the Due Diligence step. This allowance is $10,000 a month for the twenty four month period Land Parcels are Forecast to be undergoing Entitlement work.

Note 13 – Company Administration Expense

Advisor will be paid a Program Management Fee of $150,000 a month commencing May, 2014 through May, 2015 and $75,000 a month thereafter through the month in which the final Land Parcel sale or assignment occurs. It is important to understand the scope of work required to execute the Company's business plan and to relate that body of work to the costs required to conduct the Company's business. (See the Memorandum, Section V. Business Plan and Section VIII. About Our Advisor – USA Barcelona Realty Advisors, LLC.)

Note 14 – Land Parcel Location And Acquisition Fee

Under the Advisory Agreement, USA BRA is also entitled to four percent (4%) of the purchase price called for in the Land Parcel Purchase Contract of each Land Parcel arranged for the Company.

Note 15 – Land Parcel Entitlement Completion Fee

Under the Advisory Agreement, USA BRA is also entitled to an Land Parcel Entitlement Completion Fee of 4% of the sales price or the assignment value of each Land Parcel to a New Build Affiliate.

Note 16 – Land Parcel Entitlement Costs

The Company's business plan takes each Land Parcel through a series of value enhancing steps which, in aggregate, we refer to as the Entitlement Process. Each Land Parcel will have an Entitlement Period budget that incorporates the following major line items, which are associated with steps in the Entitlement Process:

- Land Parcel Contract executed between the Company or a SLP LLC and the land owner.
- Preliminary Due Diligence – The initial 60 days under contract will involve numerous internal and third party contractor studies and confirmations.
- Franchise – Hotel franchise application and franchisor approval obtained.
- Financing – Lender approval obtained for construction and mini-perm financing.
- General Contractor engaged and final construction budget and construction schedule developed.
- Civil Engineering – Civil engineering work completed and submitted to appropriate municipal authorities for review and approval.
- Structural and Design – Structural engineering and architectural work completed and submitted to appropriate municipal authorities for permit review and approval.
- Planning & Zoning approvals obtained.

The following is an example of an Entitlement Budget (this is the Azusa, California budget):

Land Deposits	$	134,820
Internal Feasibility Charge		-
Structural/M EP Engineering		-
Architectural Design		175,000
Building Permit Application		-
Civil Engineering Design		40,660
Available		-
Construction Loan Sourcing		20,000
Environmental Study & Geo Tech		17,500
Financing Study (Internal Chg)		-
Franchise Exploration		5,000
Franchise Fee		72,500
Market Feasibility Study (STR and PKF)		20,000
Legal		50,000
Bank Loan Commitment Fee		82,500
Land Closing		-
Interior Design		25,000
Other		-
Other		-
Other Engineering & Design Work		-
Planning & Zoning		10,000
Site Plan - Preliminary		5,000
Soils Study		7,500
Traffic Study		8,500
Utility Study		6,500
Total Land Parcel Entitlement Budget	$	680,480

In the Forecast's Statement of Cash Flows, "Land Closing" is shown as a sub-item cost under Land Entitlement Costs. That selection of disclosure is an accommodation to the manner in which the economic model for the Forecast is constructed. In fact, the Company does not intend to acquire any Land Parcels, rather, we plan to control them through the Land Parcel Purchase Contracts and upon completion of the Entitlement process, sell or assign each Land Parcel to a New Build Affiliate. Whether we "sell" a Land Parcel, or "assign" to a New Build Affiliate the related transaction between the Company and the New Build Affiliate will be based on:

- ✓ For a Land Parcel acquired by the Company during the Entitlement Period, we will "sell" the Land Parcel to a New Build Affiliate a price equal to the appraised value of the Land Parcel at the time of the sale, or
- ✓ For a Land Parcel which the Company has not yet acquired, but controls under terms of the Land Parcel Purchase Contract, and for which we complete Entitlement, the Company will "assign" the Land Parcel Purchase Contract to a New Build Affiliate for a cash price that represents the difference between the appraised value of the Land Parcel at the time of assignment, and the amount due to the seller under the Land Parcel Purchase Contract.

Note 17 – Repayment Of Loans

Loans to the Company	Interest Rate	Principal	Interest
Advances from USA BRA	10.0%	$ 500,000	$ 108,333
Loan From Joint Venture	na	na	na
Bank Land Loan	na	na	na
Loan From USA BRA – Deferred Organization Costs	10.0%	250,000	41,667

See the Forecast financial statements for timing of Loan Repayments

Note 18 – Distributions

Each Class B Unit holder's Capital Account will be initially established in the amount of the purchase price paid for the Class B Units ($1,000) plus any applicable Capital Account Credits granted by the Company to USA BRA as described below.

Our Advisor, USA BRA, has been granted a $500,000 Capital Account Credit for work it has contributed to the Company for organizational period services which resulted in the formation of the Company and its subsidiary SLP LLCs, Land Parcel sourcing and related negotiations with land owners on behalf of the Company in its formation stage, negotiations with third party companies for various Entitlement related services to be provided to the Company and other associated matters. Additionally, USA BRA's capital account will be credited $500,000 for Land Parcel Entitlement Completion fees it has agreed to forego in order for the Company to establish a Class A Member Liquidity Feature. Accordingly, USA BRA's Capital Account will be credited a total amount of $1,000,000.

For the purpose of computing Distribution amounts due to all Units (including the Class A Units and the Class B Units), each Unit holder's capital account shall be reduced by Distributions received as Return Of Capital Distributions, but not for Distributions received as Catch-up Distributions, 8% Priority Distributions or Additional 5% Distributions. In any period in which a Distribution is made, for the purpose of calculating the amount of Distribution due to each Unit holder, the "8% Priority Distribution" and the "Additional 5% Distribution" shall be made based on the Unit holder's Initial Capital Account Balance until such time as the Unit holder's Capital Account is reduced to zero as a result of reductions created by Return Of Capital Distributions. The 8% Priority Distribution and the 5% Additional Distribution shall be eliminated following the Unit holder's Capital Account being reduced to zero.

Distribution of Net Cash Flow. Commencing in the second quarter of 2015, as soon as practicable after the end of each quarter of the fiscal year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each fiscal year, the Company plans to make Distributions as determined by the Manager in the following order of priority:

(a) If at any time all accrued Cumulative Distributions from prior periods have not been made, the first Distribution shall be the "Catchup Distribution"; however, no Catchup Distributions shall be made if all accrued Cumulative Distributions from prior periods have been made. Any Catchup Distributions must be made: (i) first, 100% to the Class A Units until they have received all accrued Cumulative Distributions due from prior periods; and thereafter, (ii) 100% to the Class B Units until they have received all accrued Cumulative Distributions due from prior periods.

(b) If no Catchup Distributions are due, the first Distribution shall be the "8% Priority Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative 8% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 8% return on their Initial Capital Account. The 8% Priority Distribution is Cumulative; thereafter,

(c) The second Distribution shall be the "Additional 5% Distribution", and shall be made: (i) 100% to the Class A Units until the holders of Class A Units have received a cumulative additional 5% return on their Initial Capital Account; and thereafter, (ii) 100% to the Class B Units until the holders of Class B Units have received a cumulative 5% return on their Initial Capital Account. The Additional 5% Distribution is Cumulative; thereafter,

(d) The third Distribution shall be the "Return of Capital Distribution", and shall be made: (i) 100% to the Class A Units until their Adjusted Capital Account balances are zero; and thereafter, to the Class B Units until their Adjusted Capital Account balances are zero; and thereafter,

(e) The fourth Distribution shall be the "Final Distribution' and shall be made 90% to the Class A Units as a Class and 10% to the Class B Units as a Class.

Cumulative Distributions means in any period in which Distributions are declared by the Company, the first payment of Distributions shall be those accrued from prior periods and (i) due to the Class A Members and Class B Members under the 8% Priority Distribution, and (ii) due to Class A Members and Class B Members under the 5% Additional Distribution. Such payments shall be classified as Catch-up Distribution payments and shall be paid in full prior to the payment of any other Distributions to any Member. Unpaid Catch-up Distribution amounts due from prior periods and the current period, shall accrue and accumulate as Cumulative Distributions and are payable as Catch-up Distribution payments in the next period in which the Company declares and pays Distributions.

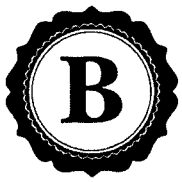
The following table summarizes Distributions, under the Maximum Offering of $10,000,000, among the Class A Members and Class B Member, by year, as derived from the Forecast Statements:

Dist Step	Summary Of Cash Distributions	Totals	2014	2015	2016	2017
(a)	To Class A Members	$ -	$ -	$ -	$ -	$ -
	To Class B Members	-	-	-	-	-
(b)	To Class A Members	1,576,653	-	900,061	628,659	47,933
	To Class B Members	170,698	-	70,598	80,080	20,020
(c)	To Class A Members	985,408	-	562,538	392,912	29,958
	To Class B Members	110,861	-	48,299	50,050	12,513
(d)	To Class A Members	10,000,000	-	901,724	6,701,628	2,396,649
	To Class B Members	1,001,000	-	-	-	1,001,000
(e)	To Class A Members	8,890,503	-	-	-	8,890,503
	To Class B Members	987,834	-	-	-	987,834
	To Class A Members	21,452,564	-	2,364,323	7,723,198	11,365,043
	To Class B Members	2,270,393	-	118,897	130,130	2,021,366
	Totals	$ 23,722,957	$ -	$ 2,483,220	$ 7,853,328	$ 13,386,409

The Company is an operating company dealing in the land acquisition and Land Parcel Entitlement business. The Land Parcels have a lifecycle of 12 months with the Company. At the end of their Entitlement Period with the Company they are sold or assigned to a New Build Affiliates. At that time, each Land Parcel generates a substantial return on cost to the company. The Maximum Offering provides approximately $4,000,000 of surplus capital to the Company over planned requirements. This is demonstrated in the following chart which shows the results of the Company operating with $6,000,000 of Proceeds from the Offering (Case B) and with $10,000,000, the maximum amount of the Offering (Case A).

Revenues				Case B $6MM Raise	Case A Maximum Raise
USA BRA Loan				$ 500,000	$ 500,000
Class A Members				**6,000,000**	**10,000,000**
Class B Members				1,001,000	1,001,000
Loan from USA/XYZ JV				-	-
Loan From USA BRA - Deferred Organization Costs				250,000	250,000
Bank Land Loan				-	-
Income from Sale of SLP's to New Build Affiliates				58,391,200	58,391,200
Payment from New Builds for Refundables				10,252,160	10,252,160
				76,394,360	80,394,360
Expenses					
Organization Costs				750,000	750,000
Offering Costs				970,000	1,290,000
Company Administration Expense				3,600,000	3,600,000
Land Parcel Location and Acquisition Fee				1,459,780	1,459,780
Land Entitlement Completion Fee				1,835,648	1,835,648
Land & Land Entitlemnt Costs				46,833,892	46,833,892
Debt Retirement (P&i)				902,083	902,083
Distributions		*Case A*	*Case B*	-	
Class A Members	*Return Multiple*	*294.41%*	*214.53%*	17,664,640	21,452,564
Class B Members				2,378,317	2,270,393
				$ 76,394,360	$ 80,394,360

The Company's Manager will endeavor to moderate the raise of Class A Capital under the Offering to matchup with planned uses of funds and to establish sufficient reserves for foreseeable contingencies such as the need to acquire a Land Parcel. Accordingly, the Maximum amount of Class A Units allowed under the Offering may not be sold.



USA Barcelona

HOTEL LAND COMPANY I

USA BARCELONA ADVISORS, LLC

MEMORANDUM

TO: **Dick**
Tom
Bruce
Bob

FROM: **Jeff Teets**

DATE: **May 7, 2014**

SUBJECT: **April, 2014 YTD Advisors' Financial Statements**

Attached please find the April, 2014, financials for Advisors. By way of a review, the Balance Sheet reflects the $150,000 taken in via the 10-5-10 Promissory Note program...please note this activity is $50,000 greater than we anticipated and budgeted. Taking a quick review of the Statement of Operations and comparing the YTD actual amounts vs. our YTD budget, you'll find a few variances. Variances greater than $5,000 are as follows:

Higher levels of activity in the areas of JV Equity raising and formation of an HC-1 offering were anticipated and costs to have been incurred in these areas did not occur at the pace we thought. Line items affected are:

- Advertising and Promotion – Our YTD budgeted amounts of $85,327 exceeded actual amounts by $84,975.

- Travel Costs – YTD budget amounts of $24,999 vs. actual amounts of $9,093.

- Meals and Entertainment – Costs incurred were also less than budget...$3,216 vs. $12,990.

In anticipation of JV capital being close to being in place and HC-1 activity starting, we anticipated staffing up to meet this demand, however this activity is still in process and therefore personnel related costs were short of budget as follows:

- Payroll – Budget of $88,000 vs. Actual of $68,987.

- Payroll Taxes & Fees – Budget of $14,509 vs. Actual of $4,717.

Due to cash flow shortfalls in the debt and equity raising areas, other line item activity was postponed or payments were deferred. Areas affected are as follows:

- Insurance premiums for D&O and E&O policies were not entered into...our YTD budget anticipated installment premiums of $10,000.

- Interest on debt instruments have had scheduled interest payments deferred on the 12-6-12 debt offerings and Promissory Notes by $44,534 and 23,348, respectively.

EXHIBIT
tabbies
S-93
ADMITTED

Simmons EXHIBIT 17
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

- Legal costs paid to date ($11,819) are less than budget of $27,499 and amounts due as of 4/30/14 are $28,000. This deferral has been discussed with Polsinelli.

- Guaranteed Payments to Partners were anticipated to be $238,500 to date; however only $125,750 has been paid through April 30th. The budget deficit will be pushed to later in the year, when fund raising and operational cash flow pick up, at which time payments will be brought current.

- Seminar attendance and its corresponding dues was anticipated to be $12,501 vs. $2,000 to date.

Other significant variances were in the area of Computer hardware and software acquisitions ($37,901 under budget) and primarily related to the timing of WGM's first phase of their proposed upgrade to our IT infrastructure, including a host server, switches, power back-up other equipment and associated software. Another line item variance for Due Diligence Research was not anticipated in the 2014 Budget and we have spent $7,600 to STR research for future due diligence reports on future potential site locations.

If you have any comments or questions, feel free to call.

USA Barcelona
REALTY ADVISORS

USA Barcelona Realty Advisors, LLC
Balance Sheets

	April 30, 2014	December 31, 2013
Assets		
Cash	$ 16,704	$ 21,060
Property and Equipment	33,990	33,301
Accumulated Depreciation	(5,674)	(5,674)
Start-up Costs, net of accum amort ($96,902 in 2013)	1,356,634	1,356,634
Organization Costs, net of accum amort ($2,750 in 2013)	42,250	42,250
Advances Receivable from USA Barcelona Realty	211,000	211,000
Total Assets	$ 1,654,904	$ 1,658,571
Liabilities and Equity		
Promissory Notes Payable-Pre 2012	$ 298,600	$ 298,600
Promissory Notes Payable	730,000	555,000
Promissory Notes Payable-10-5-10 Offering	150,000	0
Promissory Notes Payable-12-6-12 Offering	670,000	670,000
Total Liabilities	1,848,600	1,523,600
Members' Equity		
Class A Member	599,000	599,000
Class B Member	-	-
Additional Paid-in Capital	672,500	672,500
Current year profit & loss	(328,667)	(1,136,529)
Retained Earnings	(1,136,529)	0
Total Equity	(193,696)	134,971
Total Liabilities and Equity	$ 1,654,904	$ 1,658,571

Simmons EXHIBIT 18
DATE 10-2-15
Jody L. Lenschow, RMR, CRR #50192

EXHIBIT
tabbies
S-94
ADMITTED

USA Barcelona
REALTY ADVISORS

USA Barcelona Realty Advisors, LLC
Statements of Operations

	Month Ended 4/30/2014	Year to Date	Budget to Date	2013
Expenses				
Advertising and Promotion	$ -	$ 352	$ 85,327	$ 22,826
Automobile	-	-	1,251	250
Bank Service Charges	150	245	126	283
Charitable Contributions	-	1,200	5,000	2,796
Computer	76	3,043	40,944	6,523
Computer services	-	75	4,800	54,675
Consulting	-	-	2,499	10,500
Due Diligence Research	7,600	7,600	-	-
Dues and Subscriptions	-	199	501	1,178
Financing Costs	-	-	-	75,000
Gifts	-	82	82	109
Insurance - Liability & Workers Comp.	1,732	1,732	-	1,614
Insurance - Health Insurance	-	2,580	5,000	7,859
Insurance - D&O and E&O	-	-	10,000	-
Interest		-	-	-
12-6-12 Offering	30,396	41,438	85,972	28,602
Executive Member Loans	-	-	4,656	591
Promissory Notes	10,655	12,155	34,503	8,190
Pre-2012 Promissory Notes	-	-	-	3,481
Internet & Telephone	429	1,716	3,750	4,264
IRA Rollover Fees	355	355	-	-
Legal	-	11,819	27,499	150,000
Licenses & Permits	-	459	195	330
Meals and Entertainment	252	3,216	12,990	25,918
Office Supplies	298	1,669	3,969	12,183
Payroll Taxes & Fees	1,102	4,717	14,509	7,250
Payroll	18,500	68,987	88,000	105,990
Guaranteed Payments to Partners	70,550	125,750	238,500	343,300
Postage and Delivery	679	1,755	6,464	1,524
Printing and Reproduction	1,621	7,179	8,751	28,769
Professional Fees	-	1,216	2,499	3,375
Rent	-	18,035	23,136	65,572
Seminars	-	2,000	12,501	8,780
Start-up Costs		-	-	5,000
Travel Costs	25	9,093	24,999	44,471
Total operating expenses	**144,420**	**328,667**	**748,423**	**1,031,203**
Depreciation	-	-	-	5,674
Amortization	-	-	-	99,652
Net income (loss)	**$ (144,420)**	**$ (328,667)**	**$ (748,423)**	**$ (1,136,529)**

USA Barcelona
REALTY ADVISORS

USA Barcelona Realty Advisors, LLC
Statement of Members' Capital

Equity Percentage	90.00% Class A Membership Units		10.00% Class B Membership Units	Additional Paid-in Capital	Retained Earnings	Total
Balance at January 1, 2013	$ 599,000		$ -	$ 672,500	$ -	$ 1,271,500
Member Contributions	-		-	-	-	-
Member Distributions	-		-	-	-	-
Net Loss	(1,060,382)	(1)	(76,147)	-	-	(1,136,529)
Balance at December 31, 2013	$ (461,382)		$ (76,147)	$ 672,500	$ -	$ 134,971
Member Contributions	-		-	-	-	-
Member Distributions	-		-	-	-	-
Net Loss	(306,646)	(1)	(22,021)	-	-	(328,667)
Balance at April 30, 2014	$ (768,028)		$ (98,168)	$ 672,500	$ -	$ (193,696)

(1) - As of April 30, 2014, only 67% of the Class B Units were outstanding, therefore, 6.7% of the Company's Net Loss were allocated to these Units with the balance allocated to Class A Units.

USA Barcelona
REALTY ADVISORS

USA Barcelona Realty Advisors, LLC
Statements of Cash Flows

	Month Ended 4/30/2014	Year to Date	2013
Cash Flows from Operating Activities:			
Net Income (Loss)	$ (144,420)	$ (328,666)	$ (1,136,529)
Adjustments to reconcile net loss to cash flow used in operations:			
Depreciation and amortization	-	-	105,326
Net Cash Flows Used In Operating Activities:	(144,420)	(328,666)	(1,031,203)
Cash Flows from Investing Activities:			
Additions to Property and Equipment	(690)	(690)	(33,301)
Additions to Organization Costs	-	-	(45,000)
Net Cash Flow Used In Investing Activities	(690)	(690)	(78,301)
Cash Flows from Financing Activities:			
Proceeds from 12-6-12 Promissory Notes	-	-	650,000
Proceeds from 10-5-10 Promissory Notes	150,000	150,000	0
Proceeds from Promissory Notes	-	175,000	555,000
Payments of Pre-2012 Promissory Notes	-	-	(74,376)
Repayment of Executive Members' Loans	-	-	(5,000)
Net Cash Flows Provided By (Used In) Financing Activities	150,000	325,000	1,125,624
Net Change in Cash and Cash Equivalents	4,890	(4,356)	16,120
Cash and Cash Equivalents, beginning of period	11,814	21,060	4,940
Cash and Cash Equivalents, end of period	$ 16,704	$ 16,704	$ 21,060

BARCELONA REALTY ADVISORS

October 16, 2012

Afternoon:

Good meeting today between Dawn Berry and I. She has a lot of great experience in the hotel industry. She is a solid fit for her role in the Barcelona mission.

Shortly, Charlie Berry will be pressing forward on his firm's legal work based on our $35,000 next payment and my assurances that we have sufficient funds coming in to fund his ongoing costs.

Hence, I will be sending Loan docs to those of you who have committed to take part of the $20,000 Insider Loan. Unless someone objects, I will make the due date 60 days from the Note execution date (rather than 90 days). That fits with what I judge is firm commitments of funds and our scheduled expenditures.

Now, there is $5,000 that remains (it appears to be softly committed). It needs to be funded to make the short-term plan whole. First come, first serve on that piece. Let me know.

Also, upon completion (maybe today but tomorrow for sure), I will be sending to Executive Member candidates the Operating Agreement for Barcelona Administration Company as currently amended. It includes a few updates including the definition of "Full-Time" as it relates to the Executive Members and some other fine tuning (all updates will be highlighted).

On the larger scene - To sweeten the BAC $1MM Unit Offering, I have modified the interest program on the Note component of an Investment Unit. A $20,000 Unit is comprised of a Series A 12-6-12 Note and a Class B Member Unit. The Note was a 12% annual interest, paid quarterly, with principal payback on 12/31/2014.

Now the Note has three interest features, and is referred to as the Series A 12-6-12 Note. It works as follows:

- part 1 - 12% Rate Of Return Interest feature of the Note (this feature is paid quarterly through 12/31/2014).
- part 2 - Year 1 Bonus 6% Interest feature of the Note (payable in lump sum on 12/31/2013)
- part 3 - Year 2 Bonus 12% Interest feature of the Note (payable in lump sum on 12/31/2014)
- Original Principal Investment amount of $20,000 is returned on the Note due date of 12/31/2014.
- Each Class B Unit receives an annual Priority Distribution of $1,000 commencing with 12/31/2013.
- Additional distributions (above the Priority Distributions) on the Class B Units are forecast to occur annually commencing in 2015.
- Liquidation distributions: Our forecast indicates each Class B Unit will receive $17,000 at liquidation of the Company's initial Fund (BRI 2013). The BRI 2013 liquidation is not a liquidation of the Company.

This increased benefit to the buyers of our Units resulting from the three part interest rate program has a minimal effect on our two year cash flow and is a more substantial award to those who are picking up the funding of BAC's push to get the REIT Offering to market by January 1, 2013.

EXHIBIT
tabbies
S-95
ADMITTED

Simmons EXHIBIT 19
DATE 10-2-12
Jody L. Lenschow, RMR CRR #50192

Our budgeted sources and uses of funds schedule is provided below. As you can see, the "Insider Loan" funding is critical at this current time. The December BAC Unit closings are shown as "zero". That will likely change as we meet with new prospects for our investment offering. Note that the November cash situation is squeaky tight. Getting that other $5,000 of the Insider Loan committed and funded gives us some breathing room.

Barcelona Administration Company's ("BAC") Short-term Budget:

Budget: 10-15 thru 12/31 Based On Current Commitments & Estimates	October	November	December
Sources:			
Beginning Cash	-	1,000	242,500
Insider Loan	15,000		
BAC Unit Closings	50,000	300,000	-
Total Sources	65,000	301,000	242,500
Uses:			
Legal Fees & Expenses	30,000	25,000	25,000
Capital Markets Fees	25,000	25,000	-
Travel Expenses	2,000	2,000	2,000
Administrative Costs	4,000	5,000	8,000
Interest On BAC Series A 12-6-12 Notes	-	500	4,000
Repay Insider Loan	-	-	23,000
Office Overhead	3,000	1,000	1,000
Total Uses	64,000	58,500	63,000
Ending Cash	1,000	242,500	179,500

FYI - Some of the allocation of Class A Common shares in the REIT that flow to BAC (we get 30% of BRI 2013's Commons Shares) will flow to those funding the Insider Loan. That is fair. Those that help carry the load right now get the long-term benefit.

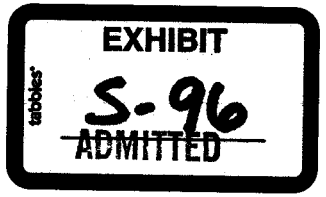
That's if from the Front Lines for today. Moving Forward.

Best

Dick Harkins

USA Barcelona Land Parcel Pipeline

Location	*Status*	*Flag*	*# Rooms*	*Shovel Ready*	*Land Cost*	*Project Cost*
Azusa, CA	LOI - Entitlement partially done	Home2 Suites by Hilton	107	Sept. '14	2,200,000	12,800,000
Buena Park, CA	LOI - Entitlement partially done	Hampton Inn & Suites	128	Dec. '14	2,500,000	16,700,000
Hisperia, CA	Proposed LOI - Begin entit. 2 mos.	Hampton Inn	80	Oct. '14	1,300,000	10,200,000
Claremont, CA	Negotiating - Begin entit. 9 mos.	Hilton Garden Inn	136	Sept. '15	3,100,000	18,800,000
Rialto, CA	Negotiating - Begin entit. 3 mos.	Hilton Garden Inn	136	April '15	1,950,000	17,600,000
Cathedral City, CA	Negotiating - Begin entit. 9 mos.	Home2 Suites by Hilton	107	Sept. '15	1,400,000	11,800,000
Tempe, AZ	Negotiating - Begin entit. 3 mos.	Home2 Suites by Hilton	107	Nov. '14	1,500,000	11,900,000
Madiera Beach, FL	Investigating - LOI in 2 mos.	Hampton Inn & Homewood Suites	193	May '15	3,860,000	27,200,000
Sarasota, FL	Investigating - LOI in 30 days	Home2 Suites b y Hilton	107	June '14	1,500,000	11,300,000
Landover, MD	Investigating - LOI in 30 days	Hampton Inn & Suites	120	July '14	2,500,000	14,000,000
Orlando, FL	Investigating					
Miami, FL	Investigating					
Atlanta, GA	Investigating	Homewood Suites by Hilton				



Simmons EXHIBIT 20
DATE 10-2-15
Jody L. Leneschow, RMR, CRR

Deck - EM role?! See my marked edits, as requested. Tom

AMENDED AND RESTATED OPERATING AGREEMENT OF USA BARCELONA REALTY ADVISORS, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") is made and entered into effective as of April 25, 2013 (the "Effective Date"), by and among **USA Barcelona Realty Advisors, LLC** (f/k/a Barcelona Administration Company, LLC), an Arizona limited liability Company (the "Company"), those Persons listed on Schedule 1 hereto, as the members of the Company, ~~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~~. This Agreement amends and restates in its entirety the Operating Agreement of the Company dated as of March 29, 2013. ?

thus is an "Member Managed" entity, with one delegated Manager, you!

ARTICLE I
FORMATION, NAME, PURPOSE

1.1 Formation. The Company was duly formed by the filing of the Articles of Organization (the "Articles") with the Arizona Corporation Commission under the Act on November 12, 2010. ~~The Executive Committee shall cause articles of amendment to the Articles to be filed with the Arizona Corporation Commission from time to time.~~ Only all Members voting can do this.

1.2 Intent. It is the intent of the Members that the Company shall always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. It is also the intent of the Members 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 hereto.

1.3 Name. The name of the Company is USA Barcelona Realty Advisors, LLC. The Company's name was changed from Barcelona Administration Company, LLC to USA Barcelona Realty Advisors, LLC and filed articles of amendment to the Articles with the Arizona Corporation Commission on March 29, 2013.

1.4 Known Place of Business. The known place of business of the Company shall be at 7025 North Scottsdale Road, Suite 160, Scottsdale, Arizona 85253. The known place of business may be changed to any other place within the State of Arizona at the discretion of the Executive Committee.

1.5 Purpose.

(a) The Company has been formed to be the advisor to a series of private funds (each, a "Fund") and their respective Affiliates to investment in hotels, apartment communities and other income-producing real estate, and may operate Funds as real estate investment trusts ("REITs").

(b) Except as otherwise provided in this Agreement, without the unanimous consent of all Members, the Company shall not engage in any other activity or business, and no Member acting in the Member's capacity as a Member or Executive Member, if applicable, shall have any authority to obligate the Company or any other Member, or to hold itself out as a Member or Executive Member 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.

EXHIBIT tabbies S-97 ADMITTED

Simmons EXHIBIT 21
DATE 10-2-15
Jody L. Lenschow, RMR CRR #50192

1.7 Member. The name and address of each Member of this Company are set forth on Schedule 1 hereto, as such schedule may be amended from time to time pursuant to this Agreement.

1.8 Agent for Service of Process. The name and business address of the agent for service of legal process on the Company in Arizona is National Registered Agents Inc., 300 West Clarendon Avenue #230, Phoenix, Arizona 85013. The Company's agent for service of legal process may be changed at the discretion of the Executive Committee.

1.9 Definitions. Capitalized words and phrases used but not defined in this Agreement shall have the meanings set forth in Appendix A.

ARTICLE II
CAPITALIZATION OF THE COMPANY; LOANS; FEES AND OTHER PAYMENTS DUE AFFILIATES

2.1 Issued Units; Authorized.

(a) The Company is authorized to issue up to 2,000 Class A Units and 2,000 Class B Member Units. The Executive Committee has approved the issuance of the Class A Units and Class B Units to the Members and in the amounts shown on Schedule 1, and the Company is authorized to issue additional Class A Units and Class B Units upon the approval of the Executive Committee.

(b) Class A Units and Class B Units shall have the rights, preferences and privileges set forth herein. Furthermore, the Executive Committee may adopt, from time to time, a resolution or resolutions providing for the issuance of additional Units, in one or more classes, with such powers, designations, preferences, and privileges, and qualifications, limitations or restrictions thereof as shall be set forth in the resolution or resolutions adopted by the Executive Committee. Schedule 1 shall be amended from time to time to reflect the addition of new Members and any adjustments of the Membership Interests.

2.2 Initial Capital Contributions.

(a) Each Class A Member has made the initial Capital Contributions to the Company set forth on Schedule 1. In exchange for each Class A Member's initial Capital Contribution to the Company, such Class A Members were issued Units in the amounts shown on Schedule 1, subject to adjustment as set forth in this Agreement.

(b) Each Class B Member was issued the Class B Unit(s) in the amounts shown on Schedule 1 in conjunction with Series A 12-6-12 Note(s) in connection with a Private Placement Offering made pursuant to a Private Placement Memorandum dated October 18, 2012 (the "Series A 12-6-12 Notes").

2.3 Additional Capital Contributions. Members (excluding the Class B Members) shall make Additional Capital Contributions to the Company at the times and in the amounts as shall be determined by the Executive Committee.

2.4 Credits To Capital Accounts.

(a) Capital Accounts. An individual Capital Account will be established and maintained for each Member on the books of the Company.

(b) Organization Services. Richard C. Harkins and George T. Simmons shall have credited to their Capital Accounts an aggregate amount of $500,000 for services rendered to the Company pertaining to the organization of the Company as follows:

Member	*Amount of Capital Account Credit*
Richard C. Harkins	*$400,000*
George T. Simmons	*$100,000*

(c) Other Authorized Payments And Fees. Richard C. Harkins ~~and George T. Simmons~~ may elect to have amounts due to ~~them~~ under agreements between ~~them~~ and the Company, other than credits to their respective Capital Accounts under Section 2.4(b) above classified as Executive Member Loans.

2.5 Executive Member Loans. If the Executive ~~Committee~~ Members determines that the business of the Company requires funds, in addition to the capital contributed by the Members, the Company may borrow money from the Executive Members, and the Executive Members may make one or more loans to the Company to enable the Company to meet its obligations ("Executive Member Loans"). The Company shall repay Executive Member Loans from the Net Cash Flow of the Company as otherwise allowed under this Agreement. Executive Member Loans shall be repaid in chronological order of their respective origination dates beginning with the earliest origination date. The Executive Member Loans will bear an annualized 12% rate of interest.

2.6 Member Loans. If the Executive ~~Committee~~ Members, voting to do so, determines that the business of the Company requires funds, in addition to the capital contributed by the Members and any Executive Member Loans, the Company may borrow money from the Members, and the Members may make one or more loans to the Company to enable the Company to meet its obligations ("Member Loans"). If the Executive Committee decides 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 unanimously acceptable to the Executive ~~Committee~~, then the Company shall allow any Member to make a Member Loan to the Company. The Executive ~~Committee~~ shall give notice to the Members, setting forth the amount of funds needed, the proposed use of the funds, and the timing for funding. No 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.

2.7 Withdrawal or Return of Capital Contributions. Except as otherwise expressly provided for in this Agreement: a) no part of the Capital Contributions of any Member may be withdrawn except as otherwise approved in writing by all Non-Defaulting Members, 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.

2.8 No 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 on funds contributed as a Capital Contribution.

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 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, Net Income and Net Loss shall be allocated as follows:

(a) Net Income. Net Income for the Fiscal 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 Fiscal Years equals the aggregate Net Loss 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 Fiscal 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 Fiscal 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) Second, to the Members according to their Capital Accounts.

3.2 Tax Allocation Provisions:

(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 Fiscal 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 Agreement.

(3) Minimum Gain Chargeback. Notwithstanding anything herein to the contrary, if in any Fiscal 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 Fiscal 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 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 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 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 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 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 Fiscal 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 Agreement.

(4) The Manager shall have reasonable discretion, with respect to each Fiscal 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 Fiscal 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 IV, as soon as practicable after the end of each quarter of the Fiscal Year, and, as to year-end distributions, in no event later than ninety (90) days after the end of each Fiscal 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 for each Class B Unit, or a proportionate amount for a lesser percentage of a Class B Unit held by a Class B Member, to Class B Members.

(b) Second, 100% (or such lesser amount as is required) to pay all accrued but unpaid interest on outstanding Executive Member Loans and Member Loans.

(c) Third, 100% (or such lesser amount as is required) to repay the principal of any outstanding Executive Member Loans and Member Loans.

(d) Fourth, 100% to the Members in proportion to the unreturned balance of their respective Capital Accounts until the Members receive aggregate distributions under this Section 4.1(d) that reduce the balances of the Members' respective Capital Accounts to zero.

(e) Fifth, the remaining Net Cash Flow on a pro rata basis to the Members based on their respective ownership percentage of the Company.

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 Member, to the extent such Member 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 such Members pursuant to Section 4.1.

ARTICLE V
RIGHTS AND OBLIGATIONS OF MEMBERS

5.1 Limitation of Liability for Company Obligations. Except as otherwise provided in the Act, no Member shall be personally liable for the debts, obligations and liabilities of the Company whether arising in contract or tort, under a judgment, decree or order of a court or otherwise.

5.2 Authority of Members. No Member shall take part in the control of management of the Company's business except to the extent of the rights and powers of a Member provided under this Agreement. Unless a Member is an Executive Member, or is delegated the authority of an officer as set forth in Section 6.3, no Member, agent or employee of the Company shall have any power or authority to bind the Company in any way, to pledge its credit, or to render it liable for any purposes. The Members' voting rights are limited to the following:

(a) Except as otherwise provided in this Agreement, each Class A Member shall be entitled to cast one vote for each Class A Unit held on any proposed action by the Company that if implemented would materially diminish a Class A Member's Membership Interests in the Company. A vote of the Majority-in-Interest of the Class A Members entitled to vote under this Section 5.2(a) is required to approve any such proposed action.

(b) Each Class B Member shall each be entitled to cast one vote for each Class B Unit held on any proposed action by the Company that if implemented would materially diminish a Class B Member's Membership Interests in the Company. A vote of the Majority-in-Interest of the Class B Members entitled to vote under this Section 5.2(b) is required for approval of any such proposed action.

5.3 Other Activities of the Members. No Member shall be required to devote his, her or its whole time or any specified time to that Person's duties under this Agreement, provided, however, that the Executive Members shall devote as much time to the Company's business and affairs as is reasonably necessary to achieve the purpose of the Company and to discharge such Executive Members' respective duties and responsibilities set forth herein. The 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 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 Compensation. Except as otherwise set forth in this Agreement, no Member shall be entitled to receive any salary or other compensation for services rendered in his, her or its capacity as an Executive Member or Member or on behalf of or to the Company.

5.5 Meetings and Minutes.

(a) Call and Place. Meetings of the Members, or a specific class of Members, for any purpose or purposes, may be called by either a Majority-In-Interest of a class of Members or the Executive Committee by giving written notice to the Members, or a specific class of Members, in the manner provided in Section 5.5(b). Meetings may be held at any place within or without the Arizona as determined by the Executive Committee. The Members may participate in a meeting of the 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 Members, unless waived by attendance at the meeting or by written consent, must be given by written notice at least fourteen (14) days before the date of the meeting, or hand delivered, emailed or sent by facsimile at least ten (10) 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 Member at a meeting constitutes waiver of notice of the meeting; provided, however, that no such waiver will occur if the 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-In-Interest of Members, represented in person or by proxy, will constitute a quorum at a meeting of the 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. 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 B Members economic rights. 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 (as defined in Section 6.4 below).

(f) Majority Vote Required for Action. With respect to any matter upon which the Members are requested to vote or to give their consent for which the required vote for approval is not otherwise specified in this Agreement, such matter will be considered approved upon the affirmative vote of a Majority-In-Interest.

(g) Conduct. At any meeting of the Members, the Executive Committee may adopt such rules for the conduct of the meeting as they deem appropriate.

5.6 Action Without a Meeting. Any action that may be taken at a meeting of the Members, requiring a vote of a class of Members entitled to vote thereon, may be taken without a meeting if a Majority-In-Interest so agree in writing, and a consent in writing setting forth the action so taken is signed by a Majority-In-Interest of the class of Members entitled to vote thereon. Any action that may be taken at a meeting of the Executive Members requiring a vote of the Executive 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 No Delay. Each Member agrees not to unreasonably delay its response to any action or decisions proposed by the other Members, requiring approval by a Majority-In-Interest, and each Member agrees to make itself available at reasonable times and on reasonable notice.

5.8 Restrictions on Withdrawal. No Member may withdraw from the Company unless such withdrawal is approved in the same manner as a permitted Transfer of a Membership Interest in accordance with the provisions of Section 9.2(a). Any Member withdrawing in violation of this provision shall be treated in the same manner as a Defaulting Member and be immediately expelled in accordance with Section 7.7. The occurrence of a Withdrawal Event with respect to a Member shall not result in the dissolution of the Company, and the Executive Committee and remaining Members shall have the right to continue the Company.

President is the only Manager

ARTICLE VI
MANAGEMENT

6.1 Management of the Company. Subject to the approval requirements for Major Decisions, the right, authority and duty to manage, control and conduct the business and affairs of the Company shall be vested in the President, and such other officers who may be named by the Executive Committee Members. The President, and such other Persons to whom such authority and duties are delegated, are sometimes referred to in this Agreement as "Proper Officers". The Proper Officers, in connection with the management of the Company's business, shall have any and all rights and powers of a manager under the Act, all of the rights and powers which are necessary for or convenient or incidental to the accomplishment of the Company's purpose and the conduct of the Company's business. The Executive Committee shall be comprised of no fewer than three members, each of whom shall be referred to as an executive member (the "Executive Members"). As of the date of the Agreement, the Executive Members are Richard C. Harkins, George T. Simmons, Robert Kerrigan and Bruce Orr. The Executive Members shall hereafter be elected to the Executive Committee by vote of a majority of the Executive Members. Each Executive Member shall have one vote. Unless otherwise provided in the Agreement, the vote of a majority of the Executive Committee shall determine the decisions of the Executive Committee. The decisions of the Executive Committee shall be made in the best interest of the Company. If the Executive

assigned duties and authorities

Members

Members are
~~Committee is~~ deadlocked on any issue after at least two rounds of voting, the President of the Company, if any, shall have an additional, tie-breaking vote to resolve the deadlock. ~~Unless otherwise provided in this Agreement, all actions, approvals and other authorizations of the Executive Members may be undertaken only by Proper Officers or Managers elected by the Executive Committee who will have sole authority to manage, control and conduct the business and affairs of the Company, as provided in this Article VI.~~ Executive Members have no management role or approval authority – it is delegated by all Members to the Manager/President,

6.2 Vacancy; Removal of Executive Members. In the event of a vacancy on the Executive Committee, a new Executive Member shall be elected by a majority of the remaining Executive Members. Any or all of the Executive Members may be removed for 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.

President

6.3 Officers. The ~~Executive Committee~~ may, from time to time, delegate to one or more Persons (including any Executive Member or officer of the Company and including through the creation and establishment of committees) ~~such authority and duties as the Executive Committee may deem advisable. In addition, the Executive Committee may assign titles and delegate certain authority and duties to Persons as further described below. The salaries or compensation, if any, of the Proper Officers of the Company shall be fixed from time to time by the Executive Committee. Any delegation pursuant to this Section 6.3 may be revoked at any time by the Executive Members. The Executive Committee hereby delegates Richard C. Harkins as the President. The President, and such other Proper Officers as the Executive Committee may elect from time to time, shall have the following authority and duties as officers of the Company:~~

(a) The President shall oversee the day-to-day activities of the Company, make all decisions other than Major Decisions ~~or other decisions that have been delegated to other Proper Officers, and carry out Major Decisions which are made by the Executive Committee.~~ The President shall devote such part of his time to the 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 neither the President nor any other Proper Officer shall be required to devote his or her entire time or attention to the business, affairs and purpose of the Company.

(b) Each Proper Officer shall in good faith, but at the sole cost and expense of the Company, use the Proper Officer'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 Agreement, including, but not limited to, the matters described below. Each Proper Officer, 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 any Proper Officer may possess, he or she 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 Agreement) the following rights and powers: Such duties and authority must be memorialized in each position/job description for each Proper Officer,

(1) Protect and preserve the titles and interest of the Company Assets;

(2) 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;

(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 Managers in a Company account or accounts in a bank or banks determined by the Managers;

(7) Make distributions periodically to the Members in accordance with the provisions of this Agreement;

(8) Insure or cause the Company Assets and the Company to be insured in such amounts and against such risks as the Managers 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 Agreement;

(10) Perform other obligations provided elsewhere in this Agreement to be performed by the Managers;

(11) Enter into and execute agreements and related documents in connection with the Company's assets;

(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 officers, in their reasonable discretion, shall deem reasonably necessary to meet anticipated Company expenses; and

(15) Enter into and execute such additional agreements or other documents on behalf of the Company as the officers reasonably deem necessary to effectuate the foregoing.

6.4 Major Decisions. Notwithstanding any other provision hereof, neither the Managers nor any officer acting pursuant to the authority delegated to him in Section 6.3, shall take any action or incur any obligation binding on the Company within the scope of any of the following actions (the "Major Decisions") unless such action is expressly authorized elsewhere in this 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 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;

(e) Amend in any material respect, or waive any material rights in, any agreement the entering into of which was a Major Decision;

(f) Dissolve or wind up the Company except as otherwise provided in this Agreement or authorize any act that would make it impossible to carry on the ordinary business of the Company;

(g) 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;

(h) Extend the term of the Company;

(i) Consent to, or file for any bankruptcy, custodianship, receivership or trusteeship of the Company;

(j) Make any distributions of property in kind by the Company or accept any contributions by any Company of property other than cash;

(k) Admit any other Member to the Company except as otherwise provided herein or redeem Membership Interests;

(l) Determine any Agreed Value;

(m) Authorize any Additional Capital Contributions;

(n) Adopt or modify each budget hereafter approved by the Executive Members;

(o) Incur any liability or obligation not contemplated in a Budget except de minimis amounts incurred in the ordinary course of business;

(p) 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;

(q) Cause the Company to settle any lawsuit that materially affects the ability of the Company to carry on its business as contemplated by this Agreement;

(r) Enter into any transaction with a member ~~of the Executive Committee~~ or Affiliate of a member of the Executive Committee at a cost to the Company of $50,000 or more; and

(s) Authorize the increase of Units in any class of Units or the creation of an additional class of Membership Interests.

At the time the Executive ~~Committee~~ Members requests approval of any Major Decision, ~~the Executive Committee~~ they 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.

6.5 Other Business Ventures. The Members agree that none of the members of the Executive Committee shall be in violation of the duty of loyalty to the Company if he or she engages in or possesses an interest in any other business venture of any nature and description, independently or with others, whether such ventures are competitive with the Company or otherwise. ~~The Members further~~

agree that neither the Company nor the Executive Committee shall have any right by virtue of this Agreement in or to such independent ventures or to the income or profits derived therefrom.

6.6 Executive ~~Committee~~ Members' Duty of Care. Each member of the Executive Committee shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner such member of the Executive Committee reasonably believes to be in the best interests of the Company. Each member of the Executive Committee shall cause the Company to conduct its business, operations and affairs separately from those of each member of the Executive Committee or Member or of any of their respective Affiliates.

6.7 Liabilities of any Executive ~~Committee~~ Member.

(a) No member of the Executive Committee shall be liable, responsible, or accountable in damages or otherwise to any other Member for any act done or omitted by such member ~~of the Executive Committee~~ within the scope of the authority conferred on such member ~~of the Executive Committee~~ by this Agreement or by law, except for acts of active negligence, fraud, or breach of the fiduciary duty ~~of such member of the Executive Committee~~.

(b) The Company shall indemnify, defend and hold harmless each member of the Executive Committee for, from and against all loss, damages, liabilities and expenses (including, without limitation, attorneys' fees and court costs and expert witness fees) incurred by such member ~~of the Executive Committee, whether individually or jointly~~, arising out of acts or omissions committed or alleged to have been committed while acting as a member ~~of the Executive Committee~~ for or on behalf of the Company; provided that with regard to the act or omission involved, such ~~member of the Executive Committee's~~ actions, or failure or refusal to act were not fraudulent or actively negligent or in breach of such member ~~of the Executive Committee's~~ fiduciary duty to the Company. Any indemnification extended pursuant to this Section 6.7 shall be paid from, and limited to, the assets of the Company, and no Member shall have any personal liability on account thereof.

6.8 Indemnification of Agents. The Company shall indemnify, defend and hold harmless against any liability, claim, action, damage or expense (including, attorneys fees, costs of court and expert witness fees) any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including arbitration) by reason of the fact that he is or was a Member, officer, Executive ~~Committee~~ Member, deemed manager, or managing agent of the Company or is now serving or has served, at the request of the Company, as an Executive ~~Committee~~ Member, manager, director, officer, employee or other agent of the Company or another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such Persons being referred to herein after as an "agent"), such indemnity to be extended to the fullest extent permitted by applicable law; provided that no indemnity shall be extended to any Member, employee or agent of the Company who has engaged in any intentional or willful wrong doing or fraud, or breach of this Agreement. ~~The members of the Executive Committee shall be authorized, on behalf of the Company, to enter into indemnity agreements from time to time with any Person entitled to be indemnified by the Company hereunder, upon such terms and conditions as the Executive Committee adopts.~~

6.9 Actions of ~~the Executive Committee~~. Each member ~~of the Executive Committee~~ is entitled to one vote; except that the President may have an additional tie-breaking vote in the case of a deadlock. The members ~~of the Executive Committee~~ may act through meetings, ~~written consents, committees or any other Person or Persons to whom authority and duties have been delegated by the members of the Executive Committee~~.

6.10 Resignation. A member ~~of the Executive Committee~~ may resign ~~from the Executive Committee~~ at any time by giving at least thirty (30) days written notice to the Members pursuant to Section 13.1. The resignation of the member ~~of the Executive Committee~~ shall take effect thirty (30) days after the receipt of notice thereof or at such other time as may be agreed to ~~between the member of the Executive Committee 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 member of the Executive Committee's rights and liabilities as a Member.~~

6.11 List of Members. Upon written request of any Member, the ~~Executive Committee~~ Company shall promptly provide a list showing the names, last known addresses and Interests of all Members.

6.12 Meetings. The Executive Committee shall not be required to hold regular meetings but shall hold meetings as required ~~to provide guidance to the Proper Officers 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 (3) days notice to the other Executive Members. However, in case of emergency, reasonable notice of a special meeting shall suffice. While it is the duty of the President,

(a) Quorum. There shall be a quorum of the Executive ~~Committee~~ if a majority of the 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 (5th) 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. Members

(b) Minutes. The ~~Executive Committee~~ President shall prepare minutes of all meetings of the Executive ~~Committee~~ and shall distribute copies of such minutes to all Executive Members within five (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. Members Major Decisions

(c) 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.

(d) Action Without a Meeting. The Executive ~~Committee~~ Members, 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.

6.13 Compensation of Proper Officers and Executive Members. The Proper Officers and Executive Members shall receive reasonable compensation as set forth below for the performance of their services as Proper Officers and Executive Members (collectively, the "Guaranteed Payments"), provided that all Executive Members approve such compensation for the Proper Officers and each Executive Member. All Executive Members must approve any increase in the compensation payable to the Proper Officers and any Executive Member pursuant to the Agreement.

(a) With respect to the President, commencing November 1, 2012, the President shall accrue an annual Guaranteed 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. Commencing November 1, 2012, other than the President, 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, or a lesser amount based on less than Full-Time Service to the Company, as agreed by all Executive Members. The initial accrued base annual Guaranteed Payments may be increased or decreased on a calendar quarterly basis provided that all Executive Members approve any such increase or decrease.

(b) 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 Agreement within ten (10) days of the due date, the ~~Executive Committee~~ 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 ~~Executive Committee~~ shall immediately give written notice of such fact to each Member and for a period of five (5) business days after the date of such notice each other Member shall have the right to advise the ~~Executive Committee~~ 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 ~~Executive Committee~~ of the Member's desire to make a Contribution Loan, such Member (a "Contributing 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 ~~Executive Committee~~ shall advise each Member indicating a desire to make a Contribution Loan of the amount such Member is to advance to the Company and the date on which the funds are due and payable to the Company. 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.

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 Membership Interests.

(b) The Non-Contributing Member hereby grants a security interest in its Membership Interests to the Contributing Member(s) who advances a Contribution Loan(s) and irrevocably appoints the Contributing Member(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 Member(s). If there is more than one Contributing Member, each Contributing Member's security interest in the Non-Contributing Member's Membership Interests 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 the Contribution Loans to such Non-Contributing Member. Copies of any such documents shall be mailed to the Non-Contributing Member.

7.4 Defaulting Members. If any Contribution Loan (which shall include all reasonable attorney fees, interest, and costs incurred by the Contributing Member(s)) 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 Member and the

Contributing Member(s) shall have, with respect to the Non-Contributing Member and his Membership 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 Membership Interest. A Non-Contributing Member whose Membership Interest is foreclosed upon and sold shall remain liable to the Company and the Contributing Member(s) 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.

7.5 Loan Repayment. Until such time as a Non-Contributing Member becomes a Defaulting Member, any Contribution Loan shall remain in place and shall bear interest and be repaid as provided above. Until any such Contribution Loan is repaid in full, any distributions which would otherwise be payable to the Non-Contributing Member shall be paid to the Contributing Member(s) 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 right to vote on any 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 Executive Committee 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 Members 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 performance, or for the appointment of a receiver or specific master, in the discretion of the Company and/or such Non-Defaulting Members.

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 Agreement.

8.2 Audit. The books of the Company shall not be audited unless upon a vote of a majority of Executive 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 Executive Committee, or~~ the President acting pursuant to the authority delegated to him in Section 6.3, shall cause the preparation for filing of all federal, state and local Company tax returns at the Company's expense, and shall make such tax elections and determinations as appear to be appropriate. Such tax returns shall be prepared by the President or an independent public accounting firm ~~to be designated by the Executive Committee~~. The ~~Executive Committee, or the~~

President acting pursuant to the authority delegated to him in Section 6.3, shall endeavor to deliver to each Member its Form K-1 and any other required tax information by March 1 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 Partner. The President 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 a majority of the Executive 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.

ARTICLE IX
RESTRICTIONS ON TRANSFERABILITY

9.1 Restrictions on Transfer of Interests. No Member shall sell, assign, pledge, hypothecate, encumber or otherwise voluntarily transfer by any means whatsoever ("Transfer") any Membership 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), except as permitted pursuant to Section 9.2.

9.2 Permitted Transfers. Members may Transfer any Membership Interest or any portion thereof if:

(a) all Executive Members shall have consented to such Transfer, and the Member shall have paid to the Company a transfer fee of five hundred dollars ($500) to cover administration expenses associated with the Transfer;

(b) the Transfer is made to the estate, personal representative, executor, heirs, or devisees of a deceased Member;

(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:

(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 Membership Interest;

(2) The Member shall have offered to sell to the Members all, but not less than all, of such Member's Membership 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 Membership 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; and

(4) The transferee complies with the provisions of Section 9.4 hereof.

9.3 Special Provision Respecting Transfers.

(a) Upon the death of a Member or a divorce of a Member resulting in the ex-spouse receiving any part of the Member's Membership Interest, 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 Membership Interest of the Member which is owned by the heirs, devisees or ex-spouse. If more than one Member so elects, the Membership Interest shall be divided among the electing Members according to their relative Percentage Interests. A Member shall be responsible for promptly notifying the other Members should such Member become divorced during the term of this Agreement when the divorce results in an ex-spouse receiving any portion of the Member's Membership Interest. The total purchase price for such deceased or divorced Member's Membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

(b) Upon Bankruptcy of a 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 Membership Interest of such Member. The total purchase price for such Member's Membership 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 Member; less (iv) the amount of any obligations owed by the Member to the Company.

9.4 Substituted Members. Except with respect to Transfers to Permitted Transferees, no Person taking or acquiring, by whatever means, the Membership Interest of any Member shall be admitted as a substitute Member in the Company (a "Substituted Member") without satisfying the following conditions:

(a) Each Executive Member shall have consented to the substitution, except in the case of a Transfer by an Executive Member, such transferring Executive Member shall not consent to the substitution;

(b) The Person to whom the Transfer is to be made shall sign a counterpart of this Agreement in the form attached hereto as Schedule 2, agreeing to be bound by the provisions hereof, and if such Person is married, causes his or her spouse to sign a spousal consent in the form attached hereto as Schedule 3; and

(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).

9.5 Settlement and Purchase Price. The settlement for the purchase of the Membership 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 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 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 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) Membership 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 Membership Interest.

9.6 Termination of the Company for Tax Purposes. Notwithstanding anything to the contrary contained in any other provision of this Agreement, the sale or exchange of all or any part of a Membership Interest in the capital and/or the profits of the Company may not be made (and will be null and void) if the Membership Interest sought to be sold or exchanged, when added to all other Membership 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 Membership Interest in violation of the provisions of this 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 Section 29-785 of the Act;

(b) a unanimous vote of the Executive Members to dissolve;

(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 Company Assets, 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 Company Assets shall be distributed to the Members in the same manner as provided in Section 3.1. The Executive ~~Committee~~ 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 Company 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 Member shall look solely to the Company Assets 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 shall have no recourse against any other Member.

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 Company Assets 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 11.1 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.

ARTICLE XII
GENERAL

12.1 Notices. All notices and other communication required or permitted to be given pursuant to this 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 change 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 12.1.

12.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

12.3 Controlling Law. This Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of Arizona.

12.4 Provisions Severable. If any provision of this 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.

12.5 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 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.

12.6 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.

12.7 Execution in Counterparts. This Agreement may be executed in any number of original or electronic counterparts, all of which taken together shall constitute one and the same instrument.

12.8 Amendment. This Agreement may be amended only by an agreement in writing executed by all Members.

12.9 Attorney's Fees. If any party institutes a suit or other proceeding against any other party in any way connected with this 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.

12.10 Number of Days. Unless the subject provision references "business days," in computing the number of days for purposes of this 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 Agreement, all days shall be counted except Saturdays, Sundays, and holidays.

12.11 Captions. Captions are not intended to convey any meaning or be a part of this Agreement but are merely used for assistance in identifying paragraphs and Sections.

[Signatures on Following Page]

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

~~Managers:~~ Executive Members:

Richard C. Harkins, President and Manager

George T. Simmons

Bruce Orr

Robert J. Kerrigan

Members:

Richard C. Harkins

George T. Simmons

Bruce Orr

Robert J. Kerrigan

Kelly Bair

Rodney and Melissa Eaves

SCHEDULE "1"

Member and Address	Class Of Ownership	% Ownership of Class A Units	% Ownership of Class B Units	Class A Ownership as a % of the Company	Class B Ownership as a % of the Company	% Ownership of the Company
Richard C. Harkins [redacted], AZ [redacted]	A	22.7273%		20.4545%	0.0000%	20.4545%
George T. Simmons [redacted], AZ [redacted]	A	13.6364%		12.2727%	0.0000%	12.2727%
Bruce Orr c/o Net Development [redacted], CA [redacted]	A	9.0909%		8.1818%	0.0000%	8.1818%
Robert J. Kerrigan [redacted], AZ [redacted]	A	4.5455%		4.0909%	0.0000%	4.0909%
Kelly Bair [redacted], AZ [redacted]	B		2.0000%	0.0000%	0.2000%	0.2000%
Rodney and Melissa Eaves [redacted], AZ [redacted]	B		25.0000%	0.0000%	2.5000%	2.5000%
Reserved		50.0000%	73.0000%	45.0000%	7.3000%	52.3000%
		100.0000%	100.0000%	90.0000%	10.0000%	100.0000%

Schedule "2"

Form of Joinder

The undersigned hereby executes this Joinder (this "Agreement") to the Amended and Restated Operating Agreement (the "Operating Agreement") of USA Barcelona Realty Advisors, LLC, an Arizona limited liability company, dated as of April 25, 2013, by and among the Members, the Managers and the Company, as may be amended from time to time. Capitalized terms used but not defined in this Agreement shall have the meanings given such terms in the Operating Agreement.

The undersigned hereby acknowledges, agrees and confirms that, by his, her or its execution of this Agreement, the undersigned will be deemed a party to the Operating Agreement and shall have all rights and obligations of a Member thereunder as if the undersigned had executed the Operating Agreement.

[_____]

Date:_____

Appendix to
Barcelona Administration Company, LLC
Operating Agreement

DEFINED TERMS

Definitions. Whenever used in this 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 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 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 Executive Committee, 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 Membership Interest greater than the Membership 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 Membership 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 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 means this Amended and Restated Operating Agreement, by and among the Members, the Executive Members and the Company, and as may be 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 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:

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 Capital Accounts, the Capital Accounts 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 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 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 Capital Accounts, would be allocated among all the Members 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

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 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 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 Membership Interest, the Capital Account of the transferor Member that is attributable to the transferred Membership Interest shall be carried over to, and become the Capital Account of, the transferee Member. If the transfer of a Membership 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 Executive Committee (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. 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.

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. Class A Member means the Members owning Class A Units.

12. Class A Unit means the Units issued to a Class A Member pursuant to this Agreement.

13. Class B Member means the Members owning Class B Units.

14. Class B Unit means the Units issued to a Class B Member pursuant to this Agreement.

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

16. Company means USA Barcelona Realty Advisors, LLC

17. 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.

18. 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).

19. Contribution Loan has the meaning set forth in Section 7.1.

20. Cumulative Priority Distribution means a $12,500 annual Distribution payable at the discretion of the Company to each Class B Unit.

21. Defaulting Member means any Member who has caused a Monetary Default or a Non-Monetary Default which remains uncured under this Agreement. All other Members are Non-Defaulting Members.

22. Depreciation means for each Fiscal 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 Executive Committee.

23. 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.

24. Fiscal Year means the accounting year of the Company ending December 31 of each year, unless the Executive Committee otherwise establishes a different year.

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, Full-Time Service for Executive 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 Executive Committee or an Executive Member wherein no less than a three (3) day notice is given to the Executive Committee and each other Executive Member of such meeting. The intent in establishing the parameters of Full-Time Service is to assure that the Company's business is a high priority for each Executive Member.

26. 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.

27. 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.

28. Majority-In-Interest means a simple majority of a Class of Members in the Company.

29. Member means each Person who becomes a Member under the terms of this Agreement and each Person who may become an Additional Member or Substituted Member. For the avoidance of doubt, the Executive Members are also Members.

30. Member Nonrecourse Debt means a Nonrecourse Liability as defined in Regulations §1.704-2(b)(4).

31. 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).

32. Membership Interest means a Member's interest in the Company's capital, profits, losses and distributions of the Company, together with any other rights and obligations granted to, or assumed by, a Member under this Agreement, including such Member's Units in the Company.

33. 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.

34. 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 Executive Member Loans, 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.

35. Net Income and Net Loss of the Company or items thereof shall, for each Fiscal 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.

36. Non-Contributing Member has the meaning set forth in Section 7.1.

37. Non-Defaulting Members means any Member that is not a Defaulting Member.

38. 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 a Membership Interest other than pursuant to the provisions of this Agreement.

39. 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).

40. Percentage Interest means the percentage interest of each Member in this Company set forth in Schedule 1.

41. Person means any individual and any legal entity, and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

42. 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.

43. Proper Officer(s) means the President, and such other Persons to whom the Executive Committee delegates authority and duties to conduct the business and affairs of the Company.

44. 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.

45. Unit means a unit of measurement the Company will use for purposes of determining a Member's Percentage Interest at any point in time and for purposes of determining voting rights.

46. Withdrawal Event means any of those events and circumstances listed in Section 29-733 of the Act.

BEFORE THE
ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

IN THE MATTER OF:	) FILE NO. 8503
USA BARCELONA REALTY ADVISORS, LLC, USA BARCELONA HOTEL LAND COMPANY I, LLC, RICHARD C. HARKINS, ROBERT J. KERRIGAN, GEORGE T. SIMMONS, and BRUCE ORR.	)

EXAMINATION UNDER OATH OF ROBERT JOSEPH KERRIGAN

Phoenix, Arizona
October 8, 2015

COASH & COASH, INC.
Court Reporting, Video & Videoconferencing
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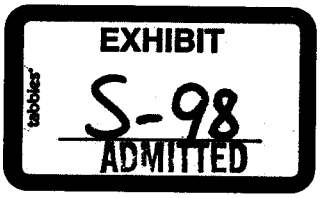
Prepared By:
DEBORAH L. TUCKER, RPR
Certified Reporter
Certificate No. 50464



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EXAMINATION UNDER OATH OF ROBERT JOSEPH KERRIGAN was taken on October 8, 2015, commencing at 9:03 a.m., at the Arizona Corporation Commission, 1300 West Washington Street, Phoenix, Arizona, before DEBORAH L. TUCKER, RPR, Certified Reporter No. 50464, and Notary Public, in and for the County of Maricopa, State of Arizona.

APPEARANCES:

For the Arizona Corporation Commission, Securities Division:
ARIZONA CORPORATION COMMISSION SECURITIES DIVISION
By: Mr. Paul Kitchin, Esq.
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kd@tblaw.com

Also present:
Mr. Dee Morin, Special Investigator
Mr. Avi Beliak, Forensic Accountant

(EUO Exhibits 1 through 25 were marked for identification.)

ROBERT JOSEPH KERRIGAN,

called as a witness herein, having been first duly sworn by the Certified Court Reporter to speak the truth and nothing but the truth, was examined and testified as follows:

MR. KITCHIN: And if we could introduce everyone in the room. I'm Paul Kitchin for the Securities Division.

MR. BELIAK: I'm Avi Beliak. I'm a forensic accountant with the Securities Division.

MR. MORIN: Dee Morin, Special Investigator, Securities Division.

MS. DEUTSCH: Sarah Deutsch, counsel for Mr. Kerrigan.

THE WITNESS: Robert Kerrigan.

EXAMINATION

BY MR. KITCHIN:

Q. This is part of an inquiry by the Securities Division of the Arizona Corporation Commission in the matter of USA Barcelona Realty Advisors, LLC, USA

Barcelona Hotel Land Company, LLC -- Hotel Land Company I, LLC, rather, Richard C. Harkins, Robert J. Kerrigan, George T. Simmons, and Bruce Orr to determine if there has been full compliance with the Securities Act of the State of Arizona.

The information obtained today may reveal violations of statutes outside of the Securities Act.

Mr. Kerrigan, you have the right to refuse to answer any questions if you think the answer may tend to incriminate you. You have the right to refuse to produce any private papers which you feel may tend to incriminate you. You do not have the right to refuse to produce corporate papers based upon any claim of self-incrimination.

The reporter will go off the record at my direction. If you or your attorney would like to go off the record, tell me, and I will try to accommodate you.

The reporter will note for the record each time you consult with your attorney before answering. This is done to ensure an accurate record.

Since your testimony is being recorded by a reporter, please respond verbally as opposed to nodding or shaking your head.

Also, please let me finish asking a question before you answer so there will not be two people

speaking at once.

If you don't hear a question or don't understand a question, say so, and the reporter will repeat it or I will explain the question further.

And you are under oath, so any false statements you make may be criminally prosecuted as perjury.

Do you under understand what I have explained so far?

A. Yes, I do.

Q. What is your full name?

A. Robert Joseph Kerrigan.

Q. Have you ever used any other name?

A. The only other name I used was Robert Joseph Kerrigan, Senior, until my oldest son died, and then. . .

Q. I'm sorry to hear that.

Are you taking any medication or do you have a physical problem that would prevent you from hearing or understanding any of my questions?

A. The first part of your question was do I take any medication, and the answer to that is yes.

Q. Would that medication have a chance of preventing you from hearing or understanding my questions?

A. No.

Q. What is your home address?

A. [redacted]

Arizona [redacted].

Q. How long have you lived there?

A. Umm, four years.

Q. Do you rent or own your home?

A. Own my home.

Q. Where did you live before that address?

A. I rented a home in Scottsdale, and I do not remember the address.

Q. How long did you live there?

A. One year.

Q. And where did you live before that address?

A. I lived at a home in Grayhawk in Scottsdale.

Q. And how long did you live there?

A. Maybe 15 years.

Q. And what is your home telephone number?

A. [redacted]

Q. Next I'm going to ask you what is your social security number. However, under the federal Right to Privacy Act you are not obligated to answer. If you do answer, the information will only be used for identification purposes.

What is your social security number?

A. [redacted]

Q. What is your occupation?

A. I am an investment advisor.

Q. Where are you currently employed?

A. I am self-employed.

Q. And how long have you been self-employed?

A. Fifteen years.

Q. What is your business address?

A. As of Friday, it is my home address.

Q. And what is your business telephone number?

A. [redacted]

Q. Have you been employed anywhere else during the time you've also been self-employed?

A. Have I been employed anywhere else?

Q. Right.

A. As an employee?

Q. In any capacity. Actually, have you worked for any other company besides your own during the time you've been self-employed?

A. In which I generated income?

Q. Regardless of income or not.

A. I would say no.

Q. Have you ever worked for First Financial Equity Corporation?

A. I was a self-employed individual with First

Financial Equity.

Q. Can you explain what that means?

A. I had my own company. I was not an employee of First Financial Equity.

Q. How did First Financial Equity pay you?

A. They paid me commissions on money under management.

Q. And did you have any salary other than commission schedule?

A. No.

Q. What other companies have you worked for for commission before First Financial Equity Corporation?

A. I worked for Vantage Financial Services.

Q. Anyone else?

A. This is -- restate your question, please.

Q. What companies have you received commissions from?

A. What companies have I recieved commissions from?

Q. What companies have ever paid you a commission for work that you did on their behalf?

A. Numerous life insurance companies.

Q. Can you name some?

A. Umm, Western Reserve Life, Pacific Life, Lincoln National, Minnesota Mutual. I can't think of

any other right now.

Q. How about any other companies that are not life insurance companies?

A. No, I do not receive commissions from them.

Q. Have you ever -- have you ever performed work for any other broker/dealer company other than First Financial Equity Corporation?

A. When you say "performed work," explain what you mean.

Q. Performed any kind of service for which you were paid by them.

A. Other than managing money or selling insurance?

Q. Including managing money and selling insurance.

A. Well, Vantage Financial, umm, and Western Reserve Life.

Q. Any others?

A. How far back are we going?

Q. As far as back as you can recall.

A. I can't think of any right now.

Q. What broker/dealer or investment advisory companies have you ever been registered with other than First Financial Equity Corporation?

A. Intersecurities. Umm, Intersecurities and

First Financial.

Q. Anyone else?

A. No.

Q. What is your educational background?

A. I have a Bachelor's of Science degree, economics major, from the University of Wisconsin at Oshkosh.

Q. Any other higher education?

A. I have a Wealth Legacy Consultant designation.

Q. Where does that designation come from?

A. It comes from a firm out of Portland, Oregon.

Q. What is it called?

A. I can't think of it right now.

Q. Have you ever taken any courses in investing?

A. Yes.

Q. Can you describe those courses?

A. Well, you have to take numerous courses in order to maintain licenses or get licenses.

Q. And what did those courses consist of?

A. Actual attendance at classes, online studying and online taking of the exams.

Q. And what subjects were taught in those classes or courses?

A. A variety of them; being retirement planning, investment planning. Umm, I'm drawing a blank right

now.

Q. Have you ever taken any courses in accounting?

A. Yes, I have.

Q. And what did those courses consist of?

A. What the current laws state as far as accounting, what's allowable as far as investing.

Q. And when did you take accounting courses?

A. Over the past 30 years.

Q. Are you an officer or a director of any company?

A. Am I director?

Q. Officer or director.

A. I'm a director.

Q. Of what company?

A. Of a foundation.

Q. And what foundation is that?

A. The University of Wisconsin, Oshkosh Foundation.

Q. Are you an officer or director of any other company?

A. I am a director of Arizona Hemophilia Association, and an advisor of Thompson Peak Hospital. And I'm an advisor for downtown YMCA.

Q. Anything else?

A. No.

Q. Have you ever been the manager of any company?
A. Manager?
Q. The manager of a limited liability company.
A. Yes.
Q. And what companies were those?
A. One was a pharmaceutical manufacturing company back in Wisconsin.
Q. Do you recall its name?
A. This is 40 years ago. I don't -- I owned the company, but I don't recall.

And there was one other one, a manufacturing company, and I don't recall that. There was one other one called South Side Sausage, a sausage manufacturing company. And that was 50 years ago.

Q. What was your position at USA Barcelona Realty Advisors, LLC?
A. I was an advisor.
Q. Were you -- Did you have any other position or title there?
A. No.
Q. Did you have any position or title at any other USA Barcelona entity?
A. No.
Q. What is Personal Wealth Management Group, LLC?
A. Personal Wealth Management Group?

Q. Yes.
A. It's not an LLC, it's a sub S corporation.
Q. Oh. What is it?
A. It's my personal corporation.
Q. And what is it? What does the company do?
A. It receives income, expenses, and I use it to submit my taxes to the Internal Revenue Service.
Q. Does it do any business that's not connected with you directly?
A. No.
Q. What is Dental Practitioner Strategies, LLC?
A. Dental Practitioners? That was a company that I think I invested some money in.
Q. And what do you recall about that company?
A. I recall I got my money back, and that was it.
Q. Did you have any management role at the company?
A. No.
Q. Do you know who founded the company?
A. I believe it was Ken Marica.
Q. And are you familiar with a company called Dental Support Plus franchise?
A. No.
Q. And when did you invest in the Dental Practitioner company?

A. Maybe five, six years ago.
Q. Did you do any work of any kind for the company?
A. No.
Q. What was the nature of your investment?
A. What was the nature of my investment? I strictly invested $5,000.
Q. Well, what was the instrument that your investment took the form of?
A. As a loan to the company.
Q. Was it -- was the loan documented with a promissory note?
A. I do not recall.
Q. Do you know what Wealth Legacy Consultants, LLC, is?
A. Yes. That's a private LLC of mine.
Q. And can you describe that company?
A. That is a personal company of mine that was formed about six years ago when my son joined my firm.
Q. And what's the purpose of the company?
A. To use it to collect commissions and fees, use it as an entity to gather expenses, use the expenses to offset some of the income.
Q. Has it ever done any business that wasn't directly connected with you or your son?

A. No.
Q. What is RJKSR, LLC?
A. That is an entity that I had formed to -- for an investment I made.
Q. And what investment was that?
A. The investment was to buy areas, umm, cities with -- they were for the cell phone towers, and things of that nature. Smart Com was the name of the company that I bought.
Q. Did RJKSR do any business other than being a vehicle for that investment you mentioned?
A. I want to say no.
Q. And backing up to Dental Practitioner Strategies, when was it that you made the investment with that company?
A. Five, six years ago.
Q. Did you ever find any other investors for the company?
A. No.
Q. Are you connected to any businesses other than any of the ones we've mentioned so far?
A. I want to say no.
Q. Have you ever been convicted of any crime other than a minor traffic offense?
A. No.

Q. Have you ever been arrested?
A. Yes.
Q. All right. Can you describe the circumstances of that arrest?
A. I was arrested for a DUI.
Q. And when was that?
A. Five, six, seven years ago.
Q. And where was that arrest?
A. That was one block from my home in [redacted].
Q. Did any charges follow from the arrest?
A. Charges?
Q. Criminal charges.
A. Is a DUI a criminal charge?
Q. It might depend. I'm not sure necessarily.
Can you describe what happened following the arrest?
A. Yes. They took me down and impounded my car, and, I guess, basically, read me my rights. And I went the next day and got my car, and that was it.
(Whereupon, Mr. Morin leaves the room.)
BY MR. KITCHIN:
Q. Did you ever appear in court in connection with that incident?
A. I did.
Q. And when was that court appearance?

A. Five or six years ago.
Q. And what was the nature of the court appearance?
A. For the DUI charge.
Q. And what happened?
A. I paid a fine.
Q. Was there just the one court appearance in connection with that incident or was there more than the one?
A. I think just the one.
Q. Have you ever been arrested, apart from the arrest you just described?
A. No.
Q. Have you ever been indicted?
A. No.
Q. Have you ever been the defendant in a civil lawsuit?
A. Have I ever what?
Q. Been the defendant in a civil lawsuit.
A. No.
Q. Have you ever filed for bankruptcy?
A. Yes.
Q. And where was that?
A. In Arizona.
Q. And what chapter bankruptcy?

A. 11.
Q. And what was the result?
A. The -- I guess the -- I don't know how to describe it, just that I filed for it because of some construction building I was doing with someone else. And we ran out of money, and I didn't have enough money to pay it back so I was advised to file.
Q. Did the case result in a discharge or any kind of reorganization?
A. It was a discharge.
Q. Have you ever been the subject of an investigation by any governmental agency other than this?
A. Not that I know of.
(Whereupon, Mr. Morin returns to the room.)
BY MR. KITCHIN:
Q. Have you ever given any prior testimony in connection with USA Barcelona Realty Advisors?
A. No.
Q. Are you a registered broker/dealer?
A. Broker/dealer?
Q. Yes.
A. Am I a registered broker/dealer?
Q. Yes.
A. No.

Q. Are you a registered securities salesman?
A. Yes.
Q. And where are you registered as a securities salesman?
A. State of Arizona, and a couple other states.
Q. Can you recall what those other states are?
A. Wisconsin, Colorado, Florida, Hawaii. There's a couple others I can't think of.
Q. What series exams have you passed?
A. 7. I want to say 24. Umm, I'd have to look.
Q. And which -- what is the series 24 test?
A. What is it?
Q. Right. What's the subject matter of that one?
A. Without looking at it, I don't know.
Q. Are you a licensed investment advisor?
A. Registered life advisor? Did you say --
Q. Are you a licensed investment advisor?
A. Licensed with who?
Q. With anyone.
A. I don't think you're licensed as an investment advisor. You're licensed to sell securities, but I don't think it's an investment advisor.
Q. Have you ever been registered as a broker/dealer?
A. No.

Q. Do you have any state licenses other than a driver's license?

A. State licenses other than a -- I can't think of any.

Q. What is your date of birth?

A. What is my what?

Q. Date of birth.

A. [redacted]

Q. And what is your place of birth?

A. [redacted] Wisconsin. That's [redacted]

Q. What is your marital status?

A. Divorced.

Q. And how many times?

A. Once.

Q. What was your spouse's name?

A. Julia.

Q. What was her full maiden name?

A. Julia Ahern, A-h-e-r-n.

Q. When were you married?

A. I was 29 years old. So what is 29 from '15?

MR. BELIAK: I'm an accountant. 1966.

THE WITNESS: '66. I guess that would be right.

MR. BELIAK: Sure.

BY MR. KITCHIN:

Q. When were you divorced?
A. Seven years ago.
Q. Do you have any children other than the son that you mentioned?
A. I have two sons.
Q. What are the full names of all of your children?
A. Whether deceased or not?
Q. Yes.
A. My oldest son was Robert Joseph Kerrigan, Junior. My second son is Sean Ahern Kerrigan, and my third son is Timothy Shea Kerrigan.
Q. And what are Sean and Timothy's ages?
A. Timothy -- Sean is 43 and Timothy is 41.
Q. What are their addresses?
A. Sean is in [redacted] Colorado, and Timothy is [redacted], Arizona.
Q. Where do you hold your personal bank accounts?
A. Three different banks.
Q. And what banks are those?
A. National Bank of Arizona, Wells Fargo, and Compass Bank.
Q. Where did USA Barcelona Realty Advisors, LLC, hold its business bank accounts?
A. They had one at Johnson Bank, and I think they

had one at -- I'm not sure.

Q. Who were the signers on those accounts?

A. Richard Harkins.

Q. Anyone else?

A. I don't think so.

Q. Did you have access to the bank accounts, debit cards, or electronic transfers for any of the company's accounts?

A. No.

Q. Who did have access to the bank accounts, debit cards, or electronic transfers for any of the company's accounts?

A. Mr. Harkins.

Q. Anyone else?

A. Not that I know of.

Q. Who has done any formal or informal accounting work for USA Barcelona Realty Advisors?

A. Mr. Harkins, and I don't know who else.

Q. How was USA Barcelona Realty Advisors, LLC, started?

A. How was it started?

Q. Yes.

A. I don't know.

Q. Do you know who was involved in the start of the company?

A. Richard Harkins.
Q. When did you First become involved with the company?
A. Umm, three years ago.
Q. Do you recall what month specifically?
A. No, I do not.
Q. So three years ago would be approximately October 2012?
A. Yeah, that would be about right.
Q. Who was involved with USA Barcelona Realty Advisors at the time you became involved?
A. Umm, Tom Simmons, Bruce Orr, umm, receptionist, Paul Meka, and Connie. And I don't know her last name. She was Harkins' secretary.
Q. And Mr. Simmons and Mr. Orr were already involved with the company at the time you joined?
A. Yes.
Q. Do you know how long they had been involved in the company before you joined?
A. No, not for sure.
Q. How was USA Barcelona Realty Advisors funded?
A. How was it funded?
Q. Yes.
A. With individual investors.
Q. Did the company have any -- what employees or

independent contractors did the company have other than the people you already mentioned as being involved when you joined?

A. There was an individual who handled the I.T., and I think that's all.

Q. How was anyone involved with the company paid?

A. They received salaries.

Q. Did all of the people you listed so far have a salary?

A. I'm not sure.

Q. Of the people, yourself and the other people you listed so far, do you know who of them had contracts with the company?

A. Contracts with the company?

Q. Right. Employment contracts or independent contractor contracts.

A. I don't know.

Q. Did the company ever have any revenue?

A. I'm not sure. I don't think so.

Q. What investment offerings did the company ever make?

A. Investment offerings?

Q. Um-hum.

A. They issued notes.

Q. Anything other than notes?

A. Notes.
Q. Just notes?
A. Yeah, that was the primary.
Q. When you say the primary, was there -- was there no other type of investment that the company offered?
A. Not that I'm aware of.
Q. How many different series of notes did the company offer?
A. I'm not sure.
Q. Do you recall the Series A 12-6-12 notes?
A. Yes, I do.
Q. How did the company search for investors for the Series A notes?
A. People they knew.
Q. People who knew?
A. Harkins, Simmons, Bruce Orr.
Q. Were anyone else's acquaintances proposed the investment?
A. I don't know if -- I don't know if Paul Meka was involved or not, or Connie.
Q. How else did the company search for investors for the Series A notes?
A. I talked to a couple of friends of mine.
Q. Did the company search for investors in any

other ways?

A. Well, they hired two individuals that were brought in, I understand paid a salary, and were supposed to work with broker/dealers to raise funds.

Q. And who were those people?

A. Patrick, I want to say, McDowell or McDougall, or something, and Jim -- I can't think of Jim's last name.

Q. Did the company work with anyone else related to First Financial Equity Corporation to find the investors?

A. No.

Q. Was the Jim person you mentioned related to First Financial Equity Corporation?

A. He had been with First Financial before he went over to Barcelona.

Q. Do you know when he left First Financial Equity Corporation?

A. The time? The date?

Q. Yes.

A. No, I don't recall.

Q. Can I refer to First Financial Equity Corporation as FFEC? Will that make sense?

A. That's fine.

Q. Who were the people that you contacted about

investing in the Series A notes?

A. The lady I was dating, a couple other friends of mine, an attorney, and another client of mine.

Q. And do you recall any of their names?

A. One was Kathy Carolin, who's a CPA; Nancy Chaimson, who's just a friend; umm, Pam Stewart, who was a client; and Richard Woods, who was a client; and Rod Eaves, who was a client.

Q. Did you contact anyone about investing in the Series A notes who ultimately did not invest?

A. I can think of one.

Q. Who's that?

A. Umm, Michael. Michael, Michael, Michael. I'm drawing a blank on his last name.

Q. Do you know his address?

A. His home address, no.

Q. Do you know his business address?

A. He's the director of, umm, the, umm, Scottsdale Museum of the West.

Q. Do you have any of his -- do you recall offhand any of his contact information?

A. I have a phone number.

Q. How many people in total did you raise the company's Series A notes with?

A. Did I raise the money?

Q. No. With how many people did you discuss the Series A notes, in total?

A. Maybe eight, nine.

Q. Did the company provide the investors with any offering documents with the Series A notes?

A. I don't know what Dick Harkins gave them when he met with them.

Q. Did you provide any documents to any investors?

A. No, just in terms of the note.

Q. Do you know what type of documents Harkins gave people?

A. No, I'm not sure.

Q. Do you know who drafted the offering documents for the Series A notes?

A. He had legal counsel do it.

Q. And "he" is Mr. Harkins?

A. He was Mr. Harkins' legal counsel.

Q. I mean, when you said "he" had legal counsel, you're referring to Mr. Harkins?

A. Harkins had legal counsel that drafted the documents.

Q. Did anyone at the company have any input in drafting the offering documents?

A. Mr. Harkins.

Q. Anyone else?
A. I don't think so.
Q. What were the funds for the Series A notes supposed to be used for?
A. Operating expenses and accumulation of money to begin acquiring land.
Q. Anything else?
A. No.
Q. Were investors told when they could expect a return on their investment?
A. They were told that the notes would pay quarterly interest, two-year note, and a bonus at the end.
Q. Were any commissions offered for the sale of the Series A notes?
A. No.
Q. Do you know how many total investors invested in the Series A notes?
A. Total?
Q. Um-hum.
A. No. Harkins maintained that information.
Q. How much total was raised from the Series A notes?
A. I -- I want to say a little over one million dollars.

Q. Over what period of time were the Series A notes sold?

A. Maybe a year and a half.

Q. Do you know when the start and ending of that period was, approximately?

A. I would be guessing.

Q. Are you familiar with the company's Series B 10-5-10 notes?

A. The only thing I know about it is that they were going to offer that back after the 12-6-12.

Q. How did the company search for investors for the Series B notes?

A. How did they search for them?

Q. Right.

A. I'm not sure. I guess just people they knew.

Q. Did you search for investors for the Series B notes?

A. No.

Q. Did the company provide Series B note investors any offering documents?

A. I'm not sure.

Q. Do you know if the company ever prepared offering documents for the Series B notes?

A. I'm not sure.

Q. What were the funds for the Series B notes

supposed to be used for?

A. Operating expenses.

Q. Anything else?

A. If they accumulated enough money they were going to use it to start acquiring land and start looking at building hotels.

Q. Were any commissions offered for the sale of the Series B notes?

A. Not that I know of.

Q. How many Series B note investors were there in total?

A. I don't know.

Q. How much was raised in total from the Series B notes?

A. I do not know that.

Q. Over what time period were the Series B notes offered?

A. I'm not sure. But I would say a few months.

Q. Do you recall when those few months were?

A. The dates, no.

Q. The approximate months?

A. No.

Q. Wasn't Pam Stewart's investment in the Series B note?

A. I thought it was the A note.

Q. How did the company search for investors for the USA Barcelona Hotel Land Company I membership units?

A. I do not know.

Q. Did the company provide investors or potential investors in the membership units any offering documents?

A. Again, I do not know.

Q. Were you involved in searching for investors for the membership units?

A. No.

Q. Wasn't the University of Wisconsin one of the potential investors in the membership units?

A. The University of Wisconsin was advised on the series 12-6-12, and that's all that I know of that, that they were involved in or informed about.

Q. Do you know if the company drafted offering documents for the land company membership units?

A. Again, I don't know when the land company offerings were done. I think they were done before I even knew about Barcelona. Again, I don't have the dates and don't know.

Q. So you don't know whether or not they ever wrote offering documents for that offering?

A. I would say I think they did, but I'm not sure.

Q. How did the -- actually, what were the funds from the land company membership units supposed to be used for?

A. I wasn't involved in that at all so I don't know.

Q. How did the company search for investors for the notes that it offered in June 2014?

A. Which notes were they?

Q. Notes offered in June 2014. I don't know if they had --

A. Were they the 12-6-12 or the 10-5-10?

Q. No, these were separate from those.

A. Separate from those?

Q. Yes. Do you -- are you aware of any note offerings in June 2014 from the company that weren't 12-6-12 or 10-5-10 notes?

A. No.

Q. Who initially found Ron Eaves to be an investor in the company?

A. I did.

Q. How many total notes did the Eaves purchase?

A. How many total?

Q. Um-hum. The number of notes.

A. I'm not sure of the exact number.

Q. Do you know if any of those notes had terms

that were different from the 12-6-12 note terms?

A. I'm not sure because Rod became an employee.

Q. When did he become an employee?

A. After he made his first investment.

Q. Were the -- after the first investment, were any of the Eaves' subsequent notes discussed by the USA Barcelona Realty Advisors executive committee?

A. Were they discussed?

Q. Yes.

A. You mean, of the existing investments or future investments?

Q. Did the executive committee ever discuss future investments by the Eaves after their first investment?

A. We had one discussion about that.

Q. And what was that discussion?

A. Umm, in fact, Rod was in on the discussion.

Q. What was discussed?

A. Whether he could put some more money in.

Q. And why -- what -- why wouldn't he have been allowed to?

A. Why wouldn't he have been allowed to?

Q. Um-hum.

A. Well, he would have been allowed.

Q. Why would the company need to discuss him

investing an additional time if he was free to do that anyway?

A. Well, as I said, he was in the discussion. And they needed more working capital in there and so they asked Rod if he could contribute.

Q. How was USA Barcelona Realty Advisors managed?

A. Managed?

Q. Yes.

A. It was managed by Richard Harkins.

Q. What was the USA Barcelona Realty Advisors, umm, executive members? What were they?

A. What were they?

Q. Yes.

A. Just investors. That's all. They had certain roles, but. . .

Q. Who were the company's executive members?

A. Harkins, Tom Simmons, Bruce Orr, and myself.

Q. Were Simmons and Orr already executive members at the time you joined the company?

A. Yes.

Q. And when did you become an executive member?

A. I guess at the time I joined the company. I was brought in strictly as an advisor.

Q. Did the executive members have any management powers over the company?

A. My answer to that would be no.
Q. And why is that?
A. Because Harkins managed the company.
Q. Did the executive members, in theory, have any management powers over the company?
A. I would say no.
Q. Did investors in the company have any responsibilities to the company after paying their investments?
A. No.
Q. Do they have any management role in the company?
A. No.
Q. What was -- what was the full extent of your role with the company?
A. I was approached by Mr. Harkins to see whether I was interested in managing some money that they were going to bring into the company. They had an individual that was going to raise $70 million, and Harkins asked me if I would manage that money until they started needing it to buy land and start building hotels. That was the sole role I was brought in to the company.
Q. And what would managing that money have entailed?
A. Umm, putting it in funds, putting it in a

variety of investment options.

Q. That $70 million ultimately was not raised, right?

A. That is correct.

Q. So what was your role at the company once that -- once your management role for that money was no longer needed?

A. I didn't really have a role. Umm, Harkins asked me, he told me one time, he said that -- he said if he had $30,000 that he could get the company started. So I gave him a check for $30,000.

Q. Did you have an office at the company headquarters during the time you worked there?

A. No -- well, after the company was up and running, yes.

Q. And when was that? When was it first up and running?

A. Maybe a year after I first was informed about the company.

Q. And what were you doing for the company at that point?

A. Nothing.

Q. Was the company paying you a salary?

A. No.

Q. Had the company promised to pay you a salary?

A. No.
Q. Why did you have an office there if you weren't doing anything?
A. I didn't have an office there.
Q. You've never had an office there?
A. I've never had an office there.
Q. I thought you said that you had one once the company was up and running.
A. No. I said they had an office once it was up and running, because they used to be -- initially they operated out of Harkins' home.
Q. What was Harkins role at the company?
A. He was the CEO. He was the manager, the decision maker, and he had the experience.
Q. What else did his role include?
A. Say that again, please.
Q. What else did his role at the company include?
A. Meeting with potential investors, umm. You know, he negotiated the lease where the company officed. He hired the people.
Q. Did he meet with any investors that you raised the company with?
A. That I raised?
Q. Right, with whom you raised the company. The investors that you discussed the company with who

ultimately invested, did Harkins meet with them before they invested?

A. Yes.

Q. Who was it who finalized the sale of those investors' investments?

A. Finalized the sale?

Q. Who closed the sale? Who convinced them that they should invest?

A. Oh. I think Dick really explained to them what the company was going to do, what the funds would be used for. Umm, and they had to make the decision and wire their funds in.

Q. For any of the investors that you found, did any of them invest without having met with Harkins?

A. I'm not sure.

Q. You think that most of them did meet with Harkins before they invested?

A. I think most of them did.

Q. Did you see them come to the offices for those meetings or did you learn about the meetings after the fact?

A. No. I directed them and met with them at the office.

Q. So when the investors that you found met with Harkins, they were meeting with you, too?

A. I was the room; some of them. Some came by themselves. Yeah, there was one or two that the -- Jim Wilkerson was the name of the fella that was with First Financial before he went over there, and he had an investor that came in.

Q. For which investors were you present for their meeting with Harkins?

A. Well, the fella that was with, umm, the Scottsdale Museum of the West, and a couple others -- I'm drawing a blank -- that did not come in. Kathy Carolin. Umm, I want to say -- I think Nancy Chaimson, she met with Dick.

Q. And was her meeting a meeting that you attended, as well?

A. Umm, I'm not sure.

Q. So you just listed a few people who met with Harkins. For which of those meeting do you recall being present also?

A. For which of those meetings?

Q. Right.

A. You mean the names?

Q. Yeah. You just mentioned the Mike person from the museum, Kathy Carolin --

A. Carolin.

Q. -- and maybe someone else.

A. Nancy Chaimson, I think, was -- umm, and I think Rod Eaves.

Q. And for those people, which of them were you present for their meeting with Harkins?

A. Umm, Mike, umm, again, Kathy Carolin, umm, I'm not sure if Nancy Chaimson was involved.

Q. Have you ever read the company's operating agreement?

A. No.

Q. Why not?

A. Why should I have?

Q. Would it have been relevant to your advisory role at the company to know what the company's management consisted of?

A. I don't even know if they had one, to tell you the truth.

Q. Who had a say in the content of each of the company's investment offerings?

A. Dick was the one that made the final decisions; Harkins.

Q. Did anyone else -- who else had input on the content of the --

A. Tom Simmons.

Q. Anyone else?

A. I don't know if Bruce Orr was involved in any

of those or not.

(Whereupon, Mr. Morin leaves the room.)

THE WITNESS: May I ask a question?

BY MR. KITCHIN:

Q. Sure.

A. What is his role, that just left?

Q. He's an investigator.

A. Why would he be carrying a pistol?

Q. Oh. All of the investigators are also police officers.

A. Okay. I am for banning weapons. These poor kids that have been shot in school.

Q. Did the company's -- did this model ever change during 2013?

A. I can't recall the dates of when he made changes or when the changes were made. I wasn't around there very often.

Q. Did the company ever change its plan, its business plan, regarding when it would invest in properties versus when it would try to create a REIT?

A. I wasn't involved in those discussions.

Q. Do you know if such a change in the business model ever happened?

A. I'm not sure.

Q. Did you have any ownership interest in USA

Barcelona Realty Advisors?

A. Did I have any?

Q. Yes.

A. No, I don't think I had any shares. I didn't own any shares.

Q. How was USA Barcelona Hotel Land Company I managed?

A. I don't know.

And the land company was, my understanding was, they were in operation before I was involved.

(Whereupon, Mr. Morin returns to the room.)

BY MR. KITCHIN:

Q. Do you know who was involved in the USA Barcelona Hotel Land Company I?

A. I'm not sure. I would have to say Harkins and Simmons and Orr.

Q. And what were their roles at that company?

A. I would say the same as they were at Barcelona.

Q. Do you know whether Mr. Harkins has been working on any other business plans since the start of 2015?

A. He has said he has. He's put a note out to investors. But just what it is, I don't know.

Q. Has he described it to you at all apart from

whatever communication he had with everyone else?

A. All he said to me was, he said it was something to do with -- how did he put it? Something to do with structuring entities that could, I guess, raise money and start acquiring assets.

Q. Did USA Barcelona Realty Advisors monitor what potential investors were told about the company before they invested?

A. I'm not sure.

Q. Did anyone from the company ever monitor your discussions with potential investors?

A. The only time would be when I was with Harkins in his office.

Q. Did the company ever create any guidelines for you about whether you were required or required not to tell any investors about the company?

A. No.

Q. Was there any other guidance given to you about how you should describe the company to potential investors?

A. No.

Q. Do you know if the company ever created any such guidance for anyone else who was selling the investment?

A. Well, I don't know what the arrangement was

with the two fellas they brought in to work with broker/dealers. I don't know. That was strictly handled by Harkins.

Q. Do you know if the company ever created guidelines for Harkins, Simmons, and Orr when they were introducing their acquaintances to the notes?

A. State your question again.

MR. KITCHIN: Can you read that back, please?

(Whereupon, the following was read back by the court reporter. Question: Do you know if the company ever created guidelines for Harkins, Simmons, and Orr when they were introducing their acquaintances to the notes?")

THE WITNESS: How could the company do it if the company was Harkins, Orr, and Simmons? Who would be the one that would tell them?

BY MR. KITCHIN:

Q. They could have agreed amongst themselves. They were members of the -- they were executive members.

A. I can't -- I -- I don't know the answer to that.

Q. Did the executive members, as a group, ever set any guidance for how the company could be introduced to potential investors?

A. Not that I know of, no.
Q. Did Kathy Carolin ever do accounting work for the company?
A. Yes.
Q. When did she start doing that accounting work?
A. Not too long after she invested.
Q. She hadn't done any accounting work for the company before she invested?
A. No.
Q. What did you know about her finances before you mentioned the company to her?
A. I knew a little about it. I dated her for six months.
Q. What about her finances did you know at the time?
A. I knew she had money in some qualified plans.
Q. And when you say "qualified plans," what does that mean?
A. 401Ks. And she had her own CPA firm.
Q. Did you know what her net worth was at the time she invested?
A. Umm, not exactly.
Q. Do you know approximately what it was?
A. Umm, well, I know she had some substantial income on a regular basis. I know she owned her home.

She had some other savings and, you know, some automobiles and some -- the exact number, I wasn't sure, but I knew she was earning a nice income.

Q. Did you know what her approximate net worth was apart from the value of her home?

A. Yeah.

Q. What was that approximate net worth?

A. I would say six, 700.

Q. And what was her approximate annual income at the time she invested?

A. I wanted to say over 300.

Q. Where did you get the impression that that was her annual income?

A. She -- I think she told me one time.

Q. Do you know if her annual income had been the same for several years before she invested?

A. I want to say she was increasing her income. And I referred some substantial clients to her for her accounting firm.

(Court reporter clarification.)

THE WITNESS: For her CPA practice.

BY MR. KITCHIN:

Q. And if they start up again, it's okay if you want to talk directly at her. I won't take any offense. I understand. She's the one who needs to hear this, not

me. But whatever you're comfortable with.

Do you know what her annual income was approximately the year before she invested?

A. I want to say 250, 300.

Q. Do you know what it was two years before she invested?

A. Probably somewhere similar.

Q. And had you ever seen any documentation of what her annual income was?

A. Did I?

Q. Yes.

A. No.

Q. What level of sophistication as an investor did she have at the time she invested?

A. I would say she had a very high level of sophistication.

Q. And why is that?

A. She -- ask the CPA. I mean, she's worked with a lot of very strong financial clients. She had been in the accounting world for quite a few years, had her own practice for quite a few years, and she was -- she was a sophisticated investor.

Q. What was the history of her own, umm, investing experience before she invested in the company?

A. She, it's my understanding, had money in

several funds. She worked with a -- she had a broker that advised her.

Q. And who was her broker at the time?

A. I don't know his name.

Q. Do you know what firm he was with?

A. No. I don't remember.

Q. Did you provide Ms. Carolin any documents about the company before she invested?

A. All I did was talk to her about the 6-12-6.

Q. And what was everything you told her about the company before she invested?

A. Well, what the plans for the company were, what they were going to do, where they planned to build and acquire hotels.

Q. And did you provide her any documentation about the company?

A. No, I did not.

Q. So did you provide her any documentation about the terms of the notes?

A. Just what the notes were and what they paid and what the income would be from those.

Q. Did you give her any documentation about what the notes were and what the notes paid?

A. Documentation?

Q. Um-hum, right.

A. Other than just -- I think I had a piece of paper and it just listed what level of -- if it was a 50,000 or a 25,000, or a 100,000, what the annual yield would be from that.

Q. And did you give her any documents about the investment apart from that summary?

A. No.

Q. Did you help her fill out her subscription agreement paperwork?

A. No.

Q. Did you give her a subscription agreement?

A. I don't remember if she got it, I believe, from the company or whether she got it from me.

Q. Is it possible that you gave her the subscription agreement?

A. I don't know. I don't recall.

Q. Did you give her an offering memorandum --

A. No.

Q. -- for the notes?

A. No.

Q. Was she an FFEC client?

A. No.

Q. For William Jordan, what did you tell him about the company before he invested?

A. William Jordan?

Q. Yes.
A. I went by Tom Jordan.
Q. Do you know if Tom Jordan was married?
A. Yes.
Q. Do you know his spouse's name?
A. Hum. No, I don't remember.
Q. Was Tom Jordan an FFEC client?
A. No.
Q. Umm, how did you -- how did you know Mr. Jordan?
A. He was introduced to me by a friend of mine.
Q. And why did you raise the notes with him?
A. Why?
Q. Um-hum.
MS. DEUTSCH: Can we get a clarification on the word "raised"?
BY MR. KITCHIN:
Q. Why did you mention -- why did you -- did you introduce Mr. Tom Jordan to the USA Barcelona notes, their existence?
A. Yes.
Q. Why?
A. Because this friend that introduced him to me said that he was retired and was looking for some good income.

Q. And who was the friend who introduced him?
A. Umm, a fella by the name of Bruce Lund.
Q. And is Mr. Lund an investment professional of any kind?
A. He was and he is. He works for an investment firm now. He was with Motorola at the time.
Q. What firm does he work for now?
A. I'm not sure.
Q. Did you provide Tom Jordan any documents about the company?
A. No; just what the note paid.
Q. What did you know about Mr. Jordan's net worth at the time he invested?
A. What he told me.
Q. And what did he tell you?
A. Well, he said that he had -- I think he had seven, eight, maybe more than that, funds from his retirement and some other assets that he had, some other investments he had.
Q. Do you recall how much of that net worth was the value of his home, if any?
A. It wasn't included.
Q. Do you know what Mr. Jordan's annual income was at the time he invested?
A. He was retired.

Q. Did he not have any employment income at the time?

A. He had retirement income.

Q. Do you know what the amount of his retirement income was?

A. I want to say under 200.

Q. For Nancy Chaimson, what did you tell her about the company before she invested?

A. What they planned to do.

Q. Did you give her any documentation about the company before she invested?

A. I think the only thing is I told her about the note.

Q. But was -- did you give her any documents?

A. No.

Q. Was she an FFEC client?

A. No.

Q. How did you know her?

A. I met her through a singles group that I belong to.

Q. What did you know about her net worth at the time she invested?

A. That she had retired -- when I first met her she was still working. She worked for a title company and had money being managed by some broker that she

worked with.

Q. Do you know what her total net worth was at the time?

A. Umm, not her total.

Q. Do you have any idea what it approximately was?

A. Well, it was over a half a million. I don't know.

Q. Did you know what her annual income was at the time she invested?

A. Well, she was still working and getting some retirement income from another firm, so, I have -- exactly, I don't recall.

Q. Do you have any idea approximately what it was?

A. Well, I want to say somewhere over a hundred and fifty.

MR. KITCHIN: Let's take a break for about 10 minutes. Does that sound good?

(Recess taken from 10:21 a.m. to 10:35 a.m.)

(Whereupon, Mr. Morin returns to the room.)

BY MR. KITCHIN:

Q. Let's go back on the record.

Did you discuss the USA Barcelona Realty Advisors' notes with Ridick Ramirez?

A. Rick Ramirez?

Q. Yes, or Ridick Ramirez, perhaps known as Rick. I don't know.

A. Yes, I did have a discussion with him.

Q. What did you tell him about the company before he invested?

A. What the notes paid and what the company was going to do.

Q. Anything else?

A. I think that was it.

Q. Did you provide him any documents about the company or about the investment?

A. Again, what the notes were going to pay.

Q. And by that you mean that summary that you referred to earlier?

A. Just the one page, yeah.

Q. And that's the only document you provided to him about the, umm, about the company or the investment?

A. Yes.

Q. Did you give him a copy of an offering memorandum?

A. No.

Q. Was he an FFEC client?

A. Yes.

Q. Was his investment funded from an FFEC

account?

A. No. I think it came from some qualified funds he had, because he did a self directed IRA.

Q. Did you tell him whether the USA Barcelona notes were a product approved by FFEC?

A. No.

Q. For Rodney and/or Melissa Eaves, which of them did you discuss the company with before their investment?

A. Rod.

Q. Did you discuss it with Melissa Eaves also?

A. I think she came in one time.

Q. Did you give either of them any documents about the company before they invested?

A. Again, the information in the notes.

Q. And that is the one-page summary?

A. Yes.

Q. Did you give either of them a copy of an offering memorandum before they invested?

A. I don't think so.

Q. Were they FFEC clients?

A. Yes.

Q. Was their investment funded from an FFEC account?

A. No. I think it came out of an annuity.

Q. Did you tell either of them whether the USA Barcelona notes were a product approved by FFEC?
A. No, I did not.
Q. Did you discuss the company with Joseph or Pam Stewart before they invested?
A. With Pam.
Q. But not with Joseph Stewart?
A. No. I think it was Pam, because she lives in Tucson and came down to see her daughter.
Q. What did you tell her about the company before she invested?
A. Again, what the notes were going to pay.
Q. Did you give her the same one-page --
A. Yes.
Q. -- sheet?
A. Yes.
Q. Did you give her any other documents about the company?
A. I don't think so. There wasn't anything to give her.
Q. Was she an FFEC client?
A. Yes.
Q. Was her investment funded from an FFEC account?
A. No; from an annuity.

Q. Did you tell her whether the USA Barcelona notes were a product approved by FFEC?

A. No, I did not.

Q. Did you discuss the company with Roberta Burleson before she invested?

A. Yes.

Q. What did you tell her about the company?

A. Not much.

Q. What did you tell her?

A. She is Dick Harkins' significant other. They're living together, so what she learned about the company she learned from Dick.

Q. Did you tell her anything about it?

A. I talked to her about the notes. In fact, she's the one that introduced me to Dick Harkins.

Q. Did you give her the same one-page summary sheet?

A. Yeah.

Q. Did you give her any other documentation about the company?

A. No, I don't think I did.

Q. Did you give her an offering memorandum?

A. No.

Q. Was she an FFEC client?

A. No. She was just a new client of mine that I

had just started working with.

Q. A new client of -- what kind of client of yours?

A. And advisory client.

Q. What do you mean by an advisory client?

A. I did a financial analysis, and she was recently a widow so we reviewed some of the investment funds she had.

She also, umm, was dating Harkins at the time. And, umm, she was quite knowledgeable on what the company was doing and was going to do.

Q. When she -- when she engaged you for advisory services, what kind of advice did you give her?

A. Well, one of the things she did not have was any long-term care. We worked and reviewed some of the annuities she had, some of the qualified funds she had. As I said, her husband had died not too long before that. And she was still working at the time.

Q. What were your recommendations to her?

A. Well, I sold her some long-term care. And the rest of the investments we left as they were. We reviewed -- I reviewed how the accounts were set up, as far as the annuities and what investment options she had in there.

Q. Did you discuss with her other investment

options that she had?

A. Well, I just reviewed the annuities she had and reviewed the -- she had some -- a 401k and she had a couple of IRAs.

Q. What is the long-term care you referred to?

A. It's long-term health care.

Q. And what is that?

A. Well, if you became disabled and had to go into a nursing home or someplace else, this insurance product provides you a monthly income for a certain period of time or for the rest of your life.

Q. And she was not involved with FFEC at all?

A. No. When I first met her, no.

Q. Did she later become an FFEC client?

A. Well, she -- we never -- there's no funds. She never had funds that were FFEC funds. The only thing that we did, that I did, was sell her that long-term care product.

Q. Did you ever tell her that money would be rolling in from the investment into the USA Barcelona Realty Advisory notes?

A. Rolling in? What's your definition of "rolling in"?

Q. I mean, did you ever tell her verbatim that money would be rolling in?

A. Rolling in?
Q. Yes.
A. Again, explain what "rolling in" means.
Q. I'm not asking what the meaning is, I'm just asking if you ever used those --
A. That term?
Q. Yes. That phrase, yes.
A. No.
MR. KITCHIN: All right. Can we take another break for about five minutes?
THE WITNESS: I thought we just had one.
MR. KITCHIN: Yeah. I need to get someone.
(Recess taken from 10:44 a.m. to 10:49 a.m.)
(Whereupon, Mr. James Burgess is now present.)
MR. KITCHIN: Let's go back on the record.
BY MR. KITCHIN:
Q. Were any of the USA Barcelona investors also investment advisory clients of FFEC?
A. Investment advisory clients? Are you saying were any of the people that went into Barcelona clients of mine with FFEC?
Q. No. Were any of them a client, perhaps in addition to you, a client of a licensed investment advisor at FFEC?
A. I still don't understand your question. Are

you saying, did they work with another advisor at FFEC or -- please explain your question.

Q. Did any of them have investment advisory services through FFEC apart from --

A. Me?

Q. -- apart from you?

A. No. If they were with FFEC, I was the only one they were working with.

Q. Did FFEC approve your sale of USA Barcelona products?

A. No.

Q. When did FFEC first become aware of USA Barcelona Realty Advisors?

A. From you people.

Q. You never mentioned the company to them before then?

A. No.

MR. BURGESS: Why not?

THE WITNESS: I had no desire to. Why should I?

MR. BURGESS: Well, you were a representative of First Financial Equity Corporation, correct?

THE WITNESS: I was licensed there, yes.

MR. BURGESS: Were you a registered representative of First Financial Equity Corporation?

THE WITNESS: Yes, I was.

MR. BURGESS: Okay. As -- you know what the term "selling away" is?

THE WITNESS: Yes, I do.

MR. BURGESS: Did you not consider your sales of USA Barcelona promissory notes to investors to be selling away from FFEC?

THE WITNESS: I --

MS. DEUTSCH: If I may, I don't think there's any foundation been laid in terms of that he sold any of these investments. I know he just used the word, but up until this point, where you haven't been here, we've only been talking about discussions he'd had with investors.

MR. BURGESS: Okay. Ms. Deutsch, I think you should be familiar with the rules governing this examination, umm, and you should know that interruptions and objections are not permitted.

MS. DEUTSCH: I think in terms of clarification, I'm allowed to say something. I didn't make a formal objection.

MR. BURGESS: Okay.

MS. DEUTSCH: I think a clarification was needed. And he can speak that -- I think this is the second time I have spoken.

MR. BURGESS: We'll give you a pass this time.
THE WITNESS: So do you have a question? Is that what you're waiting for?
MR. BURGESS: Ma'am, can you please read back my question?
(Whereupon, the following was read back by the court reporter. QUESTION: Did you not consider your sales of USA Barcelona promissory notes to investors to be selling away from FFEC?")
MR. BURGESS: That is my question.
THE WITNESS: My answer is no.
MR. BURGESS: Why not?
THE WITNESS: Because I wasn't selling away.
MR. BURGESS: Well, I thought I just heard you testify that First Financial Equity Corporation wasn't aware that you were selling these promissory notes.
THE WITNESS: I wasn't selling the promissory notes.
MR. BURGESS: Okay. What were you doing with them?
THE WITNESS: I was advising the client about the promissory note.
MR. BURGESS: And what advice did you give your clients about the promissory notes?

THE WITNESS: What the promissory note paid, terms.

MR. BURGESS: Okay. And then how did the client -- did some of your clients purchase these promissory notes?

THE WITNESS: A few of my clients did, yes.

MR. BURGESS: Who -- who of your clients purchased the promissory notes?

THE WITNESS: One was Richard Woods, one was Pam Stewart, one was -- who else was in there? Rick Ramirez.

MR. BURGESS: Rick Ramirez, you said?

THE WITNESS: Yes.

MR. BURGESS: How did Mr. Woods purchase the promissory note? You gave him advice about the promissory note, what it paid, right?

THE WITNESS: What it paid.

MR. BURGESS: Okay. And then how did he --

THE WITNESS: He contacted Barcelona, and I believe he talked to Harkins.

MR. BURGESS: Okay. And then he paid Barcelona?

THE WITNESS: He wired his funds in.

MR. BURGESS: I'm sorry, you wired his funds in?

THE WITNESS: He wired his funds in.

MR. BURGESS: Was it the same with respect to Ms. Stewart and Mr. Ramirez, the process you just described, you giving advice about the terms of the note --

THE WITNESS: Yes.

MR. BURGESS: -- and then your clients contacting USA Barcelona?

THE WITNESS: I don't know if Pam -- I don't recall if Pam Stewart contacted Harkins or not. I know Ramirez did.

MR. BURGESS: All right. Did you receive any compensation with respect to Mr. Woods', Ms. Stewart's, or Mr. Ramirez's purchase of the USA Barcelona notes?

THE WITNESS: I received absolutely no compensation whatever for any referral that I referred it.

MR. BURGESS: But you were paid money by USA Barcelona, correct?

THE WITNESS: No.

MR. BURGESS: You were not?

THE WITNESS: No.

MR. BURGESS: Okay.

THE WITNESS: I received two interest payments on personal money that I invested with them.

MR. BURGESS: Okay. I want to take you back to Mr. Kitchin's questions about whether any of your clients had invested in USA Barcelona who were clients of yours at FFEC, were Investment Advisory clients.

Do you understand the difference between a registered representative and an investment advisor?

THE WITNESS: A registered investment advisor?

MR. BURGESS: No, sir. A registered representative of a broker/dealer and -- the difference between a registered representative of a broker/dealer and an investment advisory representative.

THE WITNESS: Why don't you explain the difference to me.

MR. BURGESS: I'm asking you. Do you -- you're the industry professional. Do you know the difference between those two terms?

THE WITNESS: Well, I was licensed with FFEC. I had my broker's license with the broker/dealer.

MR. BURGESS: Um-hum.

THE WITNESS: And I did not have an investment advisor -- I don't know if you call it a license or what. My title was an investment advisor.

MR. BURGESS: Your title was investment advisor, but you weren't licensed as such, is that what you're saying?

THE WITNESS: I'm not sure what license -- the difference of license between a registered rep and an investment advisor.

MR. BURGESS: Okay. That's what I'm asking. You just don't know the difference?

THE WITNESS: No.

MR. BURGESS: Okay. Go ahead, Paul.

BY MR. KITCHIN:

Q. Were the sale of any USA Barcelona products recorded on the books and records of FFEC?

A. Of what?

MR. KITCHIN: Can you read that back?

(Whereupon, the following was read back by the court reporter. QUESTION: Were the sale of any USA Barcelona products recorded on the books and records of FFEC?")

THE WITNESS: No.

BY MR. KITCHIN:

Q. Did you introduce any other investment products to any of your clients that were not approved by FFEC?

A. I would have to say no.

Q. How often did FFEC have compliance meetings?

A. They had one compliance officer for about 90 reps. And the answer was, they didn't have them.

Q. They -- FFEC never --
A. Once a year. Once a year, they did.
Q. And what time of the year was that meeting held?
A. I would guess September.
Q. Was it typically September of each year?
A. Probably.
Q. What was discussed at the compliance meetings?
A. Basically, what the company was doing, what the -- where they saw the company going, the size of the company, new reps that had come in. General information. They had a few speakers there who talked about specific products, that they were being approved by FFEC.
Q. At the meetings what was discussed about requirements that the company's representatives were required to comply with?
A. State that again.
Q. What kind of regulatory compliance issues were discussed at the annual compliance meetings?
A. I don't recall.
Q. Umm, was there any such -- was there any discussion of regulatory compliance issues, but you don't recall what it is now, or was there no discussion at all?

A. I don't recall what there was.
Q. You don't recall whether there was any discussion of regulatory compliance issues?
A. Right.
Q. Wouldn't it be important to your job to know what regulatory compliance issues are important to you in your work?
A. You're asking me if I felt it was important to my job?
Q. Yes.
A. To my job as a registered investment advisor, or what?
Q. To your work with FFEC.
A. I was an independent contractor; the only one in the firm. I did not spend my entire day sitting in front of a screen watching what's happening to individual stocks, which most of the people at FFEC did.
I had someone else in the firm that was managing the managed money that I had from clients. My role and what I did was estate planning with the clients, in which I sold a lot of insurance products.
Q. You also sold non-insurance securities products, too, though, correct?
A. Non-insurance security products such as?
Q. Such as anything. Did you sell any -- did you

sell non-insurance securities products?

A. Explain what your feeling of a non-security product is.

Q. What do you think a non-insurance security product is?

A. No, I've asked you.

Q. I'm asking you. You're asking me what do I mean, and I'm asking you what do you think that means? What is your understanding?

A. I don't know if you're saying a mutual fund, individual stock, or what are you saying is a non-insurance product?

Q. Those are great examples. What kinds of things like that have you sold to clients through FFEC?

A. Mutual funds?

Q. Yes.

A. I've sold a lot of mutual funds.

Q. What other types of investment products?

A. Umm, some individual stocks.

Q. What other kinds?

A. Again, basically, some funds, some bonds.

MR. BURGESS: REITs? How about REITs?

THE WITNESS: No.

BY MR. KITCHIN:

Q. You have a securities license, correct?

A. Correct.

Q. And are there regulatory compliance issues that are important to being a licensed securities salesman?

A. Regulatory --

Q. There are regulations that govern what you can do as a licensed securities salesman, correct?

A. That is correct. You have to be a licensed individual in order to sell a product.

Q. When FFEC has a meeting to discuss those regulatory compliance issues, aren't those issues important to your work into maintaining your license?

A. I've had a security license for over 50 years. 50 years. And I go through these regulatory meetings basically once a year.

I know that it's important that I understand the rules and regulations of holding a securities license.

Q. Then why can't you recall any of the matters in the -- the compliance matters discussed at the firm's annual compliance meeting?

A. Because the last one was over a year ago.

Q. Do the Department of Securities compliance matters change frequently?

A. FINRA enacts new legislation at times.

Q. Aren't there plenty of rules that stay consistent over time that you need to continue complying with?

A. In my opinion, I comply with it. And I -- you know, if there's a new change, we're notified, and not only verbally, but in writing.

Q. Does that notification include the annual compliance meeting?

A. Yeah, there's notification verbally at a compliance meeting.

Q. Why can't you recall what any of -- any of those compliance matters that were discussed actually were?

A. Sitting here today, I don't recall what was discussed a year ago at a meeting. I'm sorry. I don't recall.

Q. What was your supervisory chain at FFEC?

A. Supervisory chain?

Q. Who was your supervisor at FFEC?

A. George Fisher.

MR. BURGESS: Oh, sorry, Paul.

Mr. Kerrigan, what do you recall about the meeting last year, the compliance meeting last year?

THE WITNESS: I don't remember anything about it. It's a year ago. I don't remember.

MR. BURGESS: You don't remember anything about that meeting last year?

THE WITNESS: There were probably a hundred of us in the meeting spread out all over a big room, several people talking, several reps from different companies talking about what their company does.

But I don't know what you're trying to find out from me in that meeting. I -- I don't remember what was discussed in that particular meeting.

BY MR. KITCHIN:

Q. Or any of the prior compliance meetings?

A. No, I don't.

MR. BURGESS: Mr. Kerrigan, I think what we're trying to determine on a broad brush level is, what supervision were you subject to at FFEC?

So, I don't -- I don't think Mr. Kitchin or I are trying to be antagonistic on that point, we're just trying to figure out what the supervision environment was at FFEC. So --

THE WITNESS: There was one compliance person in the office, and there were four offices. And she was the only one.

MR. BURGESS: Melissa Strouse?

THE WITNESS: Yes.

MR. BURGESS: And what level was -- I mean,

what was -- what level of interaction did Ms. Strouse have with you on a daily, a weekly, or a monthly basis?

THE WITNESS: Nothing.

MR. BURGESS: Okay. On a yearly basis?

THE WITNESS: Well, I never met with her on a regular -- on a yearly basis. I mean, she would monitor phone calls. She would monitor e-mails of everyone in the firm.

But, no, I -- I didn't have any set time that I met with Melissa Strouse on a regular basis, no.

MR. BURGESS: And I'm not suggesting that you should have. I'm just asking whether, to the extent you know, whether or not that happened.

Go ahead, Paul. I'll jump back in when I think of something.

BY MR. KITCHIN:

Q. Did you ever communicate with any USA Barcelona Realty Advisors investors by e-mail?

A. I don't think so, because I had my e-mail with FFEC. I had an e-mail at Barcelona, but that was only to notify me of if they were going to get together, or something of that nature. I never got e-mails from anyone on it other than Connie or Harkins.

Q. Are you aware of any written or verbal client complaints about you that have ever been sent to FFEC?

A. Compliance about while I was at FF- -- Barcelona?

MR. KITCHIN: Can you read that back, please?

(Whereupon, the following was read back by the court reporter. QUESTION: Are you aware of any written or verbal client complaints about you that have ever been sent to FFEC?")

THE WITNESS: To FFEC? You said Barcelona.

BY MR. KITCHIN:

Q. That's --

A. Is that FFEC?

Q. Let me rephrase it.

Forgetting USA Barcelona entirely --

A. Great.

Q. -- has FFEC ever received a complaint about you verbally or in writing from a client regarding anything?

A. FFEC?

Q. Yes.

A. I am going to say no.

Q. How did your employment at FFEC end?

A. By my resigning.

Q. When did you resign?

A. The first part of August.

Q. Why?

A. Because I was asked to by Richard -- or, by George Fisher.

Q. Why did he say -- why did he ask you to resign?

A. Because you people sent something to Melissa Strouse.

Q. Did he explain what that was?

A. He said there was a letter that, you know, that they received from you, and he was afraid of his being involved in a lawsuit. So he said, "Bob, I just think it's" -- and I've known George Fisher for 35 years.

Q. Did he say what would happen if you didn't voluntarily resign?

A. No.

Q. Did he give any impression of what would happen if you didn't voluntarily resign?

A. No.

Q. Why -- do you think it was justified for him to ask you to resign based on this inquiry?

A. Do I think it was justified?

Q. Yes.

A. No, I don't think it was justified.

Q. Why did you agree to it?

A. When he and I had a discussion about it.

Q. Why didn't you just say, "No, I didn't do anything wrong, I'm not going to resign"?

A. Well, George was concerned about FFEC being involved in a lawsuit if anything ever developed.

Q. Why would that be a concern of yours?

A. Because I was concerned that FFEC would be brought into it, and I know that that concerned George.

Q. Why did you leave each of the prior broker/dealer firms that you've ever done work with?

A. Why did I leave? Well, the firm I was with before FFEC was a four-man operation, but I -- the majority of the products I sold were in life insurance products, life and annuity products. And we had help there.

Q. Why did you leave that firm?

A. Because the owner didn't like who I was doing some business with. He had worked for the firm before, and those two got sideways. And I was doing some things with him personally and with a firm in Michigan, and he said, "Bob, I don't like who you're working with and I'm going to ask you to resign."

Q. I got confused about some of the pronouns in there. Were you describing two people?

A. I said the owner of the firm didn't like who I was associating with.

Q. And who was it that you were associating with that he did not like?

A. Ken Marica.

Q. What was your association with Ken Marica?

A. We were social friends. We were -- I went over to Michigan with him to -- we -- I had a client, a doctor client, that we were trying to do a replacement on his life insurance policy.

And the company we were working with, the president of the company, was no longer doing that and so I had to go over to Michigan and met with a firm over there to see if we could replace the policy.

And I went over there with Ken. And Jack Beatty and Ken had had a falling out about a year before, so he said, "I don't want you to social with him."

Q. What was their falling out over?

A. With those two, I don't know.

Q. At the time was Mr. Marica involved at all in franchising dental firms?

A. That was after; not at that time. But he was involved in that.

Q. Did you have any connection with his plans to franchise dental firms?

A. No.

Q. Did you work with him on it in any way?
A. No.
Q. How did you become aware of his franchising business?
A. He talked to me about it and I made an investment into it.
MR. BURGESS: I'm sorry, I didn't hear that answer.
Can you, ma'am, could you please read that back? There's construction outside.
(Whereupon, the following was read back by the court reporter. ANSWER: He talked to me about it and I made an investment into it."
BY MR. KITCHIN:
Q. So you left that firm because the owner of the firm didn't like that you did business with Mr. Marica?
A. Correct.
Q. Did you resign voluntarily or did he fire you because of that association?
A. I resigned. And Western Reserve Life and Intersecurities, which was a broker/dealer, wanted me to just open up my own office and have my own broker/dealer. And they wanted to push Beatty aside. And that's when I considered doing it, but that's when I went and talked to George and joined him.

Q. Did the owner say that he would fire you if you didn't resign voluntarily?

A. Well, I don't know if he used the word "fire," but he said 30 days, you have 30 days to leave the firm.

Q. What did he say would happen if you didn't leave the firm in 30 days?

A. He didn't. He just said I would do it.

Q. What did you interpret the implication to be?

A. Well, that he'd terminate my license, I suppose.

Q. What firm did you work with before that firm?

A. Well, I was with that firm for about 16, 17, 18 years.

Q. Um-hum.

A. I came here in '82 and joined a firm. I came out here to join a firm. And we weren't selling any securities.

Q. What firm -- what broker/dealer firm did you work before that one, before the one with the owner and Ken Marica that you were just talking about, what broker/dealer firm did you work with before that firm?

A. It was an attorney, and I joined his firm. He had his own broker/dealer. He was in with a banker. That's when deeds of trust were a very popular investment. And, umm, that's basically what we were

doing, was selling deeds of trust.

Q. Why did you leave that firm?

A. Why? Because they weren't doing any insurance products, and I needed to be with a firm that had annuities and estate planning and financial planning.

Q. Did you -- so you left the firm voluntarily?

A. Sure.

Q. Was there any investigation pending regarding you at the time you left that firm?

A. No.

Q. Was there any investigation pending regarding you at the time you left the firm with the Marica connection?

A. No.

Q. Do you have a real estate license?

A. No.

Q. Is there any licensing required to sell insurance products?

A. Say that again.

Q. Is there any licensing required --

A. Certainly.

Q. -- to sell insurance products?

A. Oh, absolutely.

Q. And do you have such a license?

A. Sure.

Q. What -- who issues that license?
A. The state that you're doing the business in.
Q. So you have an Arizona insurance license?
A. Sure. Life, accident, health, annuities.
Q. What's your license number?
A. I don't know.
Q. What are your occupational plans now? What are your occupational plans now?
A. I will join another firm.
MR. BURGESS: Mr. Kerrigan, I want to take you back to the -- you mentioned when Mr. Kitchin was asking you about how you departed from First Financial Equity. You said that George Fisher came to you and had a conversation.
When -- and -- and you said that he had received a letter from us, or that First Financial had received a letter from the Securities Division.
How many discussions did you have with George Fisher and Melissa Strouse about USA Barcelona?
THE WITNESS: None. With Barcelona -- with Strouse, none.
MR. BURGESS: I'm talking about, when did you first learn that the Securities Division had sent some kind of correspondence to First Financial Equity?
THE WITNESS: I want to say somewhere in May

or June, or somewhere in that area.

MR. BURGESS: Okay. Can you describe what happened next? I mean, who -- who -- who informed you that First Financial had received a letter from us?

THE WITNESS: Well, First Financial received a letter. And I don't know if it was from you or what, but they said that there was a judgment against me for $70,000.

I said, "I don't know what you're talking about."

And they said, "Well, there's a judgment that's been issued against you." So --

MR. BURGESS: When did you have that discussion and who was it with?

THE WITNESS: That's six, seven months -- that was with Strouse.

MR. BURGESS: Okay.

THE WITNESS: And so I went back and checked and had to file, I think, a U-5 disclosure. And the judgment revolved around my divorce that happened eight or nine years ago. And we had been divorced. And we had been married for 41 years, and divorced.

And I had a line of credit with my bank. My ex-wife went into the bank at another branch -- the only one that could draw down from that line of credit was me

and at the bank that set it up.

She went in another branch, showed her identification, and walked out with $70,000.

The bank called me, and I said I never authorized it. So they contacted her and her attorney, and they refused to give it back.

So I had to -- they said, "Bob, we've got to protect ourselves. We're filing a judgment against you."

So I negotiated with the bank. I ended up writing a check for $23,000 and they dismissed the judgment. But apparently that never came off my record. And that's why that showed up as a judgment for $70,000.

MR. BURGESS: Okay. So, Melissa Strouse spoke to you about it and said we need to amend your U-5 because there's this judgment against you?

THE WITNESS: Yes.

MR. BURGESS: That didn't have anything -- to your knowledge, that didn't have anything to do with us sending a letter to FFEC, did it?

THE WITNESS: Well, where would she find out about that? She got a letter from someone. I assumed it was you. I don't know.

MR. BURGESS: Do you know whether FFEC checks the dockets of the Superior Court or the U.S. District

Court --

THE WITNESS: I don't know.

MR. BURGESS: -- concerning its registered representatives?

THE WITNESS: I don't know.

MR. BURGESS: Okay. So then what -- whether or not that inquiry about the judgment and issue about the judgment was strictly by a letter from us or from some other source, what was your next conversation with either George Fisher or Melissa Strouse about -- when did you first have a conversation with them about USA Barcelona?

THE WITNESS: About three months ago.

MR. BURGESS: And who did you have the conversation with?

THE WITNESS: With George. Someone from here sent a letter to Melissa that knew her and, umm, sent it to George, referring to Melissa.

MR. BURGESS: Okay. And what discussion did you have with Mr. Fisher three months ago approximately?

THE WITNESS: That's when George said, "Bob," he said, "I think you're going to have to leave if this develops into a lawsuit." And he said, you know, "But you can stay around until the end of the year and find another place to go and to decide what you're going to

do."

MR. BURGESS: And that was about three months ago?

THE WITNESS: Yes.

MR. BURGESS: So was that, like, June approximately?

THE WITNESS: Somewhere, yes.

MR. BURGESS: Okay.

THE WITNESS: But then two weeks ago they got another letter from you people, and in there it discussed -- I don't know who went down and met with Pam Stewart, but some of the discussion came out from Pam Stewart's meeting about Harkins and Barcelona.

So that's when George said, "Bob, I'm afraid we may get pulled into a lawsuit on this thing, so I'm going to ask you to resign."

And so I said, "Fine."

(Court reporter clarification.)

THE WITNESS: He said, "I'm afraid we're going to get pulled into a lawsuit." And he said, "I'm going to ask you to resign."

So I said, "Fine, I'll resign." I wrote a letter that day and resigned.

And he said, you know, "Stay around until the end of the year."

And he said he got something else, and he said, "Bob," he said, he said, "Harkins, I think Harkins is a crook and we want to totally sever any relationship."

MR. BURGESS: So he was telling you then that you couldn't stay to the end of year?

THE WITNESS: Right.

MR. BURGESS: Did he ask you or did Melissa Strouse ask you about your involvement with USA Barcelona?

THE WITNESS: They asked me what my involve-- -- yes.

MR. BURGESS: When did they have that conversation with you and who had it?

THE WITNESS: I think George.

MR. BURGESS: And when did he have that meeting or when did he have that discussion?

THE WITNESS: After he got the letter from you people.

MR. BURGESS: What did he want to know?

THE WITNESS: What I was doing with it, and what the company was doing, and how much money I invested. And that's about it.

MR. BURGESS: How long did the meeting last?

THE WITNESS: Half hour, 45 minutes.

MR. BURGESS: Did he ask you about any FFEC clients who invested in USA Barcelona?

THE WITNESS: No.

MR. BURGESS: He did not ask you whether any FFEC clients had invested?

THE WITNESS: No.

MR. BURGESS: Is that as much as you can remember about the meeting with Mr. Fisher when he first asked you about USA Barcelona?

THE WITNESS: Yes.

MR. BURGESS: Did he, in his discussions with you leading up to your departure from FFEC, the meeting in June, or the meeting, I guess -- I think you said it was a couple weeks ago. It's probably more accurate to say it's the end of July or beginning of August.

THE WITNESS: No. The last meeting George and I had, that's when he said, "Bob, you're going to have to" -- you know, "You can stay for another month." And then he got another letter, or he got something, and he said, "Bob, I'm sorry, but you're going to have to" --

MR. BURGESS: I'm just trying to understand the time line because I thought you said that you resigned in the beginning of August.

THE WITNESS: Yes.

MR. BURGESS: Okay.

THE WITNESS: I wrote a letter the beginning of August resigning.

MR. BURGESS: Okay.

THE WITNESS: But that's -- I was going to stay in the office until the end of the year.

MR. BURGESS: Okay. And were you still coming in the office after you submitted your letter of resignation?

THE WITNESS: Sure. Oh, yeah.

MR. BURGESS: Were you transacting business for clients?

THE WITNESS: Sure.

MR. BURGESS: Securities transactions?

THE WITNESS: Some.

MR. BURGESS: Trading mutual funds or bonds or --

THE WITNESS: Well, he had me working with a rep in there that would handle my accounts.

MR. BURGESS: And who was that?

THE WITNESS: Matt Mueller.

MR. BURGESS: What were you doing with Mr. Mueller?

THE WITNESS: Just telling him about my accounts and some of the things that had to be done on them.

MR. BURGESS: Were you instructing Mr. Mueller to purchase or sell any securities on behalf of a client?

THE WITNESS: Well, I have a client that, umm, has a retirement account that we set up. And every month a check for $1800 goes into it. And as the funds accumulate, then I would put that money into the market.

(Court reporter clarification.)

THE WITNESS: I would put that money into the market rather than letting it sit in cash. And so -- this is a client in Colorado.

So, umm, I told Matt, and so Matt -- a letter went out, and he called the client and said that he was going to be handling the account and that he wanted his approval to --

(Court reporter clarification.)

THE WITNESS: He wanted his approval to move the money into the market.

I'm sorry, I'll try to talk to you.

MR. BURGESS: The problem is, I've made it very tough on the court reporter because I'm sitting down here, and you're trying to answer me and you're having to turn away from her. So I've created this. Sorry.

Okay. So, what other activity were you doing

in the office after your resignation?

THE WITNESS: Meeting with clients on a lot of estate planning that I have done and insurance products that we wrote and life insurance products.

MR. BURGESS: Were you transacting any securities business?

THE WITNESS: No.

MR. BURGESS: You sure?

THE WITNESS: I'm positive.

MR. BURGESS: Okay. So when -- the meeting that you had with Mr. Fisher was approximately a couple weeks ago where he said now you've just got to be out of the office?

THE WITNESS: Yeah; two weeks ago.

MR. BURGESS: Okay. Go ahead, Paul.

BY MR. KITCHIN:

Q. While you were -- after you resigned but while you were still set up at the office, did you still have access to your FFEC e-mail account?

A. Yes.

Q. Did you still use your FFEC e-mail account?

A. No, I'm sorry, that -- no. We -- they terminated that and I had my own e-mail account under a personal one which came to my home.

Q. Did you still have a computer at the office?

A. Yes.
Q. Did you have access to any FFEC files --
A. No.
Q. -- still?
A. No, they took that away.
Q. Did you have any access to hard copy files in the office?
A. To what?
Q. Hard copy files in the office, paper files.
(Whereupon, Mr. Morin leaves the room.)
THE WITNESS: Well, I could go and bring up insurance accounts with Western Reserve Life and some of the other insurance companies I do business with, and the broker that I was doing my life insurance with.
BY MR. KITCHIN:
Q. Does FFEC have any hard copies of client files in its office, filing cabinets of paper?
A. No -- well, I don't know. I mean, I have my own of everything. But I don't know what they keep. I'm sure they keep something.
Q. Did other representatives have their own files of their clients at the offices?
A. I don't know.
Q. Does each rep's office there have a lock?
A. No.

Q. Do any of them have locks for the regular reps?

A. You mean for their individual office?

Q. Yes.

A. I don't think so.

Q. How did Jim Wilkerson learn about USA Barcelona?

A. I don't know.

Q. He didn't learn about it from you?

A. No.

Q. Did anyone at FFEC learn about USA Barcelona from you?

A. No.

Q. Next I'm going to hand you what has been marked as Exhibit 1, a four-page document starting with ACC6210. Do you know what that is?

A. I can't even read it.

MS. DEUTSCH: Do you have something with larger print?

MR. KITCHIN: No.

THE WITNESS: I can't read this.

BY MR. KITCHIN:

Q. I'm going to start reading a list of names. For each one can you tell me whether or not that name is an FFEC client of yours, former FFEC client of yours?

A. Are you reading this list off of here?
Q. Yes.
A. Okay.
Q. Joe Thrasher?
A. Yes.
Q. Michelle Hardt?
A. Yes.
Q. Bruce Lund?
A. Yes.
Q. Sharon Woods?
A. Yes.
Q. Richard Woods?
A. Yes.
Q. Jerome Walsh?
A. Yes.
Q. Donald Lee Doolowicz?
A. What?
Q. Donald Lee Doolowicz?
A. Doolowicz?
Q. Doolowicz.
A. Yes.
Q. Brian L. Jaeger or Jaeger?
A. Jaeger, yes.
Q. Rodney Eaves?
A. Yes.

Q. Donald Swanson?
A. Yes.
Q. Richard Woods?
A. Yes.
Q. Richard LeGrand?
A. LeGrand, yes.
Q. Charles Kolm?
A. Spell it.
Q. K-o, something, m, of [redacted]. Kelim, is it? K-e-l-i-m.
A. That could be it, yes.
Q. Do you have Charles Kelim who's a client?
A. Yes.
Q. John Sherrill?
A. What?
Q. Sherrill.
A. Spell it.
Q. S-h-e-r-r, maybe "y."
A. John Sherrill, you're saying?
Q. Yes.
A. I don't recognize that name.
Q. Wayne Roins?
A. Wayne Roins?
Q. Yes.
A. I don't recognize that name.

Q. Jayme Chapin?
A. Yes.
Q. Michelle Hardt? Oh, that one already came up.
Milo Hardt?
A. Yes.
Q. Kathleen Wright?
A. Yes.
Q. Morgan Hardl?
A. Yes.
Q. Michael Bolling?
A. Yes.
Q. Kathy Bolling?
A. Yes.
Q. Bryan Dido?
A. What?
Q. Dido, D-i-d-o. Maybe Bryan Dice?
A. Dice, yes.
Q. Mary Dice?
A. Yes.
Q. Flora Swanson?
A. Yes.
Q. So far, are any of these people who you discussed the USA Barcelona notes with who didn't ultimately invest in them?
A. The only one that did was Woods. And I think

that's the only one we said, wasn't it.

Q. So I think we also mentioned Rodney Eaves?

A. Rodney, yes.

Q. Some of these people are people that did invest?

A. Yes.

Q. I'm asking are any of those people people who did not invest --

A. Oh, no. No.

Q. -- but to whom you mentioned the company?

A. No. No.

Q. And are any of the following people your FFEC clients? Sharon Schrank?

A. Yes.

Q. Jerome Walsh?

A. Yes.

Q. Karen Walsh?

A. Yes.

Q. Jordan Cohen?

A. Yes.

(Whereupon, Mr. Morin returns to the room.)

BY MR. KITCHIN:

Q. I'm going to stop there and look into an alternate solution for that later.

Next I'm going to hand you what's been marked

as Exhibit 2, a one-page document titled "Judgment, slash, Lien," with no Bates number. Do you know what this is?

A. Yeah, this is the lien from the bank.

Q. So --

A. Oh, no. No. No. No. No. No. This is income taxes that I owed.

Q. And when are those -- can you describe the circumstances of this lien?

A. Well, I -- I owed, I don't know, 80, $90,000 and I'm paying back. And this must be what I still owe.

Q. When was the deficit from?

A. Well, it says '14.

Q. Well, that says the date this was filed with the court.

A. Oh.

Q. But do you know when --

A. I think this was from 2010.

Q. Was the whole sum from 2010 or was --

A. Yes.

Q. Do you know why this lists the location of the court as Birmingham, Alabama?

A. No.

Q. How much of a lien is still outstanding?

A. I think it's paid off, to tell you the truth.

Q. And so you said this was incurred from the 2010 tax year?

A. Yeah.

Q. So does that mean it would have been initially due on April 15, 2011?

A. Probably.

Q. When was it fully paid off?

A. I have a bookkeeper.

Q. Do you know in what year approximately it was paid off?

A. A year ago, maybe.

Q. Next I'm going to hand you what's been marked as Exhibit 3 --

A. You want this?

Q. Yes, please.

-- a three-page document ACC278. Do you know what that is?

A. Yeah. I think this is -- well, it had to be a U-4 filing First Financial Equity had me do back in December of 2010.

Q. On the second page, which is ACC279, there's a line that says, "Do you have any unsatisfied judgments or liens against you?" And there's a box checked "Yes."

A. Yes. That was the IRS.

Q. Is there any other lien that could refer to?

A. No.
Q. Or judgment?
A. No.
Q. Could that refer to the judgment you mentioned with respect to your divorce?
A. No. That was paid off seven years ago or eight years ago.
Q. Next I'm going to hand you what's been marked as Exhibit 4. It's three pages long, starting ACC289. Do you know what that is?
A. That's another update. This was in December of '11. The FFEC -- FFEC must have submitted it.
Q. At the bottom of the second page, which is ACC290, under financial disclosure number three, "Do you have any unsatisfied judgments or liens against you?"
A. And I say "no."
Q. Correct.
A. No.
Q. And this says -- the top of the page says this is only in relation to new information within the last 12 months.

Why would it -- why did this answer change from "No" here when it was "Yes"?
A. What's the date on the other one? That was a year earlier.

Q. Right.
A. Because I paid it off.
Q. This is the tax lien?
A. Yes, must be. This is December of '11. This is December of '10.
Q. Right. I think you said the tax lien was paid off about a year ago, so in about 2014.
A. No. The taxes for '10 was paid off before that. I don't know. I don't have stuff in front of me that I can refer to and tell you what the exact dates are.
MR. BURGESS: Mr. Kerrigan, will you agree to, and, Counsel, will you agree to provide that, those records that show when you paid off the tax lien?
MS. DEUTSCH: Which lien?
MR. BURGESS: The IRS tax lien.
MS. DEUTSCH: And just for clarification, is that a part of -- from what I understood in the --
MR. BURGESS: Temporary cease and desist?
MS. DEUTSCH: Yeah. Which lien was in that?
MR. KITCHIN: That refers to a bank judgment, the judgment involved in the divorce.
MS. DEUTSCH: Okay.
MR. KITCHIN: This lien isn't mentioned in the --

MS. DEUTSCH: Right. Let me consult with Robert --

MR. KITCHIN: Sure.

MS. DEUTSCH: -- and see what he'll do. Okay?

MR. KITCHIN: Sure. We requested it.

MR. BURGESS: We're just trying to establish a time line.

MS. DEUTSCH: Sure. No, I understand. But before I give you an answer, let me consult with Robert. So you're asking for the tax lien.

MS. BURGESS: Yeah, the tax lien, when it was imposed and when it was paid off.

MS. DEUTSCH: Okay.

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked as Exhibit 5. It's a two-page document starting ACC292. Do you know what that is?

A. This was what is my -- it's an outside business. And it's Wealth Legacy Consultants, LLC. And that's the LLC that I still have.

Q. What are the criteria for what counts as an outside business for reporting to FFEC?

A. Ask the question again, please.

MR. KITCHIN: Can you read that back, please?

(Whereupon, the following was read back by the

court reporter. QUESTION: What are the criteria for what counts as an outside business for reporting to FFEC?")

THE WITNESS: What are the criteria for reporting to FFEC?

BY MR. KITCHIN:

Q. So this form calls -- asks for outside businesses.

A. Yes.

Q. What -- what are the criteria for what counts as an outside business within the meaning of this form?

A. I'm not sure. All I think I was told was to complete the form and submit it. That was by the -- that would have been by our compliance department.

Q. Did anyone from the compliance department ever tell you or give you guidelines for what counts as an outside business that they're asking about?

A. I don't remember.

Q. So in the second page -- this is signed December of 2012, correct?

A. Correct. A year later than the other one.

Q. And you started -- you became involved with USA Barcelona Realty Advisors in October of 2012, correct?

A. Was it '12 or '13?

Q. I think you said October of 2012.
A. Okay.
Q. Does October 2012 sound correct?
A. I can't answer for sure without having some files in front of me and taking a look at them.
MR. BURGESS: What files would be helpful?
THE WITNESS: Well, when I -- when we had a meeting up in Sedona when I gave my first investment, or gave money to them. I mean, I started lending them money.
BY MR. KITCHIN:
Q. Sorry. Go ahead.
A. And I don't remember when that was.
Q. Did you join the company before the meeting in Sedona?
A. Yes.
Q. Do you know how long before?
A. A couple months maybe.
When you say joined the company, what is your definition of joining it?
Q. I should have said involved with the company. You were involved with the company before the Sedona meeting?
A. Yes. That's when I was asked to manage this $70 million that was going to come in.

Q. And you were an executive member before the Sedona meeting?

A. Well, I wasn't an executive member. I was asked to be an advisor when the money came in.

Q. And you were an advisor before the Sedona meeting?

A. I would have been if the money had come in.

Q. Next I'm going to hand you what has been marked as Exhibit 12. Do you know what that is?

A. It says it's a private placement offering memorandum.

Q. Have you ever seen this before?

A. I may have. I don't recall it, though.

Q. On the first page, which is ACC724, toward the bottom it has a date of October 18, 2012, with amended dates in February 2013 and April 2013.

A. Where do you see October?

Q. Umm --

A. That isn't -- oh, here. October 18th, and then February and April. Okay.

Q. Does that refresh your memory at all as to when you were first involved with the company?

A. Well, this was out before I was involved with the company. This goes back to October of '12.

Q. Right. And previously you'd said that October

of 2012 was when you started working with the company.

A. I said that?

Q. Earlier today, yes, I think.

A. I would challenge that, because I don't remember saying I started in October of '12. I don't remember when I started.

Q. Did you start in October of some year, either '12 or '13?

A. I don't know what month it was. I mean, there was a -- they had a meeting out at Talking Stick, which was the first time I was ever involved with them. And they had a gathering out there that I was invited to. And there were probably 20 people out there. But when that was, I'm not sure.

Q. If I could take that back, please.

Turning back to Exhibit 5, if you had been an advisor to USA Barcelona Realty Advisors at the time this form was filled out, would you have reported it as an outside business activity to FFEC?

A. Umm, yeah, I probably would have had to.

Q. And why do you say that?

A. Well, because I was on the Board of the Foundation up in Wisconsin. I advised that. I was on the YMCA Board. When I went on the, umm, Hemophilia Board, I notified them of that.

And -- but this was just my own personal -- this was an outside -- I don't know. I wouldn't consider this an outside business activity. It's just my own personal investment company.

Q. But, umm, USA Barcelona would have counted this as an outside business activity whenever you became the advisor to it?

A. USA Barcelona would have? I don't think they would have had a clue.

Q. No. I'm saying -- I think that your answer a minute or two ago was that when you became an advisor to USA Barcelona Realty Advisors you would have subsequently reported that as an outside business activity the next time FFEC --

A. If I had started to manage money, yes, then I would have advised them that it was an outside business activity. But I wasn't -- I went to a couple meetings, and that was it. I wasn't managing any money. I wasn't talking to any investors. I wasn't doing anything. I was waiting for this $70 million to come in.

Q. Umm, did you ever -- did you ever report USA Barcelona Realty Advisors as an outside business activity to FFEC?

A. Well, at the end, I did --

Q. And --

A. -- when they started receiving information.
Q. And when was that?
A. Within the last year.
Q. Did FFEC give you a form similar to Exhibits 3, 4, and 5 for the year 2013?
A. I don't know.
Q. Next I'm going to hand you what's been marked as Exhibit 6, umm, a one-page document, ACC295. Do you know what that is?
A. Yes. I gave this to Melissa Strouse. She asked me who were my outside -- what outside business activities, and that's what I gave her.
Q. Why did you include USA Barcelona Realty Advisors on this form?
A. This is -- is this when you received it, or who received it on that date?
Q. Umm, that's not our writing. I think that is --
A. Melissa's.
Q. I don't know, but it appears to perhaps be an "MS"?
A. Yeah, then that is Melissa Strouse. Okay.
Q. Why did you put USA Barcelona Realty Advisors on this form?
A. Because I was spending some time over there.

Q. Didn't you say that it would only be an outside business activity once you were managing money for them?

A. Well, at this time, December of '14, there was funds coming into Barcelona. Now, I wasn't managing any of that money, but it went into a checking account and Harkins was writing checks from it. But there was money coming into Barcelona.

Q. And the fact that there was money coming into it meant that it became an outside business activity of yours?

A. Well, they had employees there. They were renting office space. They were, you know, talking about starting to buy some land, and talking -- I guess they'd had some meetings with some contractors. They started to look at building a hotel.

Q. And those factors added up to an outside business activity once you became an advisor to them?

A. I would say that would probably be correct.

Q. Why didn't you -- weren't all those circumstances true when you first became an advisor?

A. No.

Q. Well, what changed?

A. When I first became an advisor there was nothing there. The company wasn't operating. It was

being operated out of Harkins' home. Umm, there was no money. The first money that went into that company was my $30,000.

Q. When was the first time the company had offices, employees, and money coming in other than yours?

A. Maybe eight months or a year after I had put in my first 30,000.

Q. Wouldn't that then amount to an outside business activity at that point?

A. Yeah, that would be probably correct.

Q. Why didn't you report it to FFEC as an outside business activity at that time?

A. I don't know; just didn't. I mean, I didn't report anything on a regular basis to FFEC unless they asked for something.

Q. They didn't have a standing request --

A. No.

Q. -- for outside business activity?

A. No.

MR. BURGESS: Mr. Harkins (sic), you said that document in front of you, that exhibit is --

And what is the -- Paul, what is the exhibit number?

MR. KITCHIN: 6.

MR. BURGESS: 6. Umm, Exhibit Number 6 --

THE WITNESS: It's Mr. Kerrigan.

MR. BURGESS: I'm sorry.

-- is dated -- appears to be dated December of 2014.

THE WITNESS: '14, yes.

MR. BURGESS: And it's got Melissa Strouse's initials on it.

THE WITNESS: We are guessing that.

MR. BURGESS: Okay. In December of 2014, did you have any discussions with either George Fisher or Melissa Strouse about USA Barcelona?

THE WITNESS: I think I did.

MR. BURGESS: What do you remember?

THE WITNESS: I think -- I think I told him that I had invested some money with them.

MR. BURGESS: You provided this exhibit, this document marked as Exhibit 6?

THE WITNESS: She asked me to update my outside business activities, and that's when I gave her this. Yeah.

MR. BURGESS: And your -- and, what, you discussed with -- with whom, with Melissa or with George?

THE WITNESS: I think it was Melissa, yes.

MR. BURGESS: You had discussed that you had invested some money --

THE WITNESS: With Barcelona.

MR. BURGESS: Did you discuss any other activities that you were involved with with USA Barcelona?

THE WITNESS: No.

MR. BURGESS: Did she ask whether you -- what your involvement was other than as an investor in USA Barcelona?

THE WITNESS: No, she didn't. And I don't -- I don't know what triggered her to even ask for outside business activities.

MR. BURGESS: What are you missing?

MR. KITCHIN: Some of my exhibits.

MR. BURGESS: The reason that you -- do you -- do you have other investments other than USA Barcelona?

THE WITNESS: Do I?

MR. BURGESS: Yes.

THE WITNESS: Yeah, I do.

MR. BURGESS: Umm, are any of those listed on your outside business activities form? They're not, right?

THE WITNESS: No.

MR. BURGESS: So why did you list USA

Barcelona on that form?

THE WITNESS: She asked me for anything currently I was doing, so I put it on there.

MR. BURGESS: Um-hum.

THE WITNESS: And this was -- yeah, that was there. Then I went -- what is today? October of '15. I went on the Arizona -- shortly before I gave her this form, the Hemophilia Board.

MR. BURGESS: Now, you -- I think you testified that it was either -- you're not sure if it was October 2012 or October 2013 when you, umm, became an executive member of USA Barcelona.

THE WITNESS: You're using October. I don't know if it was October or some other month. I really -- sitting here today, I can't answer that question.

MR. BURGESS: You have no idea what time of the year it was then?

THE WITNESS: No.

MR. BURGESS: Okay. I'd like to direct your attention back to Exhibit Number 12. And it's -- it's got three different dates on the front cover. The first is October 18th, 2012. Then it says First Amendment is February 1, 2013, and the third date is April 29th, 2013. Did I read that correctly?

THE WITNESS: Yes.

MR. BURGESS: Okay. Umm, and you would agree that all of the -- each of those three dates is prior in time to October of 2013, right?

THE WITNESS: Correct.

MR. BURGESS: And I'd like to direct your attention to Page -- it's Page 13, but it's Bates page -- of the offering memorandum, but it's Bates page ending in ACC00738.

And, umm, can you read for us who the -- who this document lists as the executive members at that time, at the latest --

THE WITNESS: "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."

MR. BURGESS: Who are the members, Mr. Kerrigan? Who are the executive members?

THE WITNESS: Richard Harkins, George T. Simmons, Robert Kerrigan, and Bruce Orr.

MR. BURGESS: And that Robert Kerrigan is you?

THE WITNESS: Yes.

MR. BURGESS: Okay. Umm, will you agree that based on this document you were an executive member of USA Barcelona by, at the very latest, April of 2013?

THE WITNESS: That would appear to be the case

because that's when it was second amended.

MR. BURGESS: Okay.

THE WITNESS: But I have never seen this thing before. The $250,000 per investment unit, I have never seen that. Never saw that.

MR. BURGESS: Okay.

BY MR. KITCHIN:

Q. Doesn't your answer state that your first involvement with the company was in October of 2012?

A. How can we get off of October? I don't know.

MS. DEUTSCH: Just answer the question, Bob. It's okay. If you don't know, you don't know.

THE WITNESS: State the question again, please.

BY MR. KITCHIN:

Q. Doesn't your answer say that you were first involved with the company in October of 2012?

A. I don't know when I was first involved with the company.

And the definition of being involved with the company, does that mean going to a meeting and learning about the company?

Q. Yes.

A. Well, again, the first time that I was, is when they had this luncheon meeting at Talking Stick.

And that's -- I don't know when that was.

Q. Turning back to Exhibit 6, umm, why is this form handwritten on a blank piece of paper instead of one of the forms like Exhibits 3, 4, and 5?

A. Because there was some other forms that went with this, and that's just an extra that I gave her.

Q. Are you sure about that --

A. No, I'm not.

Q. -- that it's just a continuation sheet?

A. I think it was, but I'm not sure.

Q. Umm, why does this say, umm, USA Barcelona Realty Advisors Executive Member?

A. Wasn't that what it says in here?

Q. Right. But didn't you say that you were not an executive member?

A. Again, I don't know what their definition of an executive member is, or what yours or theirs or mine is. I didn't feel like I was an executive member. I felt I was just an advisor member.

Q. But you reported to FFEC that you were an executive member?

A. Okay. That's what that says, yes. And that was in December of '14.

Q. And turning back to Exhibit Number 5, on the second page, which is ACC293, the second full sentence

says, "I will notify compliance immediately upon any changes in the above information," correct?

A. Correct.

Q. And the above information includes the list of outside businesses?

A. No. The outside -- the enclosed information -- or, the outside business, yes. Yes. Wealth Legacy Consultants.

Q. Wouldn't that be your agreement to notify them on an ongoing basis when you have new outside business activities?

A. December '12? This -- I guess that's right.

Q. Did you just not realize that you had agreed to an ongoing --

A. No. I just was -- I just was given the form. I signed it and gave it back to them.

MR. BURGESS: Mr. Kerrigan, I want to circle back to an issue that Paul touched upon, Mr. Kitchin touched upon, which is what guidance, if any, you received from First Financial Equity about what qualifies as an outside business activity that you were supposed to disclose on one of those forms.

THE WITNESS: No real consult on what should have been disclosed and what required disclosure.

MR. BURGESS: So you received no guidance from

First Financial Equity as to what needed -- what you needed to inform them of as your outside business activities?

THE WITNESS: They just said are you on any other Boards, or where are you? And that's when I made up this list showing the Boards I was on, or am on, or was on.

MR. BURGESS: Have you now described the totality of the guidance that you got as to what qualifies as an outside business activity, the guidance that you received from First Financial Equity?

THE WITNESS: Have I now?

MR. BURGESS: What I'm trying -- what I'm trying to establish is what, if any, guidance did you receive from them about what you needed to disclose as an outside business activity?

THE WITNESS: Not a lot of information, just what other businesses am I involved in. And it wasn't any personal investment, it was just basically what other Boards do I sit on.

MR. BURGESS: And who did you have that conversation with?

THE WITNESS: I think it was Melissa.

MR. BURGESS: Okay. When did you have that conversation?

THE WITNESS: It must have been before I completed this form and sent it in.

MR. BURGESS: Just that one time?

THE WITNESS: Yes.

MR. BURGESS: What about in prior years when -- Mr. Kitchin has handed you a series of exhibits going back to two thousand -- at least 2010, 2011 where you were asked -- where First Financial was asking you to disclose outside business activities. Did you receive any guidance from them prior to the December '14 document where you disclosed USA Barcelona, as to what you should be disclosing on any of these forms?

THE WITNESS: Not really, no.

(Whereupon, Mr. Beliak leaves the room.)

MS. DEUTSCH: If I can -- we've been going another hour and a half, and we're a little past noon, how much do you think you have? Should we take a lunch break? What is the plan?

MR. KITCHIN: Umm, I have just one more document on this topic.

MS. DEUTSCH. Um-hum.

MR. KITCHIN: So if you can hold on another 10 minutes, is that reasonable? If not, we can take a break now.

THE WITNESS: Okay.

MR. BURGESS: But I think the question is, are we coming back? Are we going to lunch at that point or are we coming back?

MR. KITCHIN: Coming back.

MS. DEUTSCH: Just so I know how to plan -- okay. Then we'll -- definitely, we'll want to take a lunch break then.

MR. BURGESS: All right.

MR. KITCHIN: Do you want to do that right now?

MS. DEUTSCH: No. You can finish.

MR. KITCHIN: Okay.

MS. DEUTSCH: If you said, "Oh, I only have maybe 30 minutes left," I was going to say, "Let's just plow forward and then we can go." But if you're not, then we should take a break. Assuming that, you can finish the topic you're on.

BY MR. KITCHIN:

Q. Did FFEC ever give any reminders that they requested an ongoing disclosure of new outside business activity?

A. No.

Q. Next I'm going to hand you what's been marked as Exhibit 7, ACC281. Do you know what that is?

A. It's a form she filled out.

Q. It's not a form you have received?
A. No. No.
Q. Did any of your work with --
A. That's her handwritten --
Q. Did any of your work with USA Barcelona Realty Advisors ever compromise any of your responsibility to FFEC or its customers?
A. My responsibility to FFEC?
Q. Or its customers.
(Whereupon, Mr. Beliak returns to the room.)
THE WITNESS: May I ask you to explain your question?
MR. KITCHIN: Can you repeat my question?
(Whereupon, the following was read back by the court reporter. QUESTION: Did any of your work with USA Barcelona Realty Advisors ever compromise any of your responsibility to FFEC or its customers?")
THE WITNESS: When you say "compromise," explain what you mean.
BY MR. KITCHIN:
Q. Well, what do you think compromise means?
A. I'm asking you the question, please.
Q. I'm asking you. Rather than give you a definition which might be too broad or too limited, I'm

asking what your understanding is. And I might just agree with your understanding, which would be simpler.

A. Wouldn't it be simpler if you gave me the answer and I can agree with yours?

Q. No.

A. Compromise my relationship with my customer, is that what the question was?

Q. Compromise responsibilities to FFEC or its customers.

A. Compromise responsibilities to FFEC or its customers. Its customers or my customers?

Q. Umm, its customers who might also be your customers.

A. Its customers, no, there was no chance of compromising. And my customers, I would say no.

Q. Did any of the USA Barcelona investors who were your clients ever seem to have the impression that USA Barcelona notes were related to FFEC at all?

A. I missed the last part of the question.

MR. KITCHIN: Can you read that back, please?

(Whereupon, the following was read back by the court reporter. QUESTION: Did any of the USA Barcelona investors who were your clients ever seem to have the impression that USA Barcelona notes were related to FFEC at all?")

THE WITNESS: The answer would be no.

BY MR. KITCHIN:

Q. On the -- have you ever had an outside business activity while working for a broker/dealer that the broker/dealer imposed any limits on you?

A. No.

Q. Do you have any colleagues who had outside business activities that their broker/dealer has imposed limits on what that activity can include?

A. No.

MR. KITCHIN: Let's go off the record and take a break for lunch for an hour.

MS. DEUTSCH: Okay. So it's 12:15. We'll be back at 1:15.

MR. KITCHIN: Okay.

(Whereupon, a lunch recess was taken from 12:13 p.m. to 1:18 p.m.)

(Whereupon, Mr. Burgess does not return.)

MR. KITCHIN: Let's go back on the record.

BY MR. KITCHIN:

Q. Backing up to your discussion with George Fisher about leaving FFEC, you said that in one of the discussions he referred to Mr. Harkins as being a crook. Which discussion was that?

A. The day that -- a week ago. He had just

received some report, I think, from you people. And he was reading through it and didn't like what he saw.

Q. What made him think that Harkins was a crook?

A. Well, there had been three bankruptcies involved by him. And the other reason was, umm, Meka.

Q. What about Meka?

A. He didn't like what he read about him.

Q. What did you think about Mr. Fisher's characterization that Mr. Harkins was a crook?

A. Well, it's a rather bold statement, but I just ignored it.

Q. You did not agree with that characterization?

A. Well, I think he was basing it all on what was in the report and never having met the man or knowing anything about him. He was nine years a Navy Seal.

Q. Do you --

A. "He" being Harkins.

Q. You don't believe Harkins is a crook, just to clarify?

A. I don't think he's a crook.

Q. Let's go back to Exhibit 1. Umm, so --

A. Did you find your magnifying glass?

Q. So here's one option. If that is not super comfortable, which it might awkward to look through, these are also the same documents blown up, whichever is

easiest for you to work with.

A. I don't see any names.

Q. I think, basically, they fit like this; "this" being the names, and then these are the addresses that correspond to the names.

A. Okay. We went through this first list.

Q. Right. These are a list of -- these are all FFC clients -- FFEC clients of yours.

A. No, some of them are not FFEC.

Q. Which ones are they?

A. Bruce Lund. Umm, I can't read -- some of this is terribly typed.

Q. Yeah.

A. The second to the last one, what's the name?

Q. David Chapin perhaps.

A. That's not mine.

Q. Other than Rodney Eaves, and Sharon and Richard Woods, are there any people listed here with whom you discussed the USA Barcelona notes?

A. No.

Q. So moving on, Exhibit 1 is actually a four-page document, but only the first page has a Bates number. Well, no, the second page has one.

So, umm, turning now to ACC6211, we can -- you can -- do you need to -- if you need to keep referring

to that, you can leave it there, but you may not need to. I'm not sure. I don't want to just take it away from you if you're still trying to look something up.

A. You know, these here, they've got Western Reserve Life.

Q. What does that indicate?

A. That indicates that I wrote this business on them before I ever joined Western -- First Financial.

Q. Are some of them potentially subsequent First Financial Equity Corporation clients?

A. Well, when I moved to First Financial, they moved with me. But anything that I had written with Western Reserve Life I didn't do with First Financial.

Q. But -- except for Bruce Lund, those people are now FFEC clients, even if it's with a different product?

A. Well, they're Robert Kerrigan's clients, not FFEC's clients. Remember, I'm an independent contractor. I just have a securities license, and everyone that you see here it doesn't mean that they have security business.

Q. When I say "FFEC clients," what I mean are clients who have FFEC accounts.

A. These people don't all have FFEC accounts.

Q. Which ones don't have FFEC accounts?

A. Donald Woods (sic). Umm, Wayne, I can't make

out the last one, his last name. And John -- is it Sherrill? Right in front of it.

Q. Something like that.

A. I don't know.

Q. Those two people don't appear to be people with FFEC --

A. No. No, Kathleen Wright was not. Morgan Hardt was not. It's the son of one of them.

What's the next one? Michael -- is it Bolling? And what's the next one? Dunipace, is that living trust?

Q. That's what it look like to me.

A. David Chapin is not. Yeah. Okay. That's --

Q. Let's move to the second page, ACC6211. This appears to be a column of names.

A. Well, let's just go down. Umm, Roberta Burleson, Jordan Cohen, Sharon Schrank. Why do they have so many under Sharon Schrank? She only has three accounts.

Milo. Wayne Reido. What's under Bruce Lund? David what?

Q. Looks like Chapin or Chalin.

A. And James Skelly, no.

Q. These people such as Mr. Skelly, you know they don't have FFEC accounts?

A. Sure.

Well, you've got some here for Robert Kerrigan, custodian, and these are my grandchildren. I just set up a money account.

Q. So --

A. David Summer is one. And Elizabeth Flynn. Rick LeGrand. Marilyn Murphy is deceased.

Want me to go to this list now?

Q. Yes, please.

A. Raymond Perry, he's deceased. State Street Bank, yeah. Donna Perry, deceased.

What do you think is right underneath Richard Woods? Mary -- what would that be? Diceo, do you think?

Q. Might be. Might be Dico, D-i-c-o.

A. G-e?

Q. G-e?

A. Yeah. Yeah.

Q. So, of all the people listed on this page, there's Roberta Burleson --

A. I'm on a different page than you are.

Q. Yes, sir, we're on the same one, I just have a smaller version of 6211.

A. Okay. Okay.

Q. On this list of people, there's Roberta

Burleson, Pam Stewart, Rodney Eaves, Richard Woods, Ridick Ramirez, other than those five people, is there anyone on this list with whom you discussed the USA Barcelona notes?

A. I would say no.

Q. Let's turn to the next page, which does not have a Bates number, but the first line of it is active IRA, Joseph Thrasher, 4646 West Orchid Lane. Actually, that's going to be in here.

A. Here's one, Joseph Thrasher. Michelle Hardt, is that the second name?

Q. I must have left the smaller version -- here's a larger version.

A. And what do you want me to do with this list?

Q. So on this list, other than Rodney Eaves, Richard Woods, and Melissa Eaves, is anyone else on the list someone that you discussed the USA Barcelona notes with at all?

A. Nope.

Q. So then turning --

A. No.

Q. -- to the fourth page, which does not have a Bates number, but the first line is "Sharon M. Schrank, 2727 Beechwood Court, Appleton, Wisconsin."

A. Oh, Sharon Schrank. Okay. Your question is

did I discuss --

Q. Yeah. Apart from Roberta Burleson, Pam Stewart, and Rodney Eaves, is there anyone else listed here, and Ridick Ramirez, apart from those four, is there anyone else listed here with whom you discussed the USA Barcelona notes?

A. No.

Q. All right. Thank you.

A. Is this yours?

Q. Next I am going to hand you what has been marked as Exhibit 8. Which starts with ACC821.

Sorry, we can get rid of that.

Actually -- strike that. No need for that one.

Next I'm going to hand you what's been marked as Exhibit 9, which is ACC6221. Do you know what this is?

A. Are we talking about the joke, or what are we talking about?

Q. Well, in particular, the block of beneath the Dilbert cartoon --

A. Looks like something that was run in the paper.

Q. Do you recall whether USA Barcelona Realty Investors ran any newspaper or other periodical ads

about the --

A. I wouldn't know. That was not anything that I was involved in.

Connie Cook was the name of the secretary.

Is there a date on this thing? July 31st, '13. Hum.

Q. Next I'm going to hand you what has been marked as Exhibit 10, which is, umm, ACC5493. And the big black block at the top had text, it's just been redacted. Do you know what this is?

A. I have never seen this before, but. . .

Q. Can you turn to the second page, which is ACC5494?

A. Yeah. This was notifying the investors that their interest payment would be slow in coming.

Q. And the final signature on the bottom right, that's your signature, correct?

A. It is.

Q. Did you actually sign this letter?

A. Did I actually sign it?

Q. Right.

A. How else would it get written on there if I didn't sign it.

Q. Does that mean you did sign it?

A. I would say, yes, that's my signature.

Q. And turning back to the first page, in the second paragraph, umm, halfway through the second to last line, it says, "we met with several investors delaying the funding of previous commitments; this was unexpected and has created a cash pinch for us at year-end."

Do you know what -- who those several investors refers to?

A. No, I don't.

Q. Do you know who would have been meeting with investors in the end of the year of 2013?

A. No, I don't know who they were.

Q. And then the final paragraph on this page says --

A. The back or the front?

Q. I'm sorry, the front page.

-- says, "Meanwhile, we have released two new offerings to fund ongoing working capital requirements." And the rest of the paragraph describes some of the terms of those offerings, correct?

A. (No audible response.)

Q. Why does the letter describe the terms of these offerings in the level of detail it does?

A. Your question, again, was?

Q. Why does the letter describe the offerings in

that level of detail?

A. Well, because the level that was being offered before was a 12 percent with -- a two-year, 12 percent, six percent bonus. What they have done is cut it back here to 10 percent with a five percent bonus.

Q. Is the letter meant to notify the recipients that the five -- that the 10-5-10 notes are available to invest in?

A. I would say yes.

Q. And then it also mentions a preferred unit offering, umm, involving rights to our common equity and warrants to acquire additional common equity.

A. Where are you seeing that?

Q. I'm sorry. In the last paragraph, in the third line, the sentence beginning, "The second is a preferred unit offering."

A. The second is a preferred unit offering. See, those are things that I never got involved in.

Q. Does that mean you don't know what the preferred unit --

A. No.

Q. -- offering refers to?

A. No, I don't.

Q. Do you know who this letter was sent to? Or I should say --

A. No.

Q. -- this letter, not this particular instance, but this letter, what was the distribution list for it?

A. I don't know if they had a list of potential investors or -- because at that point in time there must have only been five or six actual investors in the thing.

Q. You don't know if it was distributed beyond the existing investors or not?

A. I don't know.

Q. And going back --

A. I don't know.

Q. -- to the second page, in the second paragraph, umm, the second sentence, "Rest assured these interest payments will be made as soon as the funds are available to do so," referring to interest payments that can't be made on December 31st, 2013, correct?

A. Yes.

Q. Where would the funds to make the interest payments have come from when it says that they will -- rest assured that they'll be made soon, where would the funds have come from?

A. From new investors.

Q. Next I'm going to hand you what's been marked as Exhibit 11, which begins ACC5499. Do you know what

this is?

A. And what is your question to me on this?

Q. Do you know what this is?

A. I think it's just a letter that Harkins sent out.

Q. Did he ever show this letter to you or send it to you?

A. No.

Q. On the second page, which is ACC5500, in the -- beneath the bullet points there's a paragraph that starts describing something that he refers to as NewCo. Can you review the rest of this page and the description of NewCo?

A. Where are you?

Q. Right here. This paragraph, and below.

A. I have no idea what NewCo is.

Q. Do you recognize the business model that he's discussing, even if he might have referred to it, to you, by some other name?

A. No, I do not.

Q. Can you turn to the third page, which is ACC5501. And then in the third paragraph -- I'm sorry, the third to last paragraph, which begins, "I'm happy to discuss with you" --

A. This is not true. He and I did not discuss

the letter before.

Q. So it says -- so the letter says, "Bob and I have reviewed this letter" --

A. That's not true.

Q. -- "and the specific Plan laid out herein to which he has stated his endorsement," that is not accurate?

A. No, I did not see this letter before.

Q. Did he -- did he discuss the plan in general with you before --

A. No.

Q. -- April '15?

A. Whew. Where did you get all this stuff?

Q. I can't say. Sorry. It's confidential by statute.

Next I'm going to hand you what's been marked as Exhibit 12, which is an approximately 90-page document beginning on ACC724.

A. I thought we looked at this before.

Q. We did briefly.

A. Because you had the October and the February 1st and the April 29th.

Q. Right.

A. There's 250 -- we did look at this before.

Q. We did, yes. So can you turn to Pages 26 and

27, which are ACC751 and ACC752?

A. Okay.

Q. So, on Page 26, there's a list of names and a table. And one of the entries is Robert Kerrigan, Executive Member, age 72, affiliated with the company since October of 2012.

A. He's how old, did you say?

Q. This says 75 at the time.

A. You said "72."

Q. Oh, sorry.

A. Means I was lying about my age.

Q. Umm, does that refresh your recollection as to whether you were involved with the company in October of 2012?

A. Well, that's what it says.

Q. Is that actually -- you know, it is possible that it is wrong? Do you know whether or not it's correct or not?

A. I -- I can't say one way or the other. I would have to know when was that outing in Sedona. That would tell you when, or when I was involved.

Q. And is lists you as an executive member. Umm, I can't remember what you said about whether or not you ever were an executive member.

Were you ever an executive member of USA

Barcelona Realty Advisors?

A. Well, again, I'm looking for what's the definition of an executive member. I was -- I was an advisor. And what's an executive member?

Q. Can you read the first two sentences at the top of the page?

A. "We are a Manager managed company. We have an Executive Committee comprised of four" -- okay.

Q. So, the top of Page 26 says that "We have an Executive Committee comprised of four executive members." Then it goes on to list four people.

A. Um-hum.

Q. One of them is you. To your knowledge, did USA Barcelona Realty Advisors have an executive committee?

A. It says it here, but, again, I don't know what Harkins' definition of an executive member was. I mean, he's got himself as president and executive member. What's that?

Q. Did you ever have -- did the company ever have meetings that were referred to as executive committee meetings or executive member meetings?

A. No. No.

Q. Did you ever have meetings, umm, where you, Harkins -- I'm sorry, you, Harkins, Simmons, and Orr

were the four attendees?

A. Yes.

Q. How frequently would the four of you exclusively meet?

A. Maybe once every couple months. Or if there was something that Dick wanted to talk about, then he would give me a call and --

Q. And what kinds of subjects did those meetings include?

A. Umm, one was when they were talking to some construction firm about building one of the hotels. Umm, I mean, I think we had a meeting when we enlarged the office space. He took on more space. But. . .

Q. Can you think of any other topics from those meetings?

A. No, I can't, really.

Q. Next I'm going to hand you what's been marked as Exhibit 13.

A. I have no idea who this Steven Gold was -- is. And Allen Weintraub, I think he was the guy that was going to raise the $70 million, is what it says here.

Q. Um-hum.

A. But never did.

Q. So Exhibit 13 is also about 90 pages and begins ACC5818. Do you know what that is?

A. No, I do not.
Q. Have you ever seen anything like this before?
A. $10 million offering? No. I don't know what this would be. See, I never was involved in these land companies that they talked about. I didn't -- I think -- I don't know where this came from.
Q. Do you recall -- so this is dated May 5th, 2014.
A. Um-hum.
Q. Do you recall any discussion about new offering documents being prepared around that time frame?
A. Not with me, it wasn't. And I don't know who they were talking to to look at a $10 million figure.
Q. Can you turn to Page 44, please, which is ACC5862.
A. 44, you said?
Q. Yes.
A. Okay.
Q. And underneath the heading that says "Selection of our General Contractor," the first sentence is, "Our Parent Company has reached agreement with Chanen Construction Company to coordinate with us in the Entitlement work and handle all site development and construction requirements of the New Build

Affiliates."

Do you know of any agreement reached with Chanen Construction Company?

A. No. See, that's the company that I mentioned before, the construction company. I never met with them, so -- but I understand several meetings with -- and they were supposed to -- they were going to do the building.

Q. Did Harkins or Simmons or Orr ever say whether or not any of the USA Barcelona companies had reached an agreement with Chanen Construction Company?

A. They never said anything to me about it. And I don't think they did, because if they had, I would have -- something would have been mentioned.

Q. Do you know, like -- let's see. How would it have -- if they had reached such an agreement, would it have been documented for you in some way? Would they send you a memo?

A. Well, I think there would have been a meeting and maybe gotten involved with Chanen, because I don't know.

Q. But there was never any meeting about, umm, an agreement having been reached with Chanen?

A. No, huh-uh. Talking Stick. That's the basketball -- is that -- or is that baseball?

MS. DEUTSCH: Just wait for the next question, Bob.

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked as Exhibit 14, which has no Bates number but has a previous exhibit sticker Number 37. Do you know what that is? And it's double sided.

A. I don't know what this is.

Q. Do you recall ever having a company meeting with an agenda that is similar to this one?

A. No.

Q. On the second page under Section 3, the sixth check mark -- I'm sorry.

A. Fifth?

Q. Right here, sir, from the top, the sixth one. "Discussion of how officers, directors and advisors to the BOD's of USA REIT may participate in introducing prospective investors to the USA BR offering," with a bullet point that says "Matter of Compensation."

Do you know what compensation this could be referring to for USA Barcelona offering?

A. The only thing I can think of is that the two fellas that were brought in to raise money working broker/dealers, I was under the impression they were on a salary, unless there was some sort of a bonus for new

investors brought in in addition to their salary. That's the only thing I can think here, but I don't know. Again, they -- REIT? No, I don't know.

Q. Next I'm going to hand you what's been marked as 15.

A. April of '13? Hum.

Q. Do you know what that is?

A. What is BAC in that second paragraph?

Q. I'm not sure. Do you know what that is?

A. This was back in '12. You don't know who this went to, do you?

Q. Do you know who it went to?

A. No.

Q. Have you ever seen this document before?

A. Have I?

Q. Yes.

A. No.

Q. In the upper left-hand corner underneath the seal, it says "Barcelona Administration Company." Do you know what entity that refers to?

A. No, I do not. I don't know.

Q. The first line of the letter, or memo, says, "As to the $20,000 insider loan, 15,000 is committed and there is some noodling on the other $5,000 piece." Do you know what $20,000 insider loan refers to?

A. And this is back in '12. No, I don't.

Q. Next I'm going to hand you what's been marked as Exhibit 16, two pages, no Bates number, but a previous Exhibit Number 39. Do you know what that is?

A. May I ask you a question?

Q. Yes. I don't know if I can answer. You can ask.

A. Do you have a list of when my personal money went into the --

Q. We might. And I think we're going to ask you about that.

A. Because I --

Q. Actually, never mind. We can skip this one.

A. Part of an acquisition candidate. Never seen that.

Q. Now I'm going to hand you what's been marked as Exhibit 18, a one-page document with no Bates number, but a previous exhibit number of 41.

MS. DEUTSCH: Are we skipping 17?

MR. KITCHIN: Yeah.

MS. DEUTSCH: Okay.

BY MR. KITCHIN:

Q. Do you know what that is?

A. No, I do not.

Q. Do you recall having ever received it?

A. No. See, they were looking at a bunch of land parcels around the country; California, Texas, Florida. Actually, I think there's one in Wisconsin.

No, I'm sorry, I do not.

Q. So, the first line mentions this is a Talking Paper for review and use when you're conversing with BDs, investors, RIAs. And then it mentions review this and let's go over it. Do you recall any meeting that discussed any talking points like this?

A. No, I do not.

Q. Next I'm going to hand you what's been marked as Exhibit 19, which has no Bates number but it has a previous exhibit number of 42. Do you -- do you know what that is?

A. This is wrong. They've got University of Wisconsin, Madison. That is not correct.

Q. What is correct, Oshkosh?

A. Yes.

Q. So this refers to the University of Wisconsin considering a sizable purchase of units in the Hotel Land Fund. Do you know what that refers to?

A. Yes.

Q. What is that?

A. I had talked to -- I'm on the, umm, Finance Board of the Foundation, and I had talked to the

president. And this is when we were talking about the offerings, both the offerings, both the 12-5-12 and the 10 -- the 12-6-12 and the 10-5-10. And I had talked to the president of the Foundation about taking a look at this. And, umm, we were going to go up to Oshkosh or else have Art come out here and take a look.

Then the firm that was managing the Foundation money was doing a terrible job. And, in fact, we're bringing in a new firm now as we speak. But, umm, Art said, "Bob, let's table everything for now." He said, "With this going on, we're not going to do a thing."

Q. And who is Art?

A. President of the Foundation.

Q. What's his full name?

A. Art Rafton.

Q. Does that stand for Arthur Rafton?

A. Yes.

Q. Is there anyone else from the University of Wisconsin or their, umm, their firm with whom you discussed the USA Barcelona notes?

A. No.

Q. Did you send Art any company documents about the investment?

A. I think I sent him that single sheet of the 12-6-12. But if I did, that was the only thing that I

did send him.

Q. Did you ever converse with him about the investment by e-mail?

A. No.

Q. Next I'm going to hand you what's been marked as Exhibit 20, which has no Bates number but has a previous exhibit number of 43. Do you know what that is?

A. I never saw this.

Q. Turning to the third page, the third bullet point arrow says "Bob is charged with raising enough capital to meet company needs for the next 60 days." What efforts were you making to raise that capital in that time frame?

A. See, that's where Harkins and I really disagree. He said it was my responsibility to bring capital in. And I have talked to the other people on it. I have talked to him. I said I was not -- that was not my responsibility. The only reason I got involved with this is to manage that $70 million coming in.

And when that didn't happen -- and that's when Harkins said to me, "Bob, if I had 30,000, I could get the company up and get it moving." And that's when I put the first 30 in, put another 30 in, put $70,000 in, and put more money in after that.

But I was not -- it was not my responsibility to raise capital and put it in. That's not -- Harkins and I have had a couple of discussions on that.

Q. So the fifth bullet point on the same page says, "For Bob," and then has some subsections. Subsection 2 says, "What is happening with," a list of bullet points.

The first one is "Mike, dash, 100,000, slash, 150,000." Do you know what that refers to?

A. Umm, yes.

Q. What's that?

A. He is a person that I'd go over and meet with Harkins. And, umm, he was looking at putting -- he came in somewhere around 100, $150,000.

Q. And what is Mike's last name?

A. Godfrey.

Q. And how do you know him?

A. Umm, I was introduced to him by another mutual friend, and I wrote a very large life insurance policy on him. He's the one that developed, umm, the Butterfly Museum. And he's also the one that's done the Scottsdale Museum of the West.

Q. Before he met with Harkins did you give him that same one-page summary of the 12-6-12 terms?

A. Um-hum.

Q. What else did you tell him about the company apart from what was on that term sheet?

A. Just what the returns would be. And then that's when I had him go in and meet with Harkins.

Q. Do you know if he ever had that meeting with Harkins?

A. Sure.

Q. Was that a meeting that you were also present for?

A. I was there, Sam was there -- I mean, not Sam; Tom. And someone else was in that meeting.

Q. Do you know what Harkins and Simmons discussed with Mike Godrey?

A. What the company was doing, and some basics on the company.

Q. Were they inviting him to invest --

A. Um-hum.

Q. -- at the time?

A. Um-hum.

Q. Do you know if they provided him any documents at that meeting or after that meeting?

A. I don't know.

Q. Underneath Mike it says "Clair." Do you know who that refers to?

A. No, I do not. Hair dresser lady. I don't

know who that is. Shopping center lady. I don't know that. Doc.

Q. And each of these people has another figure between 40 and $150,000 -- 150,000 after their name. Do you know if that refers to target investment amounts for those people?

A. That's the amount that they thought that individual might invest.

Q. Even if you don't personally know who Clair is --

A. No idea.

Q. -- are you familiar with these people as being people the company was pursuing?

A. Don't know.

Q. The fourth from the last bullet point on this page says, "Connie, Paul, and I are working on a short presentation for Bank of Montreal, slash, Jerry Clark." Do you know what that refers to?

A. Not at all. Bank of Montreal? Where is that? I don't know.

Q. Next I'm going to hand you what's been marked as Exhibit 21, which does not have a Bates number. It's an e-mail from Dick Harkins, July 17, 2014. Do you know what that is?

A. Says this was sent to me.

Q. Do you recall receiving this e-mail?

A. No. This is July of '14. No, I don't.

Q. In the fifth paragraph on the first page, the second sentence begins, "As for Bruce's contention that I drew $2,000 of his capital input, that could be seen that way. We will get Bruce paid back from first dollars in." Do you know what capital input by Bruce that refers to?

A. Bruce Orr put in some money, and it wasn't very much. I want to say maybe 2500, or something like that.

Q. Do you recall any argument like this about whether or not Harkins then withdrew $2,000 from that amount?

A. I don't know, no.

Q. Will you turn to the second page? Toward the bottom there's a heading that says "Land Fund." Do you have -- do you see that part?

A. Yes.

Q. And then the second point is, it says, "Bob has a client that may take $100,000. I am to meet with the client at some point in the next day, slash, days. Bob feels is ready to fund if she likes us. She likes the deal." Do you know who that refers to?

A. She likes the deal. I'm sorry, I can't think

of who that is.

Q. Could that refer to the person named Clair from the previous exhibit?

A. No, I don't know who -- I never heard the name Clair before.

Q. And then can you turn to the third page?

A. Um-hum.

Q. And then -- so the first three lines say, "BRA note offering." Number one, "Kerrigan client for 100 thousand, will know shortly. Bob thinks will fund next week. Been in the mill for a while. And then Kerrigan client for $50,000," or k, rather, "90-day note. Bob says will fund next week."

Do you know who that's referring to --

A. No.

Q. -- for either person?

A. I don't know who this was going to. Tom and Bruce Orr? And why was he sending this to them when they're right in the office and he can just walk two steps and talk to them about it?

Q. So, turning to the first page, there's a "to" line that lists you, as well, correct?

A. Say that again, please.

Q. The "to" line of the heading --

A. Yes.

Q. -- you're also listed as being on here.

A. Yep. But, again, these never came to me in e-mail. They never mailed them. I never received any mail. I don't know where -- how I was supposed to get this.

Q. Do you still have access to any of your old USA Barcelona e-mails?

A. No. And I have basically received no e-mail. I mean I had a separate e-mail address. I never e-mailed from Barcelona.

Q. Next I'm going to hand you what's been marked as Exhibit 22, which is a 26-page document titled "Final Property Settlement Agreement" that has no Bates number. Do you know what that is?

A. 1966 Fon du Lac, Wisconsin. Do I know what this is?

Q. Yes.

A. This is probably something from our divorce proceedings.

Q. Do you recognize it?

A. Well, she went through six attorneys, and I spent a lot of time in court with my attorney.

Q. So you do or you do not recognize it?

A. Well, I would have to go through it and see what it all says. But it looks like I signed everything

so -- conditions and values.

You know what I think this is, I think this is the agreement that my son drafted.

Q. Hum.

A. Because he drafted the property settlement agreement.

Q. Does it appear to be consistent with the terms of your settlement agreement?

A. Yeah, um-hum.

Q. Can you turn to Page 15, please?

A. 15. Okay.

Q. So the first four numbered sections here refer to paying payments to your ex-wife for buying out her share of your business, correct?

A. Personal Wealth Management, my company.

Q. And this is for three equal payments of $63,333.33?

A. Yep, right.

Q. And then in the paragraph that's not numbered, the end of the fourth line, it says "Husband shall secure said buy-out with the following property." And then underneath that, Section B says, "A bank letter of credit."

A. That was the letter of credit that she went down and drew out a -- created the judgment.

Q. So the letter of credit that was part of your subsequent dispute was created as a -- as a security for the payments that she was going to receive for the business buy-out?

A. She -- when she drew that down, that line of credit, she had been paid back everything from that.

Q. You were -- you were nodding, but my last question is a yes? Is that a correct answer?

A. What was the question?

MR. KITCHIN: Can you read back my last question?

(Whereupon, the following was read back by the court reporter. QUESTION: So the letter of credit that was part of your subsequent dispute was created as a -- as a security for the payments that she was going to receive for the business buy-out?")

THE WITNESS: That is correct, yes.

BY MR. KITCHIN:

Q. So, on that same page, section -- I'm sorry, yeah, Page 15, the third -- the paragraph says that one of $63,000 payments is due on June 30th, 2009, correct?

A. Yes. Plus six percent interest.

Q. And that payment, you didn't ultimately make that payment by that deadline, correct?

A. No.

How would you have found that out?

Q. Found what out?

A. How would you have found that out?

Q. Umm --

A. You're good at your business, is that it?

Q. When she -- when Julia withdrew the money from the letter of credit that became part of your dispute, that was -- she did that to make the payment that had been due --

A. No.

Q. -- on June 30?

A. No. No, that is not correct. She had been paid everything.

Q. So at the time she withdrew money from the line of credit, you had made this $63,000 --

A. Yes.

Q. -- payment?

A. Yes, I had.

Q. So next I'm going to hand you what's been marked as Exhibit 23, which has -- which has no Bates number but is a response to Plaintiff's Motion for Summary Judgment dated April 30th, 2010. Do you recognize what this is?

A. Yes. This was after she drew down the

$69,000, which she was not supposed to, and the bank made the mistake in giving it to her. Umm, we proved to the bank that she had been paid, because she had gone into two other banks that I did business with and drew -- one she took 40,000 out, another one she took 20-something thousand dollars out, and another one she -- she -- when she took the $69,000, she had been paid what she was due.

And that's why the bank agreed that they had made a mistake in giving her the money. And that's why I settled the whole thing for $23,000.

Q. Was this -- this document is a filing made by your attorney in the case?

A. Yes.

Q. When Julia -- you said she took money out of other accounts, as well?

A. Correct.

Q. Umm, what was the total amount that you owed her at that point from the divorce agreement at the time she withdrew, umm, the line of credit money?

A. What was the total I owed her?

Q. Yes.

A. In my opinion, she was paid, because, as I said, she went into Alliance Bank and took out 40 something thousand out of an savings account. She went

into Bank of America and took money out.

And then I had a friend of mine in Wisconsin that I had sent $100,000 up to, and he sent that back to me. And she found out about that and took that, or took half of it, she did.

Q. So the fact that you did not actually owe her $63,000 when she made the withdrawal from the line of credit, that's not actually mentioned in this document, is it?

A. One more time. Say that again. I didn't hear you.

MR. KITCHIN: Can you read that back, please?

(Whereupon, the following was read back by the court reporter. QUESTION: So the fact that you did not actually owe her $63,000 when she made the withdrawal from the line of credit, that's not actually mentioned in this document, is it?")

THE WITNESS: No. No.

BY MR. KITCHIN:

Q. Why wouldn't your defense simply be that you didn't owe her the money?

A. You're asking me a legal question. If we want the answer, we should call Neuheisel. I don't know.

Q. Next I'm going to hand you what's been marked

as Exhibit 24. Do you know what that is?

A. Oh, yeah. That's the -- that was the -- we asked for tapes from the bank, and the bank wouldn't give them to us.

Q. Do you know what this is?

A. Well, this is, I think, just explaining that the bank screwed up and dispersed the money and they shouldn't have. This was against the claim of the bank that I owed the $69,000. And they're saying -- we're saying, no, it was your mistake that the money was dispersed and it was not with my approval.

Q. In this particular document is your affidavit from the same case?

A. Is my affidavit --

Q. This document is your affidavit from that case, correct?

A. Yes, of her taking the money that she wasn't entitled to take.

Q. So, umm, why doesn't your statement here say that she simply was not owed the amount of money that she withdrew at the time?

A. I don't know. I didn't write this.

Q. Did you review it and approve it and sign it?

A. I don't think so. Well, I guess I did. That's why you have an attorney, so that they do the

right thing.

Q. Didn't the family court credit you with having paid the amount that she withdrew from the line of credit?

A. That's my understanding, yes.

Q. Why would the family court have credited you with making that payment if you didn't actually owe her that amount?

A. Why did the family credit -- why did the family court credit me or why didn't they credit me?

Q. Why did they credit you?

A. I don't understand your question.

Q. When Julia withdrew the money from the line of credit account --

A. Right.

Q. -- did the family court count that as a deduction from the amount that you owed her?

A. I didn't owe her anything at that time.

Q. Did the family court agree with that?

A. I don't know if the family court even got involved. We were dealing with the bank here.

Q. Next I'm going to hand you what's been marked as Exhibit 25, a one-page document, Bates number ACC6166. Do you know what that is?

A. I'm not sure what this means.

Q. Have you seen this before?

A. I may have. I don't recognize it, though, is the -- believe me, I had so much legal garbage coming to me. Sorry I shouldn't have used that word.

Q. Garbage is okay.

MR. KITCHIN: Let's take a five-minute break.

(Recess taken from 2:36 p.m. to 2:43 p.m.)

MR. KITCHIN: Let's go back on the record. All yours.

EXAMINATION

BY MR. BELIAK:

Q. Mr. Kerrigan, you stated previously there were different investments that you made to USA Barcelona. I believe you said a $30,000 investment, maybe a second one, as well as you mentioned a $70,000 investment at a different time.

Do you remember what months or what dates those investments would have taken place?

A. I have a list of them.

Q. Okay. And --

A. Do you have it, or not?

Q. Well, I have some.

MR. KITCHIN: Is that in here?

BY MR. BELIAK:

Q. I do have some dates. It appears in -- I think you mentioned in -- do you recall, did you pay -- I do have some wire transfers. Would you have wired this money?

A. Some of it.

Q. Okay. I have, it appears, in February of 2013, a wire transfer for $30,000.

A. Okay.

Q. And then on February 21st, 2013, a $5,000 wire transfer, and on February 22nd, 2013 an additional $25,000 wire transfer.

A. Okay.

Q. Does that sound correct?

A. Well, but that's only part of it.

Q. Right. Well, I have --

A. Do you have the rest of them?

Q. I have -- I have other transfers, as well. I'm just trying to get an idea from you.

You mentioned on those three -- those three separate amounts -- I mean, I guess the next question I have is, do you have a list available? That would be something we would request have turned over, as well for verification.

MS. DEUTSCH: It's part of the documents. I think they are in there.

MR. BELIAK: Is this in there?

MS. DEUTSCH: I believe there should be wire transfers and notes.

MR. KITCHIN: I saw some notes.

If you want, we can switch back up. I can proceed, and do you want to check that?

MR. BELIAK: Yeah, let me take a look.

FURTHER EXAMINATION

BY MR. KITCHIN:

Q. What was George Simmons' role at USA Barcelona Realty Advisors?

A. Whose role?

Q. George Simmons.

A. I don't know a George Simmons.

Q. Tom Simmons.

A. Tom Simmons.

Q. What was his role at the company?

A. He, umm -- he -- I guess I don't know what I would describe as his role. I don't know.

Q. What kind of things did he work on for the company?

A. Well, again, just so you know, I wasn't there on a day-to-day basis. If it was month-to-month or two-months-to-two-months, what it was, but I don't know

what he did on a day-to-day basis. And, I'm sorry, I can't answer your question.

Q. Do you know what his title was?

A. I think he was just executive member.

Q. What was Bruce Orr's role at the company?

A. Bruce Orr was to, as my understanding, to acquire or to get land parcels for Barcelona to build hotels on, or to buy hotels in different parts of the country.

Q. Anything else?

A. I would say that was his main role.

Q. What was Rodney Eaves' role with the company?

A. Well, Eaves had been in the construction business, and he had some good experience. And that's why he was brought in or he wanted to come in.

Q. What was Paul Meka's role at the company?

A. My understanding is, he was strictly a receptionist.

Q. What was Jeff Teets' role at the company?

A. Jeff was in the financial portion of the company. He prepared the statements and -- P&L statements and whatever else there was.

Q. For Richard Woods, one of the investors, what did you tell him about the company before he invested?

A. Well, we talked mainly about what his

investment return would be.

Q. Did you provide him the same one-page --

A. Yes.

Q. -- sheet?

A. Yes.

Q. Did you give him any other documents about the company?

A. He had to have -- I think the company sent him some information.

Q. Do you know what that information was?

A. No.

Q. Richard was an FFEC -- he had an account at FFEC, correct?

A. Um-hum.

Q. Was his investment funded from one of his FFEC accounts?

A. No. It came from a separate account he had.

Q. Did you think that the USA Barcelona notes would be a good investment for the people you introduced the notes to?

A. Yes.

Q. Why was that? What made it a good investment?

A. Because it was paying 12 percent with a six percent bonus. That's 18 percent a year. Yes, I thought it was a very good investment. That's why I put

my own money into it.

Q. For those investors, did you recommend it as a good purchase?

A. Yes.

Q. Before they invested, do you know if any of the investors were told about the failure of the Arizona Village Communities Venture?

A. Were any of the investors told?

Q. Right.

A. I don't know that answer.

Q. Do you know if any of them, before they invested, were told about the, umm, Bank of Arizona judgment against you in 2010?

A. No.

Q. Before they invested, do you know if any of the investors were told about Paul Meka's role in the company?

A. No.

Q. Before the -- before they invested, do you know if anyone who invested after October 1st of 2013, do you know if they were told about the note that you had at the company on that date, October 1st, 2013?

A. What was the note I had?

Q. I think that you had a note, and the interest was, umm, going to be repaid from --

A. How much was the note?

Q. -- from investors?

70,000, I think, perhaps.

A. And the question was what?

Q. Do you know if any investors after that date were told that there's a -- do you know if any investors were, after October 1st, 2013, were told whether any of their investment would be used to pay back a note to you?

A. I don't know who would have told them that.

Q. So you don't know whether anyone was told that?

A. I don't think there was any investors came in after that.

Q. If there were, you don't have any reason to think that they were told about that?

A. No, because that's how the other interest payments were going to be made.

Q. Earlier we looked at the December 2013 letter telling people about a delay in the interest payments. Do you know if any investors, after the date of that letter, were told that previous investors had not received one of their interest payments on time?

A. No, I do not know that.

Q. Do you know whether any of the investors who

invested after December 31st, 2013 were told whether their proceeds would be used to make the interest payments to the earlier investors?

A. I don't know that answer.

Q. Do you know whether any investors were told that -- starting over.

For investors after December 31st, 2013, do you know if any of them were told that the company was on its Plan B business model after the company failed to raise enough money for the first business model?

A. What is Plan B?

Q. Do you know if anyone was given that characterization, however that would be interpreted?

A. I don't know what Plan B was, and I don't know what -- there was communication to them.

Q. You mentioned that Allen Weintraub was supposed to raise $70 million that you were going to manage, correct?

A. Was that his first name, Allen? I guess so.

Q. I think so.

Someone was going to raise $70 million --

A. Right.

Q. -- that you were going to manage. That didn't happen. Do you know if any of the investors were told that the company was not able to raise that $70 million?

A. Umm, yes, I think there were some people told that.

Q. Do you know who those people were?

A. No.

Q. Do you know if they were told that before they invested?

A. Well, I think so.

Q. Do you know about what time frame those people would have been?

A. No, I do not.

MR. KITCHIN: Want to pick back up?

MR. BELIAK: Yeah.

FURTHER EXAMINATION

BY MR. BELIAK:

Q. Mr. Kerrigan, I've got a series of payments from USA Barcelona Realty Associates, LLC, made out to you for $4200.

A. Okay.

Q. I'd like to show you a series of checks. If you can just take a look at them and please tell me what these payments were for. You might need to use the magnifying glass.

MR. KITCHIN: How many total do you have?

MR. BELIAK: I have --

MR. KITCHIN: How many checks?

MR. BELIAK: I have eight checks. Actually, I'm sorry, I have nine checks.

BY MR. BELIAK:

Q. The first eight checks, and I'll give them to you one at a time so I can reference the Bates numbers.

MR. KITCHIN: The numbers aren't sequential, are they?

MR. BELIAK: They are not, no.

MR. KITCHIN: Can you create eight more stickers, starting at 26?

(EUO Exhibits 26 through 34 were marked for identification.)

BY MR. BELIAK:

Q. The first check that I handed you --

A. 26.

Q. -- 26, the statement date for that check is July --

A. August 31st.

Q. Yes, right. The check is dated July 31st, 2013 for $4200. What is that payment for?

A. I didn't know a thing about this. Harkins, at one of the social gatherings we were at, gave me this envelope with this in it. I didn't open until I left. And I said, "What was that for?"

He said, "That's a fee for being a director."
Q. Um-hum.
A. He said, "We're starting to give directors some fees."
Q. Okay.
A. I didn't know a thing about it, and I said, "Thank you."
Q. Okay. So that is an endorsed -- that is your signature --
A. Yes.
Q. -- on the back?
A. Correct.
Q. Okay. The next one, Exhibit Number 27, is another check for $4200. That is Bates number ACC6028. The check date is August 30th --
A. 30th, yeah.
Q. -- of 2013. Could you please explain what that check was for?
A. The same as the other one. He said, "We're just going to be giving the directors some income."
Q. Okay. So, was it agreed, then, that that would be a monthly payment?
A. I didn't know it. They just gave me checks.
Q. Okay. So --
A. So, I -- I -- I think it was monthly, but I

never knew if it was coming or not.

Q. Do you know how the $4200 amount was settled on?

A. No.

Q. I hate to belabor it, but I'm just going to run through these since I do have these additional checks. We'll just touch on each of them. Number 28?

A. This one's in October.

Q. Yes. It looks like the check was dated October 8, 2013.

A. Um-hum.

Q. And we have Exhibit Number 28 for 4200?

A. Yes.

Q. That is the executive compensation?

A. (No audible response.)

Q. All right. If I can please direct you to look at Exhibit Number 29.

A. Um-hum. What was that, October --

Q. It was October 8.

A. And this is November 1st?

Q. Yes.

A. Okay.

Q. This is also for 4200?

A. Right.

Q. This would be for the executive compensation?

A. Yes.
Q. Okay. And the next one is Exhibit Number 30 for 4200?
A. December 2nd.
Q. Um-hum. And I'm going to also show you Exhibit Number 31, dated December 31st, 2013 for 4200.
A. Um-hum.
Q. Also for the monthly $4200 issuance?
A. Yes; that's December 13th.
Q. I also have Exhibit Number 32, which is dated -- the check is dated March 3rd, 2014 for $4200. That would also be for the monthly payment?
A. But the last one was December.
Q. Right.
A. So this one -- so it wasn't monthly because this one isn't dated until March 3rd. So there would have been January, February, and then March before this.
Q. Correct. Do you recall that you would have received $4200 during January and February --
A. No.
Q. -- of the year, as well?
A. No, I did not.
Q. Okay.
A. Well, this is the only thing that --
Q. Okay. I have just two more.

A. Okay.
Q. The next one, Exhibit Number 34 for $4200 --
MS. DEUTSCH: Is that 33 or 34?
BY MR. BELIAK:
Q. Oh, I'm sorry. These are out of order. Let me give you 33 first, if I could. So 33, I believe, is dated April 16th?
A. April 16th.
Q. Okay. And that check is $2100? Do you know what --
A. But that was not -- that was an interest payment I received.
Q. That was an interest payment?
A. That was an interest payment I received. That was not the same as those.
Q. Okay.
A. I received one interest payment.
Q. And that was it?
A. That's it.
Q. That is the interest payment?
A. Yes.
Q. Do you know which of the notes that would have been for?
A. No.
Q. Okay. All right. So the last one I have --

A. So, wait. This was in April of '14.
Q. Um-hum.
A. And I put my first money in in '13, I think.
Q. Right.
A. So how they came up with the interest, the first interest payment, then I don't know, unless that's the end of the year. No. What's 12 times 30,000? Would be 3600, right? This is only 21. I don't know what it was, to tell you the truth.
Q. Did you receive other interest payments back?
A. No -- one.
Q. On all of the other notes?
A. Only one. I'm sorry. One interest payment.
Q. Okay. Umm, the last one I'd like you to take a look at is Exhibit Number 34. It's Bates ACC1548. It's also a check for $4200.
A. Okay.
Q. The check is dated April 1st.
A. Um-hum.
Q. That would also be for the executive --
A. Yes.
Q. -- compensation?
A. Right.
Q. Okay. Besides these checks I've just shown you, umm, did you receive any other compensation?

A. Nothing.
Q. Nothing. Okay.
A. Nothing.
MR. BELIAK: Okay. That's it for me. Thank you.
THE WITNESS: Do you want -- oh, that's yours.
MR. KITCHIN: Thank you.

FURTHER EXAMINATION

BY MR. KITCHIN:
Q. What was the incentive to introduce other potential investors to the USA Barcelona notes?
A. As I've told you before, 12 percent interest on an annual and a six percent bonus over a two-year period. That's 18 percent.
Q. But you weren't being offered a commission for the new investors, so what was your incentive to find new people to introduce to the note?
A. To get the company up and running, and to provide a good return for some people.
Q. How would that have benefitted you?
A. I was helping people with their investment.
Q. Would it have improved the likelihood of you receiving the full return of your investment, as well?
A. No, that doesn't -- I was more concerned with

getting the company up and beginning to build hotels and have some good yields on returns.

Q. But you said you didn't have an equity interest in the company, correct?

A. That is correct.

Q. So, what is -- what did the --

A. Well, there was talk about after the thing got up and started to make money, that there would be distributions of stock going out.

Q. Was it possible that you would receive such a distribution?

A. I don't know, but I would have gotten my 200,000-plus back, with interest.

Q. And receiving that back depended on the success of the company, correct?

A. Correct.

Q. Were any of your notes 12-6-12 notes or did they have different terms?

A. 12-6-12.

Q. When were -- when was the first interest payment due on your earliest note?

A. If you can tell me when I put the money in, I could tell you. When did the first one go in?

(EUO Exhibit 35 was marked for identification.)

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked as Exhibit 35 with Bates number RJK4. Do you know what that is?

A. This is the first 30,000 I put into the company.

Q. And is that from February 14, 2013?

A. Yes.

Q. When were you supposed to receive an interest or a principal payment on that?

A. First quarter, three months later.

Q. Is that in the terms there somewhere?

A. It says principal sum of -- borrower shall issue to lender 30 fully paid Class A Units of member interest in Barcelona Administration Company; said Units shall be evidenced by a subscription agreement which the Parties agree to execute when issued by Borrower but no later than the earlier of such date as Borrower has closed on a minimum of $220,000 of new capital or March 30th, '13.

Q. Let me see it for a moment. And cause one says that the maturity date is June 30th, 2013, correct?

A. You're right. So that's March, April, May. That would be 30 days after this.

Q. Did the company repay the principal on the

note at that time?

A. They haven't repaid the principal on any note of mine.

MR. KITCHIN: Can we mark this one, please?

(EUO Exhibit 36 was marked for identification.)

THE WITNESS: I'm sitting here. Can I ask a personal question?

MR. KITCHIN: Let's pause for a moment while she marks something. She can't do both.

(EUO Exhibit 37 was marked for identification.)

BY MR. KITCHIN:

Q. What's your question? Again, I can't guarantee I can answer it.

A. It's not to you.

Q. Oh.

A. Would you please tell me about your hat.

MS. DEUTSCH: Let's just focus on the examination. Okay?

THE WITNESS: Okay. Afterwards I would be interested. Okay?

MR. BELIAK: Okay.

BY MR. KITCHIN:

Q. Next I'm going to hand you what's been marked

as Exhibit 36 with Bates number RJK9. Do you know what that is?

A. I think this is the second 30,000 I put in.

Q. And in cause one, the majority date is also June 30?

A. June 30, because I put those in just a couple days apart.

Q. Do you understand that they -- did the company ever pay the principal or interest on that note on time?

A. No.

Q. And did they ever repay that loan?

A. No.

Q. Next I'm going to hand you what's been marked as Exhibit 37. Do you know what that is?

A. That is the next 70,000 that I put in; 12 percent annual rate of interest.

Q. And what was the, umm, maturity date of that one?

A. I don't see a maturity date in here.

Q. Umm, were there any terms about what the -- when interest payments were due?

A. Quarterly.

Q. And when would the first payment from this note have been due?

A. Well, this is October 1st. November, December

-- January 1st is when it would have been due, of '14.

Q. And did the company ever make --

A. No.

Q. -- a principal --

A. Nope.

Q. -- principal or interest payment on that note?

A. Neither.

Q. And was this Exhibit 37 for $70,000, was that note for an additional $70,000 cash or was any of that a rollover from the past note?

A. A rollover?

Q. Yes. Was any part of this 70,000, umm, a new note to combine or reflect past value, or was this --

A. I told you, I received no principal payment on either one of these. This is all new money that I put in.

Q. Did any of the potential investors or investors that you spoke to, did you ever tell any of them that the company hadn't made timely payments on any of these three notes?

A. No.

Q. Why not?

A. That's my business.

Q. Well, you're showing them notes that promise 12 percent interest, but you hadn't actually been paid

back yourself, so why would that make --

A. Well, the principal wasn't due; interest was due.

Q. Well, for Exhibits 35 and 36, principal was due on June 30th, 2013.

A. No; interest. The principal -- it was a two-year note.

Q. Umm, Exhibit 35 says if not sooner paid in accordance was the terms hereof, the outstanding principal of this promissory note shall be due and payable as to principal in full on June 30th, 2013, parentheses, the maturity date.

A. June of '13. And this is February?

Q. Right.

A. That's just -- that's 90 days.

Q. May I see 36 for a moment?

Right. So 35 and 36 were both due in full on June 30th, 2013. So why didn't you tell any investors after that that they failed to pay you?

A. Now that I think about it, when I talked to Dick and made these payments, he said it would just be -- that's right. He said these two first two he'd pay back in 90 days.

And I wasn't that concerned when they didn't get paid back because we were raising money. We need to

raise money.

Q. Might future investors have been concerned if they had known you hadn't been paid back?

A. Possibly. I don't know.

MR. KITCHIN: Dee, any questions?

MR. MORIN: No.

MR. KITCHIN: I think that's all.

Do you have any questions?

MS. DEUTSCH: I don't have any questions. Thank you, though, for the opportunity.

MR. KITCHIN: All right. We can go off the record

(These proceedings concluded at 3:14 p.m.)

STATE OF ARIZONA)
COUNTY OF MARICOPA)

BE IT KNOWN that the foregoing proceedings were taken before me; that the foregoing pages are a full, true, and accurate record of the proceedings all done to the best of my skill and ability; that the proceedings were taken down by me in shorthand and thereafter reduced to print under my direction.

I CERTIFY that I am in no way related to any of the parties hereto, nor am I in any way interested in the outcome hereof.

I CERTIFY that I have complied with the ethical obligations set forth in ACJA 7-206 (F) (3) and ACJA 7-206 (J) (1) (g) (1) and (two). Dated at Phoenix, Arizona, this 8th day of October, 2015.

Deborah L. Tucker RPR
Arizona Certified Reporter No. 50464

I CERTIFY that Coash & Coash, Inc., has complied with the ethical obligations set forth in ACJA 7-206 (J)(1)(g)(1) through (6).

COASH & COASH, INC.
Registered Reporting Firm
Arizona RRF No. R1036

Active	IRA	422454	Robert Kerrigan	Joseph Thrasher			[redacted]	[redacted]	AZ	[redacted]	Western Reserve Life	1M6014328	Retail
Active	IRA	422454	Robert Kerrigan	MICHELLE HARDT					AZ		Western Reserve Life	1M6013361	Retail
Active	IRA	422454	Robert Kerrigan	BRUCE LUND					AZ		Western Reserve Life	1M6017290	Retail
Active	IRA	422454	Robert Kerrigan	BRUCE LUND					AZ		Western Reserve Life	1L0471084	Retail
Active	Individual	422454	Robert Kerrigan	Sharon Woods					AZ		Western Reserve Life	1M6017711	Retail
Active	IRA	422454	Robert Kerrigan	RICHARD WOODS					AZ		Western Reserve Life	1M6017807	Retail
Active	IRA	422454	Robert Kerrigan	JEROME M WALSH					NC		Western Reserve Life	1M6017837	Retail
Active	IRA	422454	Robert Kerrigan	Donald Lee Deotowicz	Southwest Securities Inc	As IRA Custodian			CO		Western Reserve Life	1M6020126	Retail
Active	403(b)	422454	Robert Kerrigan	Brian L Joscar					AZ		Western Reserve Life	1N5005299	Retail
Active	IRA	422454	Robert Kerrigan	RODNEY L EAVES					AZ		Western Reserve Life	1N5025718	Retail
Active	Individual	422454	Robert Kerrigan	Donald A Swanson					AZ		Western Reserve Life	1N5028850	Retail
Active	IRA	422454	Robert Kerrigan	Richard J Woods					CO		Western Reserve Life	1T2071129	Retail
Active	Individual	422454	Robert Kerrigan	Richard Woods					AZ		Western Reserve Life	1M5017808	Retail
Active	Individual	422454	Robert Kerrigan	Richard W LeGrand					AZ		Western Reserve Life	1B0373827	Retail
Active	Individual	422454	Robert Kerrigan	Charles Kallm					AZ		Western Reserve Life	5000027949	Retail
Active	Individual	422454	Robert Kerrigan	John Shortt					?		Western Reserve Life	1L0478525	Retail
Active	Individual	422454	Robert Kerrigan	Wayne W Reice					AZ		Western Reserve Life	50X0000165	Retail
Active	Individual	422454	Robert Kerrigan	James E Chaela					AZ		Western Reserve Life	50T0012095	Retail
Active	Individual	422454	Robert Kerrigan	MICHELLE HARDT					AZ		Western Reserve Life	1B0383985	Retail
Active	Individual	422454	Robert Kerrigan	Mio G Hardt					AZ		Western Reserve Life	1B0383984	Retail
Active	Individual	422454	Robert Kerrigan	Kathleen Wright					?		Western Reserve Life	1B0386841	Retail
Active	Individual	422454	Robert Kerrigan	RODNEY L EAVES					AZ		Western Reserve Life	1B4000493	Retail
Active	Individual	422454	Robert Kerrigan	RODNEY L EAVES					AZ		Western Reserve Life	5000047227	Retail
Active	Individual	422454	Robert Kerrigan	Morgan Hardt					AZ		Western Reserve Life	1B0386401	Retail
Active	Individual	422454	Robert Kerrigan	Michael J Bollne					UT		Western Reserve Life	183013874	Retail
Active	Trust Account	422454	Robert Kerrigan	Dunleace Living Trust DTD 9/14/1998					AZ		Western Reserve Life	1L3012844	Retail
Active	Individual	422454	Robert Kerrigan	Kathy U Bollne					UT		Western Reserve Life	1L0475495	Retail
Active	Individual	422454	Robert Kerrigan	Kathy U Bollne					UT		Western Reserve Life	183013875	Retail
Active	Individual	422454	Robert Kerrigan	Melissa Eaves					?		Western Reserve Life	1L4008177	Retail
Active	Individual	422454	Robert Kerrigan	Bryan A Dice					AZ		Western Reserve Life	1B0352547	Retail
Active	Individual	422454	Robert Kerrigan	Mary Dice					AZ		Western Reserve Life	1B0352541	Retail
Active	Individual	422454	Robert Kerrigan	David L Chacio					AZ		Western Reserve Life	5000053090	Retail
Active	Individual	422454	Robert Kerrigan	Flora M Swenson					AZ		Western Reserve Life	50X0001048	Retail

ACC006210
FILE #8503

EXHIBIT
S-99
ADMITTED

EXHIBIT NO. 1
Kerrigan
10-8-15

Client Status	Account Type	Rep ID	Rep Name	FullName1	FullName2	FullName3	FullName4	Address1	City	State	Zip	Vendor	External Account	Business Type
Active	Individual	422454	Robert Kerrigan	Sharon M Schrank				[redacted]	[redacted]	WI	[redacted]	Allianz Insurance	DA309501	Retail
Active	Individual	422454	Robert Kerrigan	Sharon M Schrank				[redacted]	[redacted]	WI	[redacted]	Allianz Insurance	DA360891	Retail
Active	IRA	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	WI	[redacted]	Allianz Insurance	DA944491	Retail
Active	IRA	422454	Robert Kerrigan	ROBERTA L BURLESON				[redacted]	[redacted]	AZ	[redacted]	American Funds Distributors	64123674	Retail
Active	Individual	422454	Robert Kerrigan	JEROME M WALSH				[redacted]	[redacted]	NC	[redacted]	John Hancock Life Insurance	7071535	Retail
Active	Individual	422454	Robert Kerrigan	KAREN N WALSH				[redacted]	[redacted]	NC	[redacted]	John Hancock Life Insurance	7071534	Retail
Active	IRA	422454	Robert Kerrigan	Pamela H Stewart				[redacted]	[redacted]	AZ	[redacted]	Metropolitan Life Insurance	3200925580	Retail
Closed	Individual	422454	Robert Kerrigan	Jordan K Cohen				[redacted]	[redacted]	AZ	[redacted]	Morningstar Investment Services	100860600	Managed
Active	Individual	422454	Robert Kerrigan	Sharon M Schrank				[redacted]	[redacted]	WI	[redacted]	Southwest	577163815	Retail
Active	IRA	422454	Robert Kerrigan	Donald Lee Deotowicz	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	CO	[redacted]	Southwest	368356933	Retail
Active	IRA	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	WI	[redacted]	Southwest	368368230	Retail
Closed	IRA	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	WI	[redacted]	Southwest	368380200	Retail
Active	UGMA/UTMA	422454	Robert Kerrigan	Sharon Chavez Cust	FBO Selena M Chavez UTMA AZ			[redacted]	[redacted]	AZ	[redacted]	Southwest	185329758	Retail
Closed	Individual	422454	Robert Kerrigan	Erica Lee Arnos				[redacted]	[redacted]	CA	[redacted]	Southwest	215848319	Retail
Active	Joint Tenant WROS	422454	Robert Kerrigan	Milo G Hardt	& Michele D Hardt JTWROS			[redacted]	[redacted]	AZ	[redacted]	Southwest	337563881	Retail
Closed	Trust Account	422454	Robert Kerrigan	Donald L Hardy Rev Living Trust	Donald L Hardy TTEE	UAD Feb 15, 2007		[redacted]	[redacted]	AZ	[redacted]	Southwest	337589309	Retail
Active	IRA	422454	Robert Kerrigan	Maureen Kaden-Ryaby	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368249919	Retail
Closed	IRA	422454	Robert Kerrigan	Wayne W Reipe	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368256798	Retail
Closed	IRA - Rollover	422454	Robert Kerrigan	Bruce Robert Lund	Southwest Securities Inc	As Rollover IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368330149	Retail
Closed	IRA - Rollover	422454	Robert Kerrigan	David L Chapin	Southwest Securities Inc	As Rollover IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368374213	Retail
Active	IRA	422454	Robert Kerrigan	James Francis Skelly	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368379546	Retail
Active	IRA	422454	Robert Kerrigan	Malode A Kellim	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368384868	Retail
Closed	IRA - Rollover	422454	Robert Kerrigan	Leonard R Hofmann	Southwest Securities Inc	As Rollover IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368417533	Retail
Active	UGMA/UTMA	422454	Robert Kerrigan	Robert J Kerrigan Cust	FBO Bode McIntosh Kerrigan UTMA AZ			[redacted]	[redacted]	AZ	[redacted]	Southwest	429917853	Employee-Related
Active	Individual	422454	Robert Kerrigan	Robert J Kerrigan				[redacted]	[redacted]	AZ	[redacted]	Southwest	429922142	Employee
Active	UGMA/UTMA	422454	Robert Kerrigan	Robert Kerrigan Cust	FBO Ellory Ahorn Kerrigan UTMA AZ			[redacted]	[redacted]	AZ	[redacted]	Southwest	429929411	Employee Related
Active	UGMA/UTMA	422454	Robert Kerrigan	Robert J Kerrigan Cust	FBO John F Kerrigan UTMA AZ			[redacted]	[redacted]	AZ	[redacted]	Southwest	429930048	Employee Related
Closed	Individual	422454	Robert Kerrigan	Clara H Lehman				[redacted]	[redacted]	AZ	[redacted]	Southwest	460907531	Retail
Active	Partnership	422454	Robert Kerrigan	LTL Company				[redacted]	[redacted]	AZ	[redacted]	Southwest	461571074	Retail
Closed	UGMA/UTMA	422454	Robert Kerrigan	Denise A Levine Cust	FBO Jaycie K Levine UTMA AZ			[redacted]	[redacted]	AZ	[redacted]	Southwest	462150715	Retail
Closed	UGMA/UTMA	422454	Robert Kerrigan	Denise A Levine Cust	FBO Jeremy J Levine UTMA AZ			[redacted]	[redacted]	AZ	[redacted]	Southwest	462162067	Retail
Active	IRA - Roth	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As Roth IRA Custodian		[redacted]	[redacted]	WI	[redacted]	Southwest	646234335	Retail
Closed	IRA - Roth	422454	Robert Kerrigan	Michael Bolino	Southwest Securities Inc	As Roth IRA Custodian		[redacted]	[redacted]	UT	[redacted]	Southwest	646278068	Retail
Active	Individual	422454	Robert Kerrigan	David B Sommer				[redacted]	[redacted]	WI	[redacted]	Southwest	676257725	Retail
Active	Joint Tenant WROS	422454	Robert Kerrigan	Jerome M Walsh	& Karen N Walsh Jtwros			[redacted]	[redacted]	HI	[redacted]	Southwest	789787187	Retail
Active	Joint Tenant WROS	686483	Richard Flosi Robert Kerrigan	Rodney Eaves	& Melissa Eaves JTWROS			[redacted]	[redacted]	AZ	[redacted]	Southwest	246870898	Retail
Closed	IRA - Rollover	686483	Richard Flosi Robert Kerrigan	Nancy J M Hagen	Southwest Securities Inc	As Rollover IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368385052	Retail
Closed	IRA - Rollover	686483	Richard Flosi Robert Kerrigan	Francis G Hagan	Southwest Securities Inc	As Rollover IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368398732	Retail
Active	IRA	686483	Richard Flosi Robert Kerrigan	James J Skelly	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368397710	Retail
Closed	IRA	686483	Richard Flosi Robert Kerrigan	Elizabeth Anne Flynn	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368412246	Retail
Active	Individual	686483	Richard Flosi Robert Kerrigan	James J Skelly				[redacted]	[redacted]	AZ	[redacted]	Southwest	677247793	Retail
Active	Trust Account	422575	Robert Kerrigan-Managed	The Marital Trust of	Cox Family Trust (A)	Pamela H Stewart TTEE	UAD Jul 13, 1998	[redacted]	[redacted]	AZ	[redacted]	Southwest	184988533	Managed
Active	Trust Account	422575	Robert Kerrigan-Managed	Bryan A Dice	& Mary J Dice Trust	Bryan A Dice TTEE	Mary J Dice TTEE Uad 07/11/03	[redacted]	[redacted]	AZ	[redacted]	Southwest	215760358	Managed
Active	Joint Tenant WROS	422575	Robert Kerrigan-Managed	Donald L Deotowicz	& Maura L Deotowicz JTWROS			[redacted]	[redacted]	CO	[redacted]	Southwest	216057568	Managed
Closed	Individual	422575	Robert Kerrigan-Managed	Darren Kenneth Grady				[redacted]	[redacted]	AZ	[redacted]	Southwest	306805826	Retail
Active	IRA - Rollover	422575	Robert Kerrigan-Managed	Ridick J Ramirez	Southwest Securities Inc	As Rollover IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	368260593	Managed
Active	Joint Tenant WROS	422575	Robert Kerrigan-Managed	Richard A Lee	& Rita C Lee JTWROS			[redacted]	[redacted]	AZ	[redacted]	Southwest	460560521	Managed
Closed	Joint Tenant WROS	422575	Robert Kerrigan-Managed	Colleen LeGrand	& Richard LeGrand JTWROS			[redacted]	[redacted]	AZ	[redacted]	Southwest	461797368	Retail
Closed	Trust Account	422575	Robert Kerrigan-Managed	Marilyn Rita Murphy	Rev Living Trust	Donald Murphy TTEE	UAD Sep 18, 2002	[redacted]	[redacted]	CA	[redacted]	Southwest	491499336	Managed
Closed	Trust Account	422575	Robert Kerrigan-Managed	Woods Revocable Trust	Sharon F Woods TTEE	UAD Nov 11, 1998		[redacted]	[redacted]	AZ	[redacted]	Southwest	600094806	Managed
Active	Individual	686483	Richard Flosi Robert Kerrigan	James T Ryaby				[redacted]	[redacted]	AZ	[redacted]	Southwest	646863128	Retail
Active	IRA	422575	Robert Kerrigan-Managed	Kathleen A Ramirez	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Southwest	388261344	Managed
Active	Joint Tenant WROS	422454	Robert Kerrigan	Gerald Arnold Hundt	& Susan Hundt JTWROS			[redacted]	[redacted]	AZ	[redacted]	Southwest	337696234	Retail
Active	Transfer on Death	422454	Robert Kerrigan	JAMES T RYABY TOD				[redacted]	[redacted]	AZ	[redacted]	Transamerica Funds	990023921	Retail
Active	UGMA/UTMA	422454	Robert Kerrigan	PAMELA H STEWART CUST	ASHLEY C COX	UNIF TRANS MIN ACT - AZ		[redacted]	[redacted]	AZ	[redacted]	Transamerica Funds	99903792	Retail
Closed	IRA	422454	Robert Kerrigan	STATE STREET BANK CUST	DCD IRA A/C DONNA J PERRY	FBO MARK F MORALES		[redacted]	[redacted]	AZ	[redacted]	Transamerica Funds	6500194374	Retail
Closed	IRA - Bene	422454	Robert Kerrigan	Raymond P Perry FBO Nicole Rae Perry				[redacted]	[redacted]	AZ	[redacted]	Transamerica Funds	6500194342	Retail
Closed	IRA - Bene	422454	Robert Kerrigan	Raymond P Perry FBO Jeff Perry				[redacted]	[redacted]	AZ	[redacted]	Transamerica Funds	6500194383	Retail
Active	IRA	422454	Robert Kerrigan	ROBERTA L BURLESON				[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	119355UK8	Retail
Active	UGMA/UTMA	422454	Robert Kerrigan	PAMELA H STEWART CUST	ASHLEY C COX	UNIF TRANS MIN ACT - AZ		[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	99903792	Retail
Active	IRA	422454	Robert Kerrigan	STATE STREET BANK CUST	IRA A/C DONNA J PERRY			[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	99990753	Retail
Active	IRA	422454	Robert Kerrigan	STATE STREET BANK CUST	IRA A/C RAYMOND P PERRY			[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	99998754	Retail
Active	IRA	422454	Robert Kerrigan	RODNEY L EAVES				[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	1N6025716	Retail
Active	Individual	422454	Robert Kerrigan	Donald A Swanson				[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	1B0373074	Retail
Active	Individual	422454	Robert Kerrigan	Richard Woods				[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	1M6017808	Retail
Active	Individual	422454	Robert Kerrigan	Mary Dice				[redacted]	[redacted]	AZ	[redacted]	Transamerica Insurance	1L0491497	Retail
Active	Individual	422454	Robert Kerrigan	Richard W LeGrand				[redacted]	[redacted]	AZ	[redacted]	Voya Insurance	C1584310X	Retail
Active	IRA	422454	Robert Kerrigan	Kathleen A Ramirez	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Western Reserve Life	1M6014222	Retail
Active	IRA	422454	Robert Kerrigan	Kathleen A Ramirez	Southwest Securities Inc	As IRA Custodian		[redacted]	[redacted]	AZ	[redacted]	Western Reserve Life	5000047171	Retail
Active	IRA	422454	Robert Kerrigan	RIDICK RAMIREZ				[redacted]	[redacted]	AZ	[redacted]	Western Reserve Life	1M6014223	Retail
Active	IRA	422454	Robert Kerrigan	RIDICK RAMIREZ				[redacted]	[redacted]	AZ	[redacted]	Western Reserve Life	5000047173	Retail
Active	IRA	422454	Robert Kerrigan	Joseph Thrasher				[redacted]	[redacted]	AZ	[redacted]	Western Reserve Life	1B4005374	Retail

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Active	IRA	422454	Robert Kerrigan	Joseph Thrasher			[redacted]	[redacted]	AZ
Active	IRA	422454	Robert Kerrigan	MICHELLE HARDT					AZ
Active	IRA	422454	Robert Kerrigan	BRUCE LUND					AZ
Active	IRA	422454	Robert Kerrigan	BRUCE LUND					AZ
Active	Individual	422454	Robert Kerrigan	Sharon Woods					AZ
Active	IRA	422454	Robert Kerrigan	RICHARD WOODS					AZ
Active	IRA	422454	Robert Kerrigan	JEROME M WALSH					AZ
Active	IRA	422454	Robert Kerrigan	Donald Lee Dectowicz	Southwest Securities Inc	As IRA Custodian			NC
Active	403(b)	422454	Robert Kerrigan	Brian L Jaeger					CO
Active	IRA	422454	Robert Kerrigan	RODNEY L EAVES					AZ
Active	Individual	422454	Robert Kerrigan	Donald A Swanson					AZ
Active	IRA	422454	Robert Kerrigan	Richard J Woods					AZ
Active	Individual	422454	Robert Kerrigan	Richard Woods					CO
Active	Individual	422454	Robert Kerrigan	Richard W LeGrand					AZ
Active	Individual	422454	Robert Kerrigan	Charles Kellim					AZ
Active	Individual	422454	Robert Kerrigan	John Sherrill					AZ
Active	Individual	422454	Robert Kerrigan	Wayne W Reine					?
Active	Individual	422454	Robert Kerrigan	Jayme E Chapin					AZ
Active	Individual	422454	Robert Kerrigan	MICHELLE HARDT					AZ
Active	Individual	422454	Robert Kerrigan	Milo G Hardt					AZ
Active	Individual	422454	Robert Kerrigan	Kathleen Wright					AZ
Active	Individual	422454	Robert Kerrigan	RODNEY L EAVES					?
Active	Individual	422454	Robert Kerrigan	RODNEY L EAVES					AZ
Active	Individual	422454	Robert Kerrigan	Morgan Hardt					AZ
Active	Individual	422454	Robert Kerrigan	Michael J Bolling					AZ
Active	Trust Account	422454	Robert Kerrigan	Dunloace Living Trust DTD 9/14/1998					UT
Active	Individual	422454	Robert Kerrigan	Kathy U Bolling					AZ
Active	Individual	422454	Robert Kerrigan	Kathy U Bolling					UT
Active	Individual	422454	Robert Kerrigan	Melissa Eaves					UT
Active	Individual	422454	Robert Kerrigan	Bryan A Dige					?
Active	Individual	422454	Robert Kerrigan	Mary Dige					AZ
Active	Individual	422454	Robert Kerrigan	David L Chapin					AZ
Active	Individual	422454	Robert Kerrigan	Flora M Swanson					AZ
									AZ

Client Status	Account Type	Rep ID	Rep Name	FullName1	FullName2	FullName3	FullName4	Address1	City	State	Zip
Active	Individual	422454	Robert Kerrigan	Sharon M Schrank				[redacted]	[redacted]	WI	[redacted]
Active	Individual	422454	Robert Kerrigan	Sharon M Schrank						WI	
Active	IRA	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As IRA Custodian				WI	
Active	IRA	422454	Robert Kerrigan	ROBERTA L BURLESON						AZ	
Active	Individual	422454	Robert Kerrigan	JEROME M WALSH						NC	
Active	Individual	422454	Robert Kerrigan	KAREN N WALSH						NC	
Active	IRA	422454	Robert Kerrigan	Pamela H Stewart						AZ	
Closed	Individual	422454	Robert Kerrigan	Jordan K Cohen						AZ	
Active	Individual	422454	Robert Kerrigan	Sharon M Schrank						WI	
Active	IRA	422454	Robert Kerrigan	Donald Lee Deptowicz	Southwest Securities Inc	As IRA Custodian				CO	
Active	IRA	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As IRA Custodian				WI	
Closed	IRA	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As IRA Custodian				WI	
Active	UGMA/UTMA	422454	Robert Kerrigan	Sharon Chavez Cust	FBO Selena M Chavez UTMA AZ					AZ	
Closed	Individual	422454	Robert Kerrigan	Erica Lee Arcos						CA	
Active	Joint Tenant WROS	422454	Robert Kerrigan	Milo G Hardt	& Michelle D Hardt JTWROS					AZ	
Closed	Trust Account	422454	Robert Kerrigan	Donald L Hardy Rev Living Trust	Donald L Hardy TTEE	UAD Feb 15, 2007				AZ	
Active	IRA	422454	Robert Kerrigan	Marscee Kaden-Rvaby	Southwest Securities Inc	As IRA Custodian				AZ	
Closed	IRA	422454	Robert Kerrigan	Wayne W Reine	Southwest Securities Inc	As IRA Custodian				AZ	
Closed	IRA - Rollover	422454	Robert Kerrigan	Bruce Robert Lund	Southwest Securities Inc	As Rollover IRA Custodian				AZ	
Closed	IRA - Rollover	422454	Robert Kerrigan	David L Chasin	Southwest Securities Inc	As Rollover IRA Custodian				AZ	
Active	IRA	422454	Robert Kerrigan	James Francis Skelly	Southwest Securities Inc	As IRA Custodian				AZ	
Active	IRA	422454	Robert Kerrigan	Majorie A Kellim	Southwest Securities Inc	As IRA Custodian				AZ	
Closed	IRA - Rollover	422454	Robert Kerrigan	Leonard R Hofmann	Southwest Securities Inc	As Rollover IRA Custodian				AZ	
Active	UGMA/UTMA	422454	Robert Kerrigan	Robert J Kerrigan Cust	FBO Bode McIntosh Kerrigan UTMA AZ					AZ	
Active	Individual	422454	Robert Kerrigan	Robert J Kerrigan						AZ	
Active	UGMA/UTMA	422454	Robert Kerrigan	Robert Kerrigan Cust	FBO Ellery Ahern Kerrigan UTMA AZ					AZ	
Active	UGMA/UTMA	422454	Robert Kerrigan	Robert J Kerrigan Cust	FBO John F Kerrigan UTMA AZ					AZ	
Closed	Individual	422454	Robert Kerrigan	Clare H Lehman						AZ	
Active	Partnership	422454	Robert Kerrigan	LTL Company						AZ	
Closed	UGMA/UTMA	422454	Robert Kerrigan	Denise A Levine Cust	FBO Jayde K Levine UTMA AZ					AZ	
Closed	UGMA/UTMA	422454	Robert Kerrigan	Denise A Levine Cust	FBO Jeremy J Levine UTMA AZ					AZ	
Active	IRA - Roth	422454	Robert Kerrigan	Sharon Schrank	Southwest Securities Inc	As Roth IRA Custodian				WI	
Closed	IRA - Roth	422454	Robert Kerrigan	Michael Bolling	Southwest Securities Inc	As Roth IRA Custodian				UT	
Active	Individual	422454	Robert Kerrigan	David B Sommer						WI	
Active	Joint Tenant WROS	422454	Robert Kerrigan	Jerome M Walsh	& Karen N Walsh Jtwros					HI	
Active	Joint Tenant WROS	686483	Richard Filosi Robert Kerrigan	Rodney Eaves	& Melissa Eaves JTWROS					AZ	
Closed	IRA - Rollover	686483	Richard Filosi Robert Kerrigan	Nancy J M Hagan	Southwest Securities Inc	As Rollover IRA Custodian				AZ	
Closed	IRA - Rollover	686483	Richard Filosi Robert Kerrigan	Francis G Hagan	Southwest Securities Inc	As Rollover IRA Custodian				AZ	
Active	IRA	686483	Richard Filosi Robert Kerrigan	James J Skelly	Southwest Securities Inc	As IRA Custodian				AZ	
Closed	IRA	686483	Richard Filosi Robert Kerrigan	Elizabeth Anne Flynn	Southwest Securities Inc	As IRA Custodian				AZ	
Active	Individual	686483	Richard Filosi Robert Kerrigan	James J Skelly						AZ	
Active	Trust Account	422575	Robert Kerrigan-Managed	The Marital Trust of	Cox Family Trust (A)	Pamela H Stewart TTEE	UAD Jul 13, 1998			AZ	
Active	Trust Account	422575	Robert Kerrigan-Managed	Bryan A Dice	& Mary J Dice Trust	Bryan A Dice TTEE	Mary J Dice TTEE Uad 07/11/03			AZ	
Active	Joint Tenant WROS	422575	Robert Kerrigan-Managed	Donald L Deptowicz	& Maura L Deptowicz JTWROS					CO	
Closed	Individual	422575	Robert Kerrigan-Managed	Darren Kenneth Grady						AZ	
Active	IRA - Rollover	422575	Robert Kerrigan-Managed	Ridick J Ramirez	Southwest Securities Inc	As Rollover IRA Custodian				AZ	
Active	Joint Tenant WROS	422575	Robert Kerrigan-Managed	Richard A Lee	& Rita C Lee JTWROS					AZ	
Closed	Joint Tenant WROS	422575	Robert Kerrigan-Managed	Colleen LeGrand	& Richard LeGrand JTWROS					AZ	
Closed	Trust Account	422575	Robert Kerrigan-Managed	Marilyn Rita Murphy	Rev Living Trust	Donald Murphy TTEE	UAD Sep 19, 2002			CA	
Closed	Trust Account	422575	Robert Kerrigan-Managed	Woods Revocable Trust	Sharon F Woods TTEE	UAD Nov 11, 1998				AZ	
Active	Individual	686483	Richard Filosi Robert Kerrigan	James T Rvaby						AZ	
Active	IRA	422575	Robert Kerrigan-Managed	Kathleen A Ramirez	Southwest Securities Inc	As IRA Custodian				AZ	
Active	Joint Tenant WROS	422454	Robert Kerrigan	Gerald Arnold Hundt	& Susan Hundt JTWROS					AZ	
Active	Transfer on Death	422454	Robert Kerrigan	JAMES T RYABY TOD						AZ	
Active	UGMA/UTMA	422454	Robert Kerrigan	PAMELA H STEWART CUST	ASHLEY C COX	UNIF TRANS MIN ACT - AZ				AZ	
Closed	IRA	422454	Robert Kerrigan	STATE STREET BANK CUST	DCD IRA A/C DONNA J PERRY	FBO MARK F MORALES				AZ	
Closed	IRA - Bene	422454	Robert Kerrigan	Raymond P Perry FBO Nicole Rae Perry						AZ	
Closed	IRA - Bene	422454	Robert Kerrigan	Raymond P Perry FBO Jeff Perry						AZ	
Active	IRA	422454	Robert Kerrigan	ROBERTA L BURLESON						AZ	
Active	UGMA/UTMA	422454	Robert Kerrigan	PAMELA H STEWART CUST	ASHLEY C COX	UNIF TRANS MIN ACT - AZ				AZ	
Active	IRA	422454	Robert Kerrigan	STATE STREET BANK CUST	IRA A/C DONNA J PERRY					AZ	
Active	IRA	422454	Robert Kerrigan	STATE STREET BANK CUST	IRA A/C RAYMOND P PERRY					AZ	
Active	IRA	422454	Robert Kerrigan	RODNEY L EAVES						AZ	
Active	Individual	422454	Robert Kerrigan	Donald A Swanson						AZ	
Active	Individual	422454	Robert Kerrigan	Richard Woods						AZ	
Active	Individual	422454	Robert Kerrigan	Mary Dice						AZ	
Active	Individual	422454	Robert Kerrigan	Richard W LeGrand						AZ	
Active	IRA	422454	Robert Kerrigan	Kathleen A Ramirez	Southwest Securities Inc	As IRA Custodian				AZ	
Active	IRA	422454	Robert Kerrigan	Kathleen A Ramirez	Southwest Securities Inc	As IRA Custodian				AZ	
Active	IRA	422454	Robert Kerrigan	RIDICK RAMIREZ						AZ	
Active	IRA	422454	Robert Kerrigan	RIDICK RAMIREZ						AZ	
Active	IRA	422454	Robert Kerrigan	Joseph Thrasher						AZ	